



NANOLLOSE LIMITED

ABN 13 601 676 377

ANNUAL REPORT - 30 JUNE 2022

CONTENTS

	PAGE
CORPORATE DIRECTORY	3
CHAIRMANS' LETTER TO SHAREHOLDERS	4
DIRECTORS' REPORT	5
AUDITOR'S INDEPENDENCE DECLARATION	24
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	25
STATEMENT OF FINANCIAL POSITION	26
STATEMENT OF CHANGES IN EQUITY	27
STATEMENT OF CASH FLOWS	29
NOTES TO THE FINANCIAL STATEMENTS	30
DIRECTORS' DECLARATION	52
INDEPENDENT AUDITOR'S REPORT	53
ASX ADDITIONAL INFORMATION	56

CORPORATE DIRECTORY

DIRECTORS

Wayne Best
Winton Willesee
Terence Walsh
Heidi Beatty

COMPANY SECRETARY

Erlyn Dawson

REGISTERED AND PRINCIPAL OFFICE

Suite 5 CPC, 145 Stirling Highway
NEDLANDS WA 6009

Telephone: (08) 9389 3120

Website: www.nanollose.com

Email: info@nanollose.com

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

Dear fellow shareholders,

It is my pleasure to present to you the 2022 Annual Report for Nanollose Limited (ASX:NC6) ('Nanollose' or 'the Company'), with accompanying financial statements for the year ended 30 June 2022.

The period marked a transformational year for Nanollose, underpinned by a series of critical R&D breakthroughs. Excitingly for the board and management team, the successful achievement of those objectives leaves the Company uniquely positioned to pursue commercial opportunities at a time when the global garment sector – one of the world's largest industries by annual turnover – is shifting its significant resources towards the development of sustainable production solutions.

The highlight of the Company's R&D achievements over the last 12 months was the successful execution of a pilot production spin of Nullarbor™ fibres. The production was undertaken with technology developed jointly by Nanollose and Birla Cellulose and for which a patent application was filed in January 2021. The Tree-Free and Forest-Friendly technology uses various wastes and by-products from the food and agricultural industries.

The pilot spin successfully produced over 250kg of Forest-Friendly Nullarbor-20™ fibre with a targeted blend of 20% microbial cellulose and 80% conventional wood pulp. Importantly, what it also demonstrated is that Nanollose's technology fits seamlessly within existing factory operations of fibre and fabric manufacturers; clear evidence of its practical application and capacity to scale.

For the ongoing development of its technology, Nanollose is proud to be working with Birla Cellulose, which is a global leader in sustainable fibre technology research. Birla Cellulose operates as a business unit within the Aditya Birla Group, the world's largest producer of rayon fibres with over 140,000 employees globally. The collaboration with Birla Cellulose marks one of a number of strategic partnerships established over the past year that help place Nanollose at the forefront of key changes taking place in the global garment industry.

Nanollose continued to grow its partner base during the period, securing agreements with several leading clothing and materials manufacturers. This was underpinned by a binding Memorandum of Understanding with multinational clothing company Inditex. The MOU with Inditex, as well as other strategic agreements secured during the period provide considerable validation of the Company's approach and potential. These partnerships further reflect the ever-increasing level of interest among the world's largest fashion and textile brands to develop sustainable production solutions.

Nanollose's board and management team are confident it now has the pieces in place to establish a lucrative position at the forefront of the fashion industry's shift towards sustainability. While the year marked a transformational period in R&D, the Company expects the years ahead will bring exciting opportunities to convert its R&D into material commercial contracts.

Management has now turned its focus to increasing the scale and percentage of microbial cellulose in its pilot production, and the business development opportunities that this presents. Management is also looking towards securing a long-term commercial supply of microbial cellulose dedicated to fibre production. In addition, now that the fibre technology has transitioned out of the laboratory and into the pilot plant, Nanollose has begun an exciting project to make an animal-free and plastic-free leather alternative from microbial cellulose.

As the sustainable fashion shift accelerates, Nanollose aims to be a leading player in the global transition using Australian innovations and world class global partners. I look forward to providing shareholders and investors with more exciting updates as Nanollose executes on its next round of operational targets.

A handwritten signature in purple 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 2022.

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.

- 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 and fabrics 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 technology. 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 (2021: 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 technology.

The loss for the Company after providing for income tax amounted to \$1,566,504 (30 June 2021: \$931,045).

