

## 1. Company details

Name of entity:	Nanollose Limited
ABN:	13 601 676 377
Reporting period:	For the year ended 30 June 2023
Previous period:	For the year ended 30 June 2022

## 2. Results for announcement to the market

			<b>\$000</b>
Revenues from ordinary activities	up	100%	0.038
Loss from ordinary activities after tax attributable to the owners of Nanollose Limited	down	14.1% to	1,346
Loss for the year attributable to the owners of Nanollose Limited	down	14.1% to	1,346

### *Dividends*

There were no dividends paid, recommended or declared during the current financial period.

### *Comments*

The loss for the Company after providing for income tax amounted to \$1,345,656 (30 June 2022: loss of \$1,566,504).

## 3. Net tangible assets

	<b>Reporting period Cents</b>	<b>Previous period Cents</b>
Net Tangible Assets	451,632	1,568,120
Shares on issue	148,886,368	148,886,368
Net tangible assets per ordinary security (cents)	<u>0.30</u>	<u>1.05</u>

## 4. Details of associates

	<b>Reporting period</b>	<b>Previous period</b>
Name of associate		
CelluAir Pty Ltd		
Ownership interest	N/A	20%
Share of associate's profit/(loss) for the period	<u>N/A</u>	<u>(16,356)</u>

During the year, the Company's interest in CelluAir Pty Ltd fell below 20% and the investment is no longer accounted for using the equity method of accounting.

## 5. Control gained over entities

Name of entities (or group of entities)	N/A
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## 6. Loss of control over entities

Not applicable.

## **7. Status of Audit**

This report is based on the financial statements which have been audited by RSM Australia Partners

### **Attachments**

Additional Appendix 4E disclosure requirements can be found in the directors' report and the 30 June 2023 financial statements and accompanying notes.

This report is based on the financial statements which have been audited by RSM Australia Partners.



**Winton Willesee**  
**Director**  
**28 August 2023**

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**NANOLLOSE LIMITED**

**ABN 13 601 676 377**

**ANNUAL REPORT - 30 JUNE 2023**

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## CORPORATE DIRECTORY

### DIRECTORS

Wayne Best  
Winton Willesee  
Terence Walsh  
Heidi Beatty

### JOINT COMPANY SECRETARIES

Erlyn Dawson  
Emily Spano

### REGISTERED AND PRINCIPAL OFFICE

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NEDLANDS WA 6009

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### AUDITORS

RSM Australia Partners  
Level 32 Exchange Tower, 2 The Esplanade  
Perth WA 6000

### SHARE REGISTRY

Automic Registry Services  
Level 5, 191 St Georges Terrace  
PERTH WA 6000

Telephone: (08) 9324 2099

### HOME EXCHANGE

Australian Securities Exchange  
Level 40, Central Park  
152-158 St George's Terrace  
PERTH WA 6000  
ASX Code: NC6, Options NC6OA

### SOLICITORS

Fairweather Corporate Lawyers  
Suite 2, 589 Stirling Highway  
Cottesloe WA 6011

## CHAIRMAN'S LETTER TO SHAREHOLDERS



Dear fellow shareholders,

It is my pleasure to present to you the 2023 Annual Report for Nanollose Limited (ASX:NC6) ('Nanollose' or 'the Company'), with accompanying financial statements for the year ended June 30, 2023.

The Company's achievements over the past 12 months reflect the strong execution in pursuit of its stated business strategy – to commercialise proprietary technology at the forefront of important changes taking place in the global fashion and textiles industry.

Operations were highlighted by the ongoing advancement of our flagship Nullarbor™ fibre technology where Nanollose extended its R&D partnership with one of the world's largest rayon producers and added new collaborations with several leading textile manufacturers. That work was accompanied by key breakthroughs across the group's product development suite, including its Jelli Grow™ technology and 'vegan leather' products.

For Nanollose, these developments give our shareholders plenty to look forward to over the next financial year and beyond. The Board and management team remain fully committed to the strategy of converting our unique R&D pipeline into commercialisation opportunities, in line with the structural reallocation of capital towards green manufacturing solutions for the garment industry globally.

Near-term, Nanollose is on track to present results for the third pilot production spin of our Nullarbor fibres with Birla Cellulose, a division of multinational Indian conglomerate Aditya Birla Group. The first two pilot runs have already demonstrated the ability of our technology to produce Nullarbor-20 and Nullarbor-30 Forest-Friendly fibres at scale and we envisage the percentage of microbial cellulose will increase further in subsequent pilot spins.

These breakthroughs leave the Company well-positioned to demonstrate the application of the technology at commercial scale, and we are continuing to build momentum with Birla and our network of global manufacturing partners to finalise product-market-fit.

Furthermore, the commercial opportunity for our Nullarbor fibre is complemented by equally exciting developments across our product pipeline. Of note during the period, Nanollose achieved a major R&D breakthrough for its Jelli Grow technology by creating a novel methodology for drying microbial cellulose.

The ability to dry microbial cellulose, without destroying its water holding capacity, was a key R&D objective of the Company required for the commercialisation of Jelli Grow and similar materials. In that context we are particularly pleased by the results and have filed a new patent application with IP Australia to maximise the potential market opportunity realised through our ongoing R&D efforts.

Those breakthroughs for the Company's Nullarbor fibres and its Jelli Grow formulation are just two of several initiatives during the 2023 financial year that position Nanollose as one of the most unique technology companies on the ASX.

As momentum continues to build, our strategy remains focused on converting our technology into a viable source of scalable, sustainable fabric supply for the global fashion and textiles industry, at a time when demand for such solutions is expected to increase in the years ahead.

We're excited to partner with our global development team in pursuit of that goal. In presenting our 2023 Annual Report, I'd sincerely like to thank our shareholders for their ongoing support of the work we are doing in this field. On behalf of the Board and management team, the Company looks forward to commercialising our technology and unlocking value for our investors in the months and years ahead.

A handwritten signature in black ink that reads "Wayne Best".

**Dr Wayne Best**  
**Executive Chairman**

## DIRECTORS' REPORT

The directors present their report, together with the financial statements of Nanollose Limited (referred to hereafter as the 'Company') for the year ended 30 June 2023.

### BOARD OF DIRECTORS

The names and details of the Directors in office during the financial period and until the date of this report are set out below. Each Director was in office for the whole of the financial period, unless otherwise stated.

- Wayne Best Executive Chairman
- Winton Willesee Non-Executive Director
- Terence Walsh Non-Executive Director
- Heidi Beatty Non-Executive Director

### PRINCIPAL ACTIVITIES

Nanollose Limited is a leading biomaterials company, commercialising scalable technology to create fibres, fabrics, and other materials with minimal environmental impact. During the financial year, the principal continuing activities of the Company consisted of research and development, and promotion of the Company's microbial cellulose technologies. The primary focus has been directed towards the development, scale up and ultimate commercialisation of the Company's Tree-Free rayon fibre for use in textiles (Nullarbor™) and non-woven applications (Nufolium™).

### DIVIDENDS PAID OR RECOMMENDED

There were no dividends declared or paid during the financial year (2022: Nil).

### OPERATING RESULTS

During the year, the principal continuing activities of the Company consisted of research and development, and promotion of the Company's microbial cellulose technologies. The loss for the Company after providing for income tax amounted to \$1,345,656 (30 June 2022: \$1,566,504).

### REVIEW OF OPERATIONS

Nanollose Limited (ASX:NC6) is a leading biomaterials company commercialising scalable technology to create forest friendly fibres, fabrics and other materials with minimal environmental impact.

Nanollose uses a natural fermentation process to grow microbial cellulose from which it produces Tree-Free and Forest-Friendly rayon fibres, which are primed to become an alternative to conventional tree-based rayon fibres. The Company holds a number of proprietary technologies to convert waste and by-products from the agricultural and food industries into unique eco-friendly tree-free rayon fibres for textiles, non-woven fabrics and other industrial applications.

During the 2023 financial year, the Company made another round of important R&D breakthroughs as it advances its technologies through its product pipeline from development to commercialisation. Details of the group's operational highlights in FY23, including its Nullarbor™ fibres, Jelli Grow™ formulation, and new 'vegan leather' materials, are set out below:

#### Second pilot production run of Nullarbor™ fibres

In April 2023, Nanollose successfully 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 another 90kg of Nullarbor-20™.

## DIRECTORS' REPORT

As with its first pilot spin, the Company has now commenced the conversion of fibre from the second spin into fabrics with its partner Paradise Textiles for distribution to selected partners for sampling and incorporation into garments.

### **Nullarbor™ product development with global production partners**

Earlier in the 2023 financial year, Nanollose delivered Nullarbor-20 fibre from the first pilot spin to its global manufacturing partners including Orta and Paradise Textiles.

The Nullarbor-20 was spun into yarns and then converted into a variety of different fabrics. The fibre and yarns received universally positive feedback from the partners for their behaviour and processability in the industrial spinning, weaving and knitting machines.

Paradise Textiles converted 135kg of Nullarbor-20 fibre into several types of yarn and subsequently knitted those yarns into a variety of fabrics – highlighting the versatility of Nanollose's solution. Paradise also undertook extensive industrial testing of the fabrics which confirmed their high quality.

Paradise is the material science and innovation hub of the Alpine Group, a global end to end textile and apparel manufacturing leader.

Leading denim producer Orta also manufactured sample denim fabrics containing the Company's Nullarbor-20 fibre and demonstrated the ability to convert some of the fabric into pairs of jeans. Orta is a leader in the development, manufacture and supply of sustainable denim and supplies to major fashion brands, with a total annual production capacity of 40 million metres of denim.

In March 2023, Nanollose extended its collaboration agreement with multinational rayon fibre manufacturing conglomerate Grasim Industries Limited for a further two years. The extension served to validate the commercial potential from work carried out to date with Grasim business unit, Birla Cellulose.

The fibre from the second pilot production spin has since been shipped to Nanollose's textile manufacturing partner, Paradise Textiles, for conversion into yarns and fabrics. Samples of the fabrics made from the first pilot spin have also been sent to several fashion brands for appraisal, with unanimously positive feedback.

### **Vegan leather prototype**

During the June 2023 quarter, Nanollose continued its progress towards developing a collection of commercially viable plastic-free 'vegan leather' materials, based on the Company's microbial cellulose technology.

Recent developments were highlighted by a successful bespoke project with Prague Design Agency IMMINEENT and 181-year-old Czech Republic brewery Pilsner Urquell, which involved Nanollose producing vegan leather material by fermenting Pilsner Urquell beer. The material was then used to make an haute couture dress, designed by leading Czech fashion designer Jakub Polanka.

The dress was the centrepiece of a Pilsner Urquell promotional campaign at the 57th Karlovy Vary International Film Festival (30th June – 8th July 2023). New and improved vegan leather prototypes have already been produced and the Company looks forward to providing more updates as new collaboration opportunities progress.

### **Intellectual Property Update:**

#### *Method for Dewatering Microbial Cellulose*

In May 2023, Nanollose filed a new provisional patent application with IP Australia entitled 'Method for Dewatering Microbial Cellulose'. The application covers a novel methodology for drying microbial cellulose while retaining the material's ability to reabsorb over 100 times its weight in water when rehydrated. This technology dramatically reduces shipping, handling, and storage costs, a key breakthrough for the commercial development of the Company's Jelli Grow product.

Jelli Grow technology is additional to and separate from the Company's core Nullarbor fibre technology, which continues



## DIRECTORS' REPORT

to progress well in development with major commercial partners. Prior to the end of the financial year, Nanollose commenced a technology transfer programme with its microbial cellulose supply partner, Hainan Guangyu Biotechnology, to produce a pilot batch of the new dry powder formulation of Jelli Grow to optimise the process for commercial-scale manufacture.

### *US patent secured for sustainable fibre technology*

During the March quarter, Nanollose secured its first US granted patent, with confirmation of approval by the United States Patent and Trademark Office (USPTO) for the patent titled 'Methods For Producing a Viscose Dope from Microbial Cellulose' (US Patent Number 11,597,779) (the 'Patent'). This was also the Company's first granted patent relating to its fibre technology.

The Patent covers the pulping of microbial cellulose for use in the production of viscose fibres. While the Company's primary focus is currently on the development of its Tree-Free Nullarbor lyocell process, the US patent is validation of Nanollose's strategy to establish a broader leadership position in sustainable fibre technologies. It also expands the Company's IP footprint across its product suite and provides protection from potential competitors in the world's largest consumer market.

### **Nova Institute's Cellulose Fibre Innovation of the Year Award**

During the March quarter, Nanollose and Birla Cellulose's Nullarbor fibre was recognised by the receipt of the prestigious Cellulose Fibre Innovation of the Year Award 2023, which was awarded by leading private and independent research group, nova-institut GmbH. The Company was awarded the prestigious honour at the 2023 Cellulose Fibre Conference in Cologne, Germany following a poll of conference delegates.

### **Extended cooperation agreement with Codi International BV**

Earlier in the year during the September quarter, Nanollose extended its partnership with Codi International BV, a division of the European multinational Codi Group, for an additional three years. The agreement was set out to provide additional time to progress the development of wet wipes incorporating the Company's Tree-Free rayon fibres. Codi is a leader in European market for high quality, sustainable wet wipes. Its clients include global brands, European retailers, distributors and institutional parties.

The group distributes products to over 40 countries and owns high value proprietary technical information focused on the production, marketing and distribution of consumer wipes. Nanollose initially provided Codi with a sample of its Tree-Free Nufolium™ viscose fibre, which was then converted into a nonwoven fabric, a precursor to wet wipes. While the outcome of this trial was very positive, Nanollose has since transitioned from viscose to the more environmentally friendly lyocell version of its Nufolium fibre.

### **CelluAir**

The Company was advised during the year that advanced filtration technology company, CelluAir Pty Ltd ("CelluAir"), in whom the Company has an ~19% interest, has elected not to proceed with its nanocellulose filtration material project, and to wind up the operations of the company. Nanollose assessed the carrying value of its investment in CelluAir as at 31 December 2022, at which time it determined that the book value be written down to zero. As such, this write off was already reflected in the Company's half year accounts to 31 December 2022. As part of the wind-up process, Nanollose expects to receive a cash payment, and has taken receipt of certain equipment owned by CelluAir which will be of use to Nanollose going forward.

## IMPACT OF COVID-19 GLOBAL PANDEMIC

There were no significant impacts on Nanollose's business operations resulting from the Coronavirus (COVID-19) pandemic in FY2023.

## SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than as detailed in the review of operations, there were no other significant changes in the state of affairs of the

## DIRECTORS' REPORT

Company during the financial year.

### MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

### OUTLOOK

The Company has made significant progress over the past year, developing a pipeline of sustainable fibres, fabrics and other materials based on its microbial cellulose technologies.

The Company continues to actively work with collaboration partners towards development of denim and other textiles using the Company's Nullarbor fibres, and further refinement of the Company's fibre products to facilitate potential commercial supply. These collaboration agreements provide multiple reference points and catalysts for further uptake from global fashion brands. Ongoing discussions are being held with additional potential partners.

Fibre from the Company's recent second pilot spin is currently being made into yarns and textiles. Nanollose expects to use some of this material for development projects with new and existing partners, but also expects that some will be used to make a small number of commercial garments.

Work is ongoing towards completion of the third pilot spin with Birla Cellulose at increased scale, which will provide further valuable technical information and additional material for projects with existing collaborators and new partners.

During the year, Nanollose added two exciting projects to its development pipeline and these are both expected to provide significant and diversified opportunities for the Company in the coming year. Nanollose's 'vegan leather' material, while still requiring further research, is progressing well. The Company envisages some prototypes to be released to potential partners this year. In May 2023, Nanollose filed a patent application for a new dry powder formulation of its Jelli Grow seed raising medium. This new formulation overcomes the previous challenges of shipping and handling, which beset the previous wet formulation. The Company is now working towards commercialising Jelli Grow and expects to launch it on the horticultural market later this year.

While the diversification of the Company's product pipeline reduces some market risks, all products rely on the large-scale production of microbial cellulose at competitive prices. This is particularly true for the fibre market and so there remains the risk that the Company cannot achieve the required volume and price required to attract significant sales in that market.

Other risks the Company and companies of this nature manage include, maintaining its good relationships with its key partners in India and China, managing supply chain issues and potential delays associated with the supply chain, risks associated with commercialising disruptive technology and key person risks managing its continued access to highly skilled research and development staff.

In relation to the Company's ESG positioning, the Company has identified that it is exposed to certain environmental and social sustainability risks in respect of its supply chains and partner manufacturing processes, parts of which originate from or are conducted overseas. The Company is committed to sustainability and ethical practices, and is looking to play a leadership role in using industrial organic and agricultural waste products, and supporting supply chain solutions and manufacturing partners that promote responsible environmental and ethical practices, and the protection of global ecosystems. The Company has adopted an Ancient Forest Friendly Sourcing Policy which sets out the Company's policy and processes employed to mitigate the major environmental risks associated with its business. The Company is cognisant of the need to ensure that its overseas suppliers and partners are committed to ethical employment practices.

### AGM

The Company anticipates that it will hold its next Annual General Meeting ('AGM') on or before 24 November 2023. In accordance with ASX Listing Rule 3.13.1, the closing date for the receipt of nominations from persons wishing to be considered for election as a director of the Company is 6 October 2023 (35 business days prior to the date of the AGM).

## DIRECTORS' REPORT

Any nominations must be received in writing no later than 5.00pm (WST) on 6 October 2023, at the Company's registered office.

### ENVIRONMENTAL REGULATION

The Company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

### BOARD OF DIRECTORS

#### Wayne Best – Executive Chairman

##### Experience and Expertise

Dr Best has 40 years' experience in organic chemistry both in academia, government and industry. Wayne obtained his BSc (Hons) and PhD in Organic Chemistry from The University of Western Australia. He then spent two years at Imperial College in the UK where he obtained a DIC, followed by a year at the Australian National University in Canberra. He then took up a position with ICI Australia's Research Group in Melbourne for four and a half years which included a secondment to ICI Agrochemicals in the UK. Following ICI, Wayne returned to Western Australia and spent ten years at the Chemistry Centre (WA) where he was responsible for the formation and running of the Medicinal & Biological Chemistry Section which undertook collaborative R&D into drug discovery and contract synthesis for the drug discovery and pharmaceutical industries. He then founded Epichem Pty Ltd, a contract research and drug discovery Company, which he managed for 14 years before moving full-time to Nanollose in 2018. Wayne is a Fellow of the Royal Australian Chemical Institute and has held appointments as an Adjunct Associate Professor at both Murdoch University and The University of Western Australia. He is also a Graduate Member of the Australian Institute of Company Directors and has served as a Director for several listed and unlisted biotechnology companies.

BSc (Honours), PhD, DIC, FRACI, GAICD

##### Other Current Directorships

None

##### Former Directorships in last 3 years

None

##### Special Responsibilities

Executive Chairman of the Board

##### Interests in Shares and Options

8,700,000 ordinary shares  
1,000,000 unlisted \$0.10 options expiring 13 December 2024  
1,000,000 Class E performance rights

#### Winton Willesee – Non-Executive Director

##### Experience and Expertise

Mr Willesee is an experienced company director with over 20 years' experience in various roles within the Australian capital markets.

Mr Willesee has considerable experience with ASX listed and other companies over a broad range of industries having been involved with many successful ventures from early stage through to large capital development projects.

He has a core expertise in strategy, company development, corporate governance, company public listings, merger and acquisition transactions and corporate finance.

Mr Willesee holds a Master of Commerce, a Post-Graduate Diploma in Business (Economics and Finance), a Graduate Diploma in Applied Finance and Investment, a Graduate Diploma in

## DIRECTORS' REPORT

Applied Corporate Governance, a Graduate Diploma in Education and a Bachelor of Business. He is a Fellow of the Financial Services Institute of Australasia, a Graduate of the Australian Institute of Company Directors, a Member of CPA Australia and a Fellow of the Governance Institute of Australia and the Institute of Chartered Secretaries and Administrators/Chartered Secretary.

BBus, DipEd, PGDipBus, MCom, FFin, CPA, GAICD, FGIS/FCIS

<b>Other Current Directorships</b>	<p>Non-Executive Director of One Click Group Limited (ASX:1CG) (formerly UUV Aquabotix Ltd (ASX:UUV)) (appointed 3 October 2020)</p> <p>Non-Executive Director of Neurotech International Limited (ASX: NTI) (appointed 15 April 2019)</p> <p>Non-Executive Director of Bridge SaaS Limited (ASX:BGE) (appointed 5 May 2023)</p> <p>Non-Executive Director of Metals One Plc (AIM:MET1) (appointed 25 July 2023)</p> <p>Non-Executive Chairman of Citius Resources PLC (LSE:CRES) (appointed November 2020)</p>
<b>Former Directorships in last 3 years</b>	<p>Non-Executive Director of eSense Lab Ltd (from 31 July 2020 to 21 September 2021) (delisted from ASX on 10 August 2021)</p> <p>Non-Executive Director of Hygrovest Ltd (ASX: HGV) (from 21 October 2014 to 20 March 2023)</p> <p>Non-Executive Chairman of New Zealand Coastal Seafoods Limited (ASX:NZS) (from 7 July 2016 to 10 March 2023)</p>
<b>Interests in Shares and Options</b>	<p>8,068,504 ordinary shares</p> <p>500,000 unlisted \$0.147 options expiring 7 December 2024</p>

### Terence Walsh – Non-Executive Director

<b>Experience and Expertise</b>	<p>Mr Walsh is a senior commercial lawyer and manager with more than 20 years of experience in project development, mining and general commercial law. He initially worked with leading law firms in Perth and Sydney before moving in house, where he has worked as the General Counsel of Hancock Prospecting Pty Ltd and prior to that as a Corporate Counsel with Rio Tinto Ltd. In these roles he has been involved with the legal and commercial aspects associated with the development and operation of technology and mining projects.</p>
<b>Other Current Directorships</b>	None
<b>Former Directorships in last 3 years</b>	Non-Executive Director of Structural Monitoring Systems PLC (ASX:SMN) (from 11 April 2018 to 14 October 2020)
<b>Interests in Shares and Options</b>	<p>965,672 ordinary shares</p> <p>500,000 unlisted \$0.147 options expiring 7 December 2024</p>

### Heidi Beatty – Non-Executive Director

<b>Experience and Expertise</b>	<p>Heidi Beatty, founder of Crown Abbey Ltd is a scientist and innovator who has 20 years' experience developing consumer and health care products. After gaining a BSc in Chemistry from the University of York UK, Heidi worked with Johnson &amp; Johnson for 10 years in Europe and the US. In 2015 Heidi founded Crown Abbey Ltd, a consultancy company that supports clients in their project launches, combining Project Management and Product Development across Consumer and Healthcare categories</p>
<b>Other Current</b>	None

## DIRECTORS' REPORT

### Directorships

**Former Directorships in last 3 years** None

**Interests in Shares and Options** 68,504 ordinary shares  
500,000 unlisted \$0.08 options expiring 31 October 2023

## JOINT COMPANY SECRETARIES

### Erlyn Dawson – Joint Company Secretary

#### Experience and Expertise

Mrs Dawson is an experienced corporate professional with a broad range of corporate governance and capital markets experience, having been involved with several public company listings, merger and acquisition transactions and capital raisings for ASX-listed companies across a diverse range of industries.

Mrs Dawson began her career in corporate recovery and restructuring at Ferrier Hodgson and is now the Managing Director of corporate services firm, Azalea Consulting, which provides outsourced company secretarial, accounting and administration services to a portfolio of ASX-listed companies.

Mrs Dawson holds a Bachelor of Commerce (Accounting and Finance) and a Graduate Diploma in Applied Corporate Governance. She is a member of the Governance Institute of Australia/Chartered Secretary.

### Emily Spano – Joint Company Secretary

#### Experience and Expertise

Ms Spano is an experienced corporate professional, with significant knowledge of corporate law, capital markets and corporate governance.

She has extensive experience as a corporate lawyer and a consultant advising ASX listed companies on a variety of transactions including capital raisings, mergers and acquisitions, ASX listings and ASX compliance.

Ms Spano holds a Bachelor of Law and a Bachelor of Commerce (Finance) and is a graduate of the Australian Institute of Company Directors.

## DIRECTORS' MEETINGS

Attendances by each Director during the year were as follows:

Director	Number Eligible to Attend	Number Attended
Wayne Best	6	6
Winton Willesee	6	6
Terence Walsh	6	6
Heidi Beatty	6	6

Eligible: represents the number of meetings held during the time the director held office.

## DIRECTORS' REPORT

### REMUNERATION REPORT (AUDITED)

The remuneration report details the key management personnel remuneration arrangements for the Company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

#### Principles used to determine the nature and amount of remuneration

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board, fulfilling the role of the Nomination and Remuneration Committee, is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Company.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having value creation and capital growth in advance of economic profit as a core component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of growth in share price and eventually dividends, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director

## DIRECTORS' REPORT

remuneration is separate.

### Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed from time to time by the Board fulfilling its role as the Nomination and Remuneration Committee. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not entitled to vote on the determination of his own remuneration. Given the nature of the Company and the more hands-on role the non-executive directors' play in the operations of the Company non-executive directors may receive share options or other incentives.

The ASX Listing Rules and the Company's Constitution provide that the aggregate annual non-executive directors' fees paid shall not exceed that determined by shareholders in a general meeting. The most recent determination was via a resolution of all shareholders on 5 June 2016, where the shareholders approved a maximum annual aggregate remuneration of \$500,000.

### Executive directors' remuneration

The Company aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed regularly by the Board fulfilling the role of Nomination and Remuneration Committee based on the overall performance of the Company and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other benefits where it does not create any additional costs to the Company and provides additional value to the executive.

The short-term incentives ('STI') program has yet to be finalised. Once adopted it will be designed to align the targets of the Company with the performance hurdles of executives. STI payments will be granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved.

The long-term incentives ('LTI') include equity-based payments. Equity securities are awarded to executives with vesting conditions and expiry dates aligned to the Company's business plans and targets. The details of the current vesting conditions and targets are as follows and further detailed in the section on service agreements found below.

### Options

There are no unvested options currently on issue as at the date of this report.

### Performance Rights

On 13 December 2022 following shareholder approval on 25 November 2022, the Company issued 1,000,000 Class E



## DIRECTORS' REPORT

Performance Rights to Dr Wayne Best. The Class E Performance Rights are to vest on the achievement of either of the following milestones on or before 13 December 2024:

- A. The Company commissions and completes the construction of a plant with capacity to produce more than 10 tonnes per month of microbial cellulose.
- B. Takeover: A Take Over Event occurs. A "Takeover Event" means a takeover bid for the Company pursuant to Chapter 6 of the Corporations Act where the bidder achieves control of more than 50% of the ordinary shares by shareholders accepting the bid or a court grants an order approving a compromise or scheme where the ordinary shares are either cancelled or transferred to third party (not being a scheme of arrangement simply for the purpose of corporate restructure).

### Company performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the Company. Each key management personnel held equity securities designed to incentivise them to drive the Company's performance in line with its business plans.

A portion of any cash bonus that may be paid to executives will be directly linked to the achievement of goals designed to align with the Company's performance.

### Details of remuneration

Details of the remuneration of key management personnel of the Company during the year ended 30 June 2023 are set out in the following tables.

The key management personnel of the Company consisted of the following directors of Nanollose Limited:

#### *Directors*

Wayne Best	Executive Chairman
Winton Willesee	Non-Executive Director
Terence Walsh	Non-Executive Director
Heidi Beatty	Non-Executive Director



## DIRECTORS' REPORT

### Key Management Personnel Compensation

The compensation of the Company's Key Management Personnel is disclosed below:

2023 Key Management Personnel									
	Cash Salary and fees	Super-annuation	Annual Leave	Options issued	Equity-settled Shares	Equity-settled Performance rights	Total	Fixed	Incentive
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(%)	(%)
<b>DIRECTORS</b>									
<b>Executives:</b>									
Wayne Best	225,000	23,625	15,970	34,640	-	21,729	320,964	82%	18%
<b>Non-executives:</b>									
Winton Willesee	35,000	-	-	-	-	-	35,000	100%	-
Terence Walsh	35,000	-	-	-	-	-	35,000	100%	-
Heidi Beatty	35,000	-	-	-	-	-	35,000	100%	-
<b>TOTAL</b>	<b>330,000</b>	<b>23,625</b>	<b>15,970</b>	<b>34,640</b>	<b>-</b>	<b>21,729</b>	<b>425,964</b>		

## DIRECTORS' REPORT

2022 Key Management Personnel									
	Cash Salary and fees	Super-annuation	Annual Leave	Options issued	Equity-settled Shares	Equity-settled Performance rights	Total	Fixed	Incentive
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(%)	(%)

### DIRECTORS

<b>Executives:</b>									
Wayne Best	225,000	22,669	18,213	-	-	(65,835)	200,047	100%	-
<b>Non-executives:</b>									-
Winton Willesee	35,000	-	-	42,600	-	-	77,600	45%	55%
Terence Walsh	35,000	-	-	42,600	-	-	77,600	45%	55%
Heidi Beatty	35,000	-	-	-	-	-	35,000	100%	-
<b>TOTAL</b>	<b>330,000</b>	<b>22,669</b>	<b>18,213</b>	<b>85,200</b>	<b>-</b>	<b>(65,835)</b>	<b>390,247</b>		

## DIRECTORS' REPORT

### Service Agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Wayne Best
Title:	Executive Chairman
Agreement commenced:	10 April 2018
Term of agreement:	No fixed term
Details:	The remuneration of Dr Wayne Best is \$225,000 per year plus statutory superannuation.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

### Share-based compensation

On 25 November 2022, Shareholders agreed to issue the following performance rights and options to Directors:

On 13 December 2022, Dr Wayne Best was issued 1,000,000 Class E Performance Rights. The Performance Rights vest on the achievement of certain milestones by 13 December 2024 and upon vesting, each Class E Performance Right will be convertible into one ordinary share at the election of the holder. An expense of \$21,729 was recognised in the financial year ended 30 June 2023.

Number of performance rights	1,000,000
Grant date	25 Nov 2022
Vesting date	13 Dec 2024
Share price at grant date	\$0.075
Probability of vesting	100%

Issue of 1,000,000 Class K options (NC6OPT7 \$0.10 expiry 13 December 2024) to Wayne Best valued at \$34,640.

The options were valued using the Hoadley ESO2 Valuation model using the following assumptions:

Strike price:	\$0.10
Stock price:	\$0.075
Expiry date:	13 December 2024
Risk free rate:	3.19%
Volatility:	100%
Dividend yield:	nil

### Additional information

The loss of the Company for the five years to 30 June 2023 are summarised below:

	2023 (\$)	2022 (\$)	2021 (\$)	2020 (\$)	2019 (\$)
Sales revenue	38,101	-	-	-	-
EBITDA	(1,324,799)	(1,505,105)	(875,938)	(1,187,793)	(2,022,299)
EBIT	(1,361,568)	(1,570,109)	(932,885)	(1,241,318)	(2,054,457)
Loss after income tax	(1,345,656)	(1,566,504)	(931,045)	(1,235,489)	(2,003,995)

The factors that are considered to affect total shareholders return ('TSR') are summarised below.

	2023	2022	2021	2020	2019
Share price at financial year end (\$)	0.055	0.071	0.09	0.04	0.05
Total dividends declared (cents per share)	-	-	-	-	-

## DIRECTORS' REPORT

Basic loss per share (cents per share)	0.90	1.05	0.77	1.57	2.67
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### Additional disclosures relating to key management personnel

#### Shareholdings

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Company, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposal on resignation	Balance at the end of the year
<b>Ordinary shares</b>					
Wayne Best	8,431,798	-	268,202	-	8,700,000
Winton Willesee	8,068,504	-	-	-	8,068,504
Terence Walsh	965,672	-	-	-	965,672
Heidi Beatty	68,504	-	-	-	68,504
<b>Total</b>	<b>17,534,478</b>	<b>-</b>	<b>268,202</b>	<b>-</b>	<b>17,802,680</b>

#### Option holdings

The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Company, including their personally related parties, is set out below:

	Balance at the start of the year	Issued	Exercised	Expired/ disposal on resignation	Balance at the end of the year
<b>Options over ordinary shares</b>					
Wayne Best	-	1,000,000	-	-	1,000,000
Winton Willesee	500,000	-	-	-	500,000
Terence Walsh	500,000	-	-	-	500,000
Heidi Beatty	500,000	-	-	-	500,000
<b>Total</b>	<b>1,500,000</b>	<b>1,000,000</b>	<b>-</b>	<b>-</b>	<b>2,500,000</b>

#### Performance Rights holdings

The number of performance rights in the Company held during the financial year by each director and other members of key management personnel of the Company, including their personally related parties, is set out below:

	Balance at the start of the year	Issued	Converted	Expired/ forfeited/ other	Balance at the end of the year
<b>Rights to Ordinary shares</b>					
Wayne Best	-	1,000,000	-	-	1,000,000
<b>Total</b>	<b>-</b>	<b>1,000,000</b>	<b>-</b>	<b>-</b>	<b>1,000,000</b>

## DIRECTORS' REPORT

### Other transactions with key management personnel and their related parties during the financial year

(i) Receivable from and payable to key management personnel and their related parties are as follows:

The following balances are outstanding at the reporting date in relation to transactions with key management personnel and their related parties:

	2023	2022
Payable to Azalea Accounting Services Pty Ltd (director related entity of Winton Willesee)	-	2,000
Payable to Azalea Corporate Services Pty Ltd (director related entity of Winton Willesee)	10,412	5,496

(ii) Transactions with key management personnel and their related parties

Payments to Azalea Accounting Services Pty Ltd (director related entity of Winton Willesee) of Nil (2022: \$22,000) for bookkeeping and financial reporting services fees.

Payments to Azalea Corporate Services Pty Ltd (director related entity of Winton Willesee) of \$82,451 (2022: \$60,451) for bookkeeping and financial reporting services fees, corporate services fees including company secretarial services, and front and registered office services.

All transactions were made on normal commercial terms and conditions and at market rates.

### Voting and comments made at the Company's 2022 Annual General Meeting ('AGM')

At the AGM held on 25 November 2022, the Company received votes representing 28,403,303 shares in favour of the adoption of the remuneration report put to shareholders for the financial year ended 30 June 2022. This represented 82.85% of the votes cast on that resolution.

**This is the end of the Audited Remuneration Report.**

## DIRECTORS' REPORT

### SHARES

As at the date of this report, there are 148,886,368 (2022: 148,886,368) fully paid ordinary shares on issue.

### Options on issue

Unissued ordinary shares of Nanollose Limited under option as at the date of this report are as follows:

Date of issue	Class of option	No. of Options	Exercise price	Expiry date
4 December 2020	Class G	500,000	\$0.08	31 October 2023
20 April 2021	Class H	1,000,000	\$0.10	20 April 2024
5 July 2021	NC6OA	22,268,635	\$0.15	5 July 2024
15 September 2021	Class I	1,000,000	\$0.15	15 September 2024
7 December 2021	Class J	1,000,000	\$0.147	7 December 2024
13 December 2022	Class K	1,000,000	\$0.10	13 December 2024
20 January 2023	Class L	500,000	\$0.10	20 January 2026
<b>Total</b>		<b>27,268,635</b>		

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

### Performance Rights on issue

1,000,000 Class E Performance Rights were issued to Dr Wayne Best on 13 December 2022. The Performance Rights vest on the achievement of certain milestones by 13 December 2024.

### Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

### Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

### Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

## DIRECTORS' REPORT

### Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 16 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in Note 16 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

### Officers of the company who are former partners of RSM Australia Partners

There are no officers of the company who are former partners of RSM Australia Partners.

### Corporate Governance

The Company's 2023 Corporate Governance Statement is contained in the 'Corporate Governance' section of the Company's website at <https://nanollose.com/about/corporate-governance/>.

### Auditor

RSM Australia Partners continues in office in accordance with Section 327 of the Corporations Act 2001.

### Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' Report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

Signed on behalf of the Board of Directors.



Winton Willesee

Non-Executive Director

Dated at Perth, Western Australia

28 August 2023

**RSM Australia Partners**

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of Nanollose Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Perth, WA  
Dated: 28 August 2023

RSM  
RSM AUSTRALIA PARTNERS

  
ALASDAIR WHYTE  
Partner

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

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## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	30 June 2023 (\$)	30 June 2022 (\$)
<b>Revenue</b>			
Sales		38,101	-
Interest income		17,100	6,563
R&D incentives		374,063	224,611
		429,264	231,174
<b>Expenses</b>			
Research expenses		(353,875)	(448,164)
Promotion and communication expenses		(185,132)	(253,278)
Consultancy and legal expenses		(74,099)	(67,969)
Employee benefits expense		(648,702)	(646,760)
Depreciation and amortisation		(36,769)	(65,004)
Share-based payments	13	(68,969)	(71,765)
Share of losses of associates using the equity accounting method		-	(16,356)
Other expenses		(214,875)	(224,897)
Interest expense		(1,188)	(2,958)
Impairment of Investment		(160,199)	-
Fixed asset disposal	8	(30,698)	-
Foreign exchange losses		(414)	(527)
<b>(LOSS) BEFORE INCOME TAX</b>		<b>(1,345,656)</b>	<b>(1,566,504)</b>
Income tax benefit	4	-	-
<b>(LOSS) AFTER INCOME TAX</b>		<b>(1,345,656)</b>	<b>(1,566,504)</b>
Other comprehensive income/(loss)		-	-
<b>Total comprehensive (loss) for the year</b>		<b>(1,345,656)</b>	<b>(1,566,504)</b>
<b>Basic loss per share (cents per share)</b>	24	<b>(0.90)</b>	<b>(1.05)</b>
<b>Diluted loss per share</b>	24	<b>(0.90)</b>	<b>(1.05)</b>

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Notes	30 June 2023 (\$)	30 June 2022 (\$)
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	548,248	1,586,252
Trade and other receivables		20,452	20,406
Prepayments		31,045	42,011
<b>TOTAL CURRENT ASSETS</b>		<b>599,745</b>	<b>1,648,669</b>
<b>NON-CURRENT ASSETS</b>			
Right of use asset	6	11,021	37,471
Investments in associate	7	-	160,199
Plant and equipment	8	22,472	63,489
<b>TOTAL NON-CURRENT ASSETS</b>		<b>33,493</b>	<b>261,159</b>
<b>TOTAL ASSETS</b>		<b>633,238</b>	<b>1,909,828</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	92,782	88,177
Provisions	10	77,305	55,239
Lease liability	11	11,519	38,093
<b>TOTAL CURRENT LIABILITIES</b>		<b>181,606</b>	<b>181,509</b>
<b>TOTAL LIABILITIES</b>		<b>181,606</b>	<b>181,509</b>
<b>NET ASSETS</b>		<b>451,632</b>	<b>1,728,319</b>
<b>EQUITY</b>			
Issued capital	12	8,975,496	8,975,496
Reserves	13	1,123,395	1,054,426
Accumulated Losses	14	(9,647,259)	(8,301,603)
<b>TOTAL EQUITY</b>		<b>451,632</b>	<b>1,728,319</b>

The Statement of Financial Position is to be read in conjunction with the accompanying notes.

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Issued Capital (\$)	Reserves (\$)	Accumulated Losses (\$)	Total Equity (\$)
<b>Balance as at 1 July 2022</b>	<b>8,975,496</b>	<b>1,054,426</b>	<b>(8,301,603)</b>	<b>1,728,319</b>
<b>Total comprehensive loss for the year</b>	-	-	(1,345,656)	(1,345,656)
Transactions with owners in their capacity as owners:				
K Class options issued (note 13a)	-	34,640	-	34,640
Issue of class NC6OPT8 options	-	12,600	-	12,600
E Class performance rights not vested (note 13b)	-	21,729	-	21,729
<b>Balance as at 30 June 2023</b>	<b>8,975,496</b>	<b>1,123,395</b>	<b>(9,647,259)</b>	<b>451,632</b>

The Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	Issued Capital (\$)	Reserves (\$)	Accumulated Losses (\$)	Total Equity (\$)
<b>Balance as at 1 July 2021</b>	<b>8,955,496</b>	<b>653,411</b>	<b>(6,735,099)</b>	<b>2,873,808</b>
<b>Total comprehensive loss for the year</b>	-	-	(1,566,504)	(1,566,504)
Transactions with owners in their capacity as owners:				
Issue of class NC6OA options	-	329,250	-	329,250
Shares issued on exercise of F Class options	20,000	-	-	20,000
I Class options issued (note 13a)	-	52,400	-	52,400
J Class options issued (note 13a)	-	85,200	-	85,200
D Class performance rights not vested (note 13b)	-	(65,835)	-	(65,835)
<b>Balance as at 30 June 2022</b>	<b>8,975,496</b>	<b>1,054,426</b>	<b>(8,301,603)</b>	<b>1,728,319</b>

The Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Notes	30 June 2023 (\$)	30 June 2022 (\$)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		37,641	-
R&D incentive received		374,063	224,611
Payments to suppliers and employees		(1,439,046)	(1,610,522)
Interest paid		(1,188)	(2,958)
Interest received		17,100	6,563
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	22	<b>(1,011,430)</b>	<b>(1,382,306)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments For Plant and Equipment		-	(5,352)
Investment in associate		-	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>-</b>	<b>(5,352)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares			20,000
Payment of share issue costs		-	-
Repayment of lease liability		(26,574)	(26,212)
Repayment of borrowings		-	(26,475)
Proceeds from borrowings		-	-
<b>NET CASH (USED IN) / FROM FINANCING ACTIVITIES</b>		<b>(26,574)</b>	<b>(32,687)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(1,038,004)</b>	<b>(1,420,345)</b>
<b>Cash and cash equivalents at beginning of financial year</b>			
		1,586,252	3,006,597
<b>Cash and cash equivalents at end of financial year</b>	5	<b>548,248</b>	<b>1,586,252</b>

The Statement of Cash Flows is to be read in conjunction with the accompanying notes.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The primary accounting policies adopted in the preparation of the Financial Statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

#### New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the Company:

#### a. Basis of Preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

#### b. Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, certain financial assets and liabilities.

#### c. Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

#### Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

The Company incurred a loss of \$1,345,656 and net cash outflows from operating activities of \$1,011,430 for the financial year ended 30 June 2023.

The ability of the Company to continue as a going concern is principally dependent upon the ability of the Company to generate sufficient cash inflows from operations, by raising additional capital from equity markets and managing cash flows in line with available funds.

These factors indicate an uncertainty which may cast doubt as to whether the Company will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Board believes that there are reasonable grounds to believe that the Company will be able to continue as a going concern and that it is appropriate for it to adopt the going concern basis in the preparation of the financial report after consideration of following factors:

- The Company expects to receive a R&D tax incentive related to its R&D activities for the year ended 30 June 2023 upon lodgement of its claim;

## NOTES TO THE FINANCIAL STATEMENTS

- The Company has the ability to issue additional equity securities under the Corporations Act 2001 to raise further working capital; and
- The Company has the ability to curtail administrative, discretionary research expenses and overhead cash outflows as and when required.

Accordingly, the Board believes that the Company will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Company does not continue as a going concern.

### Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

### Foreign currency translation

The financial statements are presented in Australian dollars, which is Nanollose Limited's functional and presentation currency.

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

### Revenue recognition

The Company recognises revenue as follows:

#### *Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

#### *Sale of goods*

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Interest

Interest income is recognised as interest accrues using the effective interest method.

#### Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

#### Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.



## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Earnings per share

##### Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

##### Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

##### Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

##### Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

##### Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach of measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line or diminishing balance basis to write off the net cost of each class of plant and equipment over their expected useful lives as follows:

Plant and equipment	3-5 years	diminishing balance
Leasehold improvements	4 years	straight-line

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

#### Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

#### Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; that the Company is able to use or sell the asset; the Company has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit.

#### Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Employee benefits

##### Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

##### Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

##### Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Company receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Company or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

#### Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

#### Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

#### Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

#### Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets and liabilities measured at fair value are classified into three levels using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

#### Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

#### Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

#### Associates

Associates are entities over which the Company has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post acquisition changes in the Company's share of net assets of the associate. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Company discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2023. The Company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

### NOTE 2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

#### Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Management has applied a probability estimate to the vesting conditions being met, since the Company was unable to reliably measure the fair value of the services received. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

### NOTE 3. OPERATING SEGMENTS

#### Primary Reporting Format – Business Segments

The Company has one geographical location which is Australia. The Company's sole operations are research and development, and promotion of the Company's nanocellulose technology from that location.

#### Identification of reportable operating segments

The operating segment identified is based on the internal reports that are reviewed and used by the Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments. The CODM reviews EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements. The information reported to the CODM is on at least a quarterly basis.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 4. INCOME TAX EXPENSE

	30 June 2023 (\$)	30 June 2022 (\$)
Reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense from continuing operations	(1,345,656)	(1,566,504)
Tax benefit at the statutory tax rate of 30% (2022: 30%)	403,697	469,951
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-assessable income	-	-
Other non-deductible expenses	(21,550)	(22,072)
	382,147	447,879
Future tax benefit not recognised	(382,147)	(447,879)
Income tax expense	-	-

#### Unrecognised deferred tax balances

The Company does not currently recognise any deferred tax asset arising from its tax losses. The Directors estimate that the potential deferred tax assets at 30% not brought to account attributable to tax losses carried forward at reporting date is approximately \$1,842,531 (2022: \$1,622,968).

The losses have not been brought to account because the Directors do not believe it is appropriate to regard realisation of those deferred tax assets as being probable. The benefit of these deferred tax assets will only be obtained if:

- (1) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the temporary differences to be realised;
- (2) the Company continues to comply with the conditions for deductibility imposed by tax legislation; and
- (3) no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the temporary differences.

### NOTE 5. CASH AND CASH EQUIVALENTS

	30 June 2023 (\$)	30 June 2022 (\$)
Cash at bank	528,248	366,252
Term deposit [1]	20,000	1,220,000
[1] Term deposit amount includes \$20,000 used as security for credit cards.	548,248	1,586,252

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 6. RIGHT OF USE ASSET

	30 June 2023 (\$)	30 June 2022 (\$)
Right of use asset	153,190	153,190
Accumulated depreciation	(142,169)	(115,719)
	11,021	37,471
Right of use asset		
Opening balance	153,190	100,289
Additions	-	52,901
Closing balance	153,190	153,190
Accumulated depreciation		
Opening balance	(115,719)	(89,842)
Depreciation expense	(26,450)	(25,877)
	(142,169)	(115,719)
	11,021	37,471

### NOTE 7. INVESTMENT IN ASSOCIATE

Interests in associate are accounted for using the equity method of accounting.

Name	Principal place of business / Country of incorporation	Ownership Interest	
		30 June 2023 (%)	30 June 2022 (%)
CelluAir Pty Ltd	Australia	18.95	20

Interests in associates are accounted for using the equity method of accounting. During the period, the Company's interest in CelluAir Pty Ltd fell below 20% and the investment is no longer accounted for using the equity method of accounting.

The Directors have assessed the carry value of the investment in CelluAir Pty Ltd as at 30 June 2023 and have written down the book value of the investment to zero, and accordingly the amount of \$160,199 has been impaired during the financial year.



## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 8. PLANT AND EQUIPMENT

	30 June 2023 (\$)	30 June 2022 (\$)
Plant and equipment – at cost	86,600	142,632
Accumulated depreciation	(74,380)	(92,800)
	12,220	49,832
Leasehold improvements – at cost	58,251	58,251
Accumulated depreciation	(47,999)	(44,594)
	10,252	13,657
	22,472	63,489

#### Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Plant and equipment (\$)	Leasehold improvements (\$)	Total (\$)
Balance at 30 June 2022	49,832	13,657	63,489
Additions	-	-	-
Disposals	(30,698)		(30,698)
Depreciation expense	(6,914)	(3,405)	(10,319)
Balance at 30 June 2023	12,220	10,252	22,472

### NOTE 9. TRADE AND OTHER PAYABLES

	30 June 2023 (\$)	30 June 2022 (\$)
Trade payables	43,024	37,163
Other payables	49,758	51,014
	<b>92,782</b>	<b>88,177</b>

Refer to Note 23 for further information on financial instruments.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 10. PROVISIONS

	30 June 2023 (\$)	30 June 2022 (\$)
Provision for annual leave	77,305	55,239

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current since the Company does not have an unconditional right to defer settlement.

### NOTE 11. LEASE LIABILITY

	30 June 2023 (\$)	30 June 2022 (\$)
Lease liability - current	11,519	38,093

The lease liability relates to the lease of premises with an annual rental of \$27,600 and an expiry date of 25 November 2023, hence the remaining liability has been classified as current.

### NOTE 12. EQUITY - ISSUED CAPITAL

	2023 (shares)	2022 (shares)	2023(\$)	2022 (\$)
Ordinary shares - fully paid	148,886,368	148,886,368	8,975,496	8,975,496

#### Movements in ordinary share capital

	Date	Shares	Issue price	\$
Balance as at 30 June 2022		148,886,368		8,975,496
		-		-
Balance as at 30 June 2023		148,886,368		8,975,496

	Date	Shares	Issue price	\$
Balance as at 30 June 2021		148,686,368		8,955,496
Conversion of options	16 November 2021	200,000	\$0.100	20,000
Balance as at 30 June 2022		148,886,368		8,975,496

#### Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 13. EQUITY – RESERVES

	30 June 2023 (\$)	30 June 2022 (\$)
Options reserve (a)	1,101,666	1,054,426
Performance rights reserve (b)	21,729	-
	<b>1,123,395</b>	<b>1,054,426</b>

#### (a) Movements in options reserve

	No. of Options	\$
<b>Balance as at 30 June 2021</b>	<b>4,700,000</b>	<b>587,576</b>
5 July 2021 Issue of NC6OA options to placement participants & lead manager	22,268,635	329,250
15 September 2021 Issue of I Class options to employee	1,000,000	52,400
16 November 2021 Exercise of F Class options	(200,000)	-
30 November 2021 Expiry of F Class options	(2,200,000)	-
7 December 2021 Issue of J Class options to Directors	1,000,000	85,200
<b>Balance as at 30 June 2022</b>	<b>26,568,635</b>	<b>1,054,426</b>
13 December 2022 Issue of K Class options to Director	1,000,000	34,640
20 January 2023 Issue of L Class options to consultant	500,000	12,600
31 May 2023 Expiry of NC6OPT1 options	(800,000)	-
<b>Balance as at 30 June 2023</b>	<b>27,268,635</b>	<b>1,101,666</b>

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

The expense of \$34,640 for options issued to Directors was calculated using the Hoadley ESO2 valuation model using the following inputs:

	Unlisted options NC6OPT 7
Number of options in series	1,000,000
Grant date	25 Nov 2022
Expiry date	13 Dec 2024
Share price at grant date	\$0.075
Exercise price	\$0.10
Expected volatility	100%
Dividend yield	nil
Risk-free interest rate	3.19%
Fair value at grant date	\$0.0346

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 13. EQUITY – RESERVES (CONTINUED)

The expense of \$12,600 for options issued to consultant was calculated using the Hoadley ESO2 valuation model using the following inputs:

	Unlisted options NC6OPT 8
Number of options in series	500,000
Grant date	20 Jan 2023
Expiry date	20 Jan 2026
Share price at grant date	\$0.06
Exercise price	\$0.10
Expected volatility	95%
Dividend yield	nil
Risk-free interest rate	2.99%
Fair value at grant date	\$0.0252

The options on issue as at 30 June 2023 are as follows:

Grant date	Class of option	No. of Options	Exercise price	Expiry date
4 December 2020	Class G	500,000	\$0.08	31 October 2023
20 April 2021	Class H	1,000,000	\$0.10	20 April 2024
5 July 2021	NC6OA	22,268,635	\$0.15	5 July 2024
14 September 2021	Class I	1,000,000	\$0.15	15 September 2024
26 November 2021	Class J	1,000,000	\$0.147	7 December 2024
13 December 2022	Class K	1,000,000	\$0.10	13 December 2024
20 January 2023	Class L	500,000	\$0.10	20 January 2026
<b>Total</b>		<b>27,268,635</b>		

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 13. EQUITY – RESERVES (CONTINUED)

#### (b) Movements in performance rights reserve

	No. of Performance Rights	\$
<b>Balance as at 30 June 2021</b>	<b>2,000,000</b>	<b>65,835</b>
D Class Performance rights lapsed	(2,000,000)	(65,835)
<b>Balance as at 30 June 2022</b>	-	-
E Class Performance Rights issued to director - expense recognised for the year end 30 June 2023	1,000,000	21,729
<b>Balance as at 30 June 2023</b>	<b>1,000,000</b>	<b>21,729</b>

1,000,000 performance rights were issued to director, Wayne Best. An expense of \$21,729 was recognised in the financial year ended 30 June 2023.

	E Class Performance Rights
Number of performance rights	1,000,000
Grant date	25 Nov 2022
Vesting date	13 Dec 2024
Share price at grant date	\$0.075
Probability of vesting	100%

A summary of share-based payments recognised as expenses/share issued costs for the year are as follows:

<i>Share-based payment – employees/KMP</i>	30 June 2023 (\$)	30 June 2022 (\$)
Options issued to employee		52,400
Options issued to directors	34,640	85,200
Performance rights issued to directors	21,729	-
Performance rights to director lapsed	-	(65,835)
	<b>56,369</b>	<b>71,765</b>
 <i>Share-based payment – supplier/consultant</i>		
Options issued to lead manager – recognised in equity	-	329,250
Options issued to consultant – recognised in profit or loss	12,600	-
	<b>12,600</b>	<b>329,250</b>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 14. EQUITY – ACCUMULATED LOSSES

	30 June 2023 (\$)	30 June 2022 (\$)
Accumulated losses at the beginning of the financial year	(8,301,603)	(6,735,099)
Loss after income tax expense for the year	(1,345,656)	(1,566,504)
<b>Accumulated losses at the end of the financial year</b>	<b>(9,647,259)</b>	<b>(8,301,603)</b>

### NOTE 15. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report.

	30 June 2023 (\$)	30 June 2022 (\$)
Short-term employee benefits	330,000	330,000
Post-employment benefits	23,625	22,669
Annual leave payments	15,970	18,213
Share-based payments - shares	-	-
Share-based payments - options	34,640	85,200
Share-based payments - performance rights	21,729	(65,835)
	<b>425,964</b>	<b>390,247</b>

### NOTE 16. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Company:

	30 June 2023 (\$)	30 June 2022 (\$)
Audit services – RSM Australia Partners		
Auditor review of the financial statements	36,950	33,500
Other services – RSM Australia Pty Ltd		
Preparation of income tax return	7,000	6,500
	<b>43,950</b>	<b>40,000</b>

### NOTE 17. COMMITMENTS

The Company has no commitments not recognised as liabilities as at 30 June 2023 (2022: \$nil).

### NOTE 18. CONTINGENT ASSETS

The Company has no contingent assets as at 30 June 2023 (2022: \$nil).

### NOTE 19. CONTINGENT LIABILITIES

The Company has no contingent liabilities as at 30 June 2023 (2022: \$nil).

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 20. EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

### NOTE 21. RELATED PARTY TRANSACTIONS

Disclosures relating to key management personnel are set out in Note 15 and the Remuneration Report included in the Directors' Report.

#### *Transactions with key management personnel and their related parties*

Payments to Azalea Accounting Services Pty Ltd (director related entity of Winton Willesee) of Nil (2022: \$22,00) for bookkeeping and financial reporting services fees.

Payments to Azalea Corporate Services Pty Ltd (director related entity of Winton Willesee) of \$82,451 (2022: \$60,451) for bookkeeping and financial reporting services fees, corporate services fees including company secretarial services, and front and registered office services.

#### *Receivable from and payable to key management personnel and their related parties are as follows:*

The following balances are outstanding at the reporting date in relation to transactions with key management personnel and their related parties:

	2023	2022
Payable to Azalea Accounting Services Pty Ltd (director related entity of Winton Willesee)	-	2,000
Payable to Azalea Corporate Services Pty Ltd (director related entity of Winton Willesee)	10,412	5,496

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

There were no further transactions with Directors or other Key Management Personnel, including their personally related parties, not disclosed in Note 15 or the above.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 22. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH USED IN OPERATING ACTIVITIES

	30 June 2023 (\$)	30 June 2022 (\$)
Loss after income tax expense for the year	(1,345,656)	(1,566,504)
Adjustments for:		
Depreciation of plant and equipment	10,319	39,128
Depreciation of right-of-use-asset	26,450	25,876
Net loss on disposal of property, plant and equipment	30,698	-
Impairment on investment	160,199	16,356
Share based payments	68,969	71,765
Change in operating assets and liabilities:		
Trade and other receivables	(46)	12,612
Prepayments	10,966	15,749
Provisions	22,066	30,451
Trade and other payables	4,605	(27,739)
Net cash used in operating activities	(1,011,430)	(1,382,306)



## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 23. FINANCIAL INSTRUMENTS

The Company's activities are being funded by equity and are not exposed to significant financial risks. There are no speculative or financial derivative instruments. The Company holds the following financial instruments:

	30 June 2023 (\$)	30 June 2022 (\$)
<b>Financial assets</b>		
Cash and cash equivalents	548,248	1,586,252
Trade and other receivables	20,452	20,406
	568,700	1,606,658
<b>Financial liabilities</b>		
Trade and other payables	92,782	88,177
Lease liability	11,519	38,093
	104,301	126,270

The Company's principal financial instruments comprise of cash. The main purpose of these financial instruments is to fund the Company's operations.

It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Company's financial operations are credit risk, capital risk and liquidity risk. The Directors' review and agree policies for managing each of these risks and they are summarised below:

(a) Credit risk

Management does not actively manage credit risk as the Company has no significant exposure to credit risk from external parties at year end as there are no trade receivables.

(b) Capital risk

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 23. FINANCIAL INSTRUMENTS (CONTINUED)

#### (c) Liquidity risk

##### Maturity profile of financial instruments

Prudent liquidity risk management implies maintaining sufficient cash balances and access to equity funding. The Company's exposure to the risk of changes in market interest rates relates primarily to cash assets and floating interest rates. The Company does not have significant interest-bearing assets and is not materially exposed to changes in market interest rates.

The Company does not have financial instruments with maturity exceeding 12 months (2022: \$nil).

##### Sensitivity analysis – interest rates

The sensitivity effect of possible interest rate movements has not been disclosed as they are not material.

#### (d) Net fair value of financial assets and liabilities

Unless otherwise stated, the carrying amount of financial instruments reflect their fair value.

### NOTE 24. LOSS PER SHARE

	30 June 2023 (\$)	30 June 2022 (\$)
<b>Basic loss per share (cents)</b>	0.90	1.05
Diluted loss per share (cents)	0.90	1.05

	30 June 2023(\$)	30 June 2022 (\$)
<b>Net loss used in the calculation of basic and diluted loss per share</b>	(1,345,656)	(1,566,504)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic loss per share	148,886,368	148,810,204
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted loss per share	148,886,368	148,810,204

As the Company is in a loss position, the diluted loss per share calculation excludes the dilutive effect of the performance rights and options issued and not yet converted to ordinary shares.

### NOTE 25. DIVIDENDS

There were no dividends declared or paid during the financial year (2022: Nil).

## DIRECTOR'S DECLARATION

In the opinion of the Directors of Nanollose Limited:

- (a) the attached Financial Statements and Notes are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its performance, for the financial period ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001; and other mandatory professional reporting requirements.
- (b) the Financial Report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board as disclosed in Note 1 to the financial statements; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* by the Financial Officer and Chief Executive Officer for the financial period ended 30 June 2023.

Signed in accordance with a resolution of the Directors.



**Winton Wilieese**

Non-Executive Director

Dated at Perth, Western Australia

28 August 2023



**RSM Australia Partners**

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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
NANOLLOSE LIMITED**

**Opinion**

We have audited the financial report of Nanollose Limited (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**THE POWER OF BEING UNDERSTOOD  
AUDIT | TAX | CONSULTING**

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## Material Uncertainty Related to Going Concern

We draw attention to Note 1, which indicates that the Company incurred a loss of \$1,345,656 and had net cash outflows from operating activities of \$1,011,430 for the financial year ended 30 June 2023. These events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed this matter
<p><b>Share-based payments</b> Refer to Note 13 to the financial statements</p>	
<p>During the year, the Company issued options and performance rights to a director and a consultant.</p> <p>We determined this to be a key audit matter due to the significant judgements involved in assessing the fair value of the options and performance rights issued during the year.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• Reviewing the terms and conditions of the options and performance rights issued;</li> <li>• Obtaining the valuation models prepared by management and assessing whether the models were appropriate for valuing the options and performance rights granted during the year;</li> <li>• Challenging the reasonableness of key assumptions used by management to value the options and performance rights;</li> <li>• Recalculating the value of the share-based payment expense to be recognised in the statement of profit or loss and other comprehensive income; and</li> <li>• Assessing the adequacy of the disclosures in the financial statements to ensure compliance with Australian Accounting Standards.</li> </ul>

## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2023 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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## Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar2.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf). This description forms part of our auditor's report.

## Report on the Remuneration Report

### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Nanollose Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM

RSM AUSTRALIA PARTNERS

*A Whyte*

Alasdair Whyte  
Partner

Perth, WA  
Dated: 28 August 2023

## ASX ADDITIONAL INFORMATION

The shareholder information set out below was applicable as at 1 August 2023.

### 1. Quotation

Listed securities in Nanollose Limited are quoted on the Australian Securities Exchange under ASX code NC6 (Fully Paid Ordinary Shares) and NC6OA (Listed Options) and are not quoted on any other exchange.

### 2. Voting Rights

The voting rights attached to the Fully Paid Ordinary Shares ("Shares") of the Company are:

- (a) at a meeting of members or classes of members each member entitled to vote may vote in person or by proxy or by attorney; and
- (b) every member present in person, or by proxy or attorney:
  - (i) on a show of hands, has one vote; and
  - (ii) on a poll, has one vote for each Share held.

There are no voting rights attached to any Options or Performance Rights on issue.

### 3. Distribution of Shareholders

#### i) Fully Paid Ordinary Shares

Shares Range	Holders	Units	%
1 – 1,000	33	4,813	-
1,001 – 5,000	177	693,907	0.47%
5,001 – 10,000	255	2,069,499	1.39%
10,001 – 100,000	692	26,183,858	17.59%
100,001 and above	182	119,934,291	80.55%
<b>Total</b>	<b>1,339</b>	<b>148,886,368</b>	<b>100.00%</b>

On 1 August 2023, there were 363 holders of unmarketable parcels of less than 9,091 Shares (based on the closing Share price of \$0.055).

#### ii) Listed Options exercisable at \$0.15 on or before 5 July 2024

Shares Range	Holders	Units	%
1 – 1,000	1	5	-
1,001 – 5,000	5	21,421	0.10%
5,001 – 10,000	3	28,809	0.13%
10,001 – 100,000	66	3,198,633	14.36%
100,001 and above	22	19,019,767	85.41%
<b>Total</b>	<b>97</b>	<b>22,268,635</b>	<b>100.00%</b>

## ASX ADDITIONAL INFORMATION

### iii) Class G Options exercisable at \$0.08 on or before 31 October 2023

Shares Range	Holders	Units	%
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	-	-	-
100,001 and above	1	500,000 <sup>1</sup>	100%
<b>Total</b>	<b>1</b>	<b>500,000</b>	<b>100%</b>

<sup>1</sup>Held by Heidi Beatty

### iv) Class H Options exercisable at \$0.10 on or before 20 April 2024

Shares Range	Holders	Units	%
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	-	-	-
100,001 and above	1	1,000,000 <sup>1</sup>	100%
<b>Total</b>	<b>1</b>	<b>1,000,000</b>	<b>100%</b>

<sup>1</sup>Held by Cheena Corporate Pty Ltd <Cheena A/C>

### v) Class I Options exercisable at \$0.15 on or before 15 September 2024

Shares Range	Holders	Units	%
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	-	-	-
100,001 and above	1	1,000,000 <sup>1</sup>	100%
<b>Total</b>	<b>1</b>	<b>1,000,000</b>	<b>100%</b>

<sup>1</sup>Held by Boon Aik Tan



## ASX ADDITIONAL INFORMATION

### vi) Class J Options exercisable at \$0.147 on or before 7 December 2024

Shares Range	Holders	Units	%
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	-	-	-
100,001 and above	2	1,000,000 <sup>2</sup>	100%
<b>Total</b>	<b>2</b>	<b>1,000,000</b>	<b>100%</b>

<sup>1</sup>Holders that hold more than 20% of these securities are:

- Walsh Investments WA Pty Ltd <The Walsh Family A/C> – 500,000 options
- Chinchinchee Nominees Pty Ltd – 500,000 options

### vii) Class K Options exercisable at \$0.10 on or before 13 December 2024

Shares Range	Holders	Units	%
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	-	-	-
100,001 and above	1	1,000,000 <sup>1</sup>	100%
<b>Total</b>	<b>1</b>	<b>1,000,000</b>	<b>100%</b>

<sup>1</sup>Held by Wayne Morris Best <Wayne & Debra Best Fam A/C>

### viii) Class L Options exercisable at \$0.10 on or before 20 January 2026

Shares Range	Holders	Units	%
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	-	-	-
100,001 and above	1	500,000 <sup>1</sup>	100%
<b>Total</b>	<b>1</b>	<b>500,000</b>	<b>100%</b>

<sup>1</sup>Held by Carla Woidt

## ASX ADDITIONAL INFORMATION

### ix) Class E Performance Rights expiring on or before 13 December 2024

Shares Range	Holders	Units	%
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	-	-	-
100,001 and above	1	1,000,000 <sup>1</sup>	100%
<b>Total</b>	<b>1</b>	<b>1,000,000</b>	<b>100%</b>

<sup>1</sup> Held by Wayne Morris Best <Wayne & Debra Best Fam A/C>

### 4. Substantial Shareholders

The names of the substantial shareholders as notified to the Company as at 1 August 2023 are:

Name: Azalea Family Holdings Pty Ltd ATF The Britt and Winton Willesee Family Trust  
 Holder of: 8,068,504 Shares, representing 5.43% as at 24 June 2021  
 Notice Received: 17 August 2021

Name: Wayne Morris Best ATF Wayne & Debra Best Fam A/C  
 Holder of: 8,431,798 Shares, representing 5.67% as at 24 June 2021  
 Notice Received: 17 August 2021

### 5. Restricted Securities

There are no restricted securities listed on the Company's register as at 1 August 2023.

### 6. On market buy-back

There is currently no on market buy-back in place.

### 7. Twenty Largest Shareholders

The twenty largest holders of the Company's quoted Shares as at 1 August 2023 are as follows:

	Holder Name	Holding	%
1	Azalea Family Holdings Pty Ltd <No 2 A/C>	8,000,000	5.37%
2	Wayne Morris Best <Wayne & Debra Best Fam A/C>	7,725,002	5.19%
3	Mr Jason Duncan Maclaurin	6,351,190	4.27%
4	Mr John Moursounidis <Moursounidis Family A/C>	5,934,523	3.99%
5	Citicorp Nominees Pty Limited	5,925,185	3.98%
6	Lobster Pot Investments Pte Ltd	3,729,076	2.50%
7	Mr Shane Raffa	3,350,000	2.25%
8	Tripit Pty Ltd <Peter Heather Wells S/F A/C>	3,000,000	2.02%
9	Madeiras Pty Ltd <Visser Super Fund A/C>	2,805,015	1.88%
10	Mr Dean Anthony Mackenzie	2,769,836	1.86%
11	Mr Christopher Spafford Richardson	2,637,289	1.77%

## ASX ADDITIONAL INFORMATION

12	Mrs Suzanne Margaret Cass <Cass A/C>	2,566,437	1.72%
13	BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient DRP>	2,384,866	1.60%
14	Mr Anthony West	1,756,193	1.18%
15	Mr David Robin Lunn & Mrs Stephanie Ann Yu <Lunn Superfund A/C>	1,722,097	1.16%
16	Mr Andreas Steinwachs	1,686,658	1.13%
17	Mr Adam Laurence Bode	1,615,592	1.09%
18	Mr Matvey Vyalkov	1,441,407	0.97%
19	Mr Tak Wai Chow	1,340,019	0.90%
20	BNP Paribas Noms Pty Ltd <DRP>	1,282,609	0.86%
	<b>Total</b>	<b>68,022,994</b>	<b>45.69%</b>

### 8. Twenty Largest Listed Option Holders – NC6OA (\$0.15, 05/07/2024)

The twenty largest holders of the Company's quoted Options as at 1 August 2023 are as follows:

	Holder Name	Holding	%
1	Mr Adam Laurence Bode	6,500,000	29.19%
2	Mr Michael Hilton Holbrook <Helmacron A/C>	5,657,102	25.40%
3	Mr Bhatiya Jeewaka Fernando	1,541,989	6.92%
4	Mr Stefan Alasdair Graham	650,552	2.92%
5	Mr Christopher Spafford Richardson	583,044	2.62%
6	BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient DRP>	525,000	2.36%
7	Mr Ali Mohammed Parvez Ukani	425,000	1.91%
8	Mr Zhiyu Ning	400,000	1.80%
9	Meka Digital Pty Ltd	375,573	1.69%
10	Mr David Robin Lunn & Mrs Stephanie Ann Yu <Lunn Superfund A/C>	359,091	1.61%
11	Davsam Pty Ltd <Roseman Retirement Fund A/C>	275,000	1.23%
12	Mr Dan Thomas Dowse Collins	213,541	0.96%
13	Mrs Kathryn Valerie Van Der Zwan <Harleston Family A/C>	187,500	0.84%
14	Mr Shorsh Salehi	157,000	0.71%
15	Mr Noel Russell Cameron & Dr Belinda Caroline Goad <Noel Cameron Super Fund A/C>	156,250	0.70%
15	Pkt Springbrook Pty Ltd <Springbrook Family A/C>	156,250	0.70%
15	Mr Noel Russell Cameron & Dr Belinda Caroline Goad <Noel Cameron Super A/C>	156,250	0.70%
15	Mrs Hetal Sanghavi	156,250	0.70%
15	Surf Coast Capital Pty Ltd <Minnie P/F A/C>	156,250	0.70%

## ASX ADDITIONAL INFORMATION

16	FTM Share Investments Pty Ltd	150,000	0.67%
17	Mr Shane James Sentance	125,000	0.56%
18	Jenda Vic Pty Ltd	113,125	0.51%
19	Mr Alan Philip May	100,000	0.45%
19	SJ Capital Pty Ltd	100,000	0.45%
19	Mr Graham Andrew Colquhoun	100,000	0.45%
20	BVB Custodian Pty Ltd <BVB A/C>	93,750	0.42%
20	Mr Paul Foley	93,750	0.42%
20	Mr Kalpesh Manji Varsani & Mrs Rita Kalpesh Varsani <Varsani Family Super A/C>	93,750	0.42%
	<b>Total</b>	<b>19,601,017</b>	<b>88.02%</b>