REVIEW OF OPERATIONS

Nanollose Limited (ASX:NC6) is a leading biomaterials company commercialising scalable technology to create forest friendly fibres and fabrics with minimal environmental impact. Nanollose uses an eco-friendly fermentation process to grow microbial cellulose and produce tree-free 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.

The successful completion of Nanollose's first pilot scale spin of Nullarbor™ fibres highlighted a period of significant milestones achieved by the Company in FY22. It was the culmination of a detailed work program undertaken with strategic partner Birla Cellulose to demonstrate the capacity for the technology to be effectively integrated into existing factory settings to spin and produce fibre at scale. Successful completion of the pilot spin has resulted in several strategic collaboration agreements being signed, as well as an MOU with one of the world's largest fashion retailers.

DIRECTORS' REPORT

Successful first pilot scale spin of Nullarbor™ fibres:

In February 2022, Nanollose completed its first pilot scale spin of its Nullarbor fibres undertaken with the Company's strategic partner, Birla Cellulose. Completion of the first pilot spin process provided valuable technical information and demonstrated that microbial cellulose can be used to produce Nullarbor-20 lyocell fibre in existing industrial equipment at scale.

The pilot spin produced over 250kg of Forest-Friendly Nullarbor-20™ fibre and successfully targeted a blend of 20% microbial cellulose and 80% conventional wood pulp. Future pilot spins will aim to increase the percentage of microbial cellulose, allowing Nanollose to produce quantities of additional Nullarbor fibres consisting of varied percentages of Tree-Free microbial cellulose, mixed with other cellulosic materials.

Producing a number of varying blended fibres will provide Nanollose with the opportunity to expand its product range and appeal to customers at differing price points. This will broaden the Company's appeal within the lyocell fibre market which is currently valued at US\$1.13 billion, and projected to grow to US\$1.71 billion by 2027¹.

The completion of the first pilot scale fibre production followed months of extensive work, and highlights the capabilities of Nanollose's and Birla's technical teams to overcome the challenges associated with scaling production from laboratory to industrial grade processing across multiple continents.

Following successful completion of the first pilot spin, the Company has focussed on:

- work required to facilitate completion of a second pilot spin at increased scale;
- preparing yarn and fabric samples from Nullarbor-20 fibre; and
- finalising negotiations with strategic partners to trial, test and provide feedback on samples of fibre, yarns and fabrics to assist in further developing the Company's product offering.

In order to optimise the value of the fibre from its first pilot spin, Nanollose has sought to allocate samples and provide limited exclusivity to selected market leaders across key segments of the fashion and textile industries (ie denim, outdoor, intimates, athleisure, knitwear, sportswear, etc). By doing so, the Company anticipates receiving the most technically valuable feedback on its product in each market segment, while providing new influential partners with first and exclusive access to the fibre.

Collaboration agreement with leading denim manufacturer, Orta:

Following its successful pilot spin of Nullarbor-20 lyocell fibre, the Company entered into the first of a number of collaboration agreements, with sustainable denim manufacturer, Orta Anadolu Ticaret Ve Sanayi İşletmesi T.A.Ş ("Orta"). Under this agreement, Nanollose and Orta agreed to develop denim materials utilising Nanollose's Tree-Free and Forest-Friendly Nullarbor fibres consisting in whole or in part of microbial cellulose.

Orta is a Turkish based company that was established in 1953 as a specialist spinning and weaving company. Since 1985, the group has been operating as a sustainable denim manufacturer and has a total production of 40 million metres of denim per annum. Orta supplies denim to a range of luxury brands including Alexander McQueen, Stella McCartney and Isabel Marant, as well as leading denim brands such as Levi's, Lee, Wrangler, Tommy Hilfiger, and Calvin Klein. The group also provides denim and materials to retail brands, with clients including GAP, Banana Republic and Madewell. Orta has over 1,500 employees and is a leader in sustainability.

The agreement is in line with the Company's strategy to grant exclusivity within defined market segments, as Nanollose and Orta have agreed to work exclusively together in the development of denim fabrics from fibres incorporating microbial cellulose. Orta has now received an initial 50kg of Nullarbor-20 to commence the project, with additional samples of Nullarbor fibres from subsequent pilot spins to follow as required.

¹ <https://www.imarccgroup.com/lyocell-fiber-market>

DIRECTORS' REPORT

Paradise Textiles and Nanollose to develop Nullarbor™ yarns and textiles:

In May 2022, Nanollose entered into a collaboration agreement with Paradise Textiles Limited (“Paradise”), for the development and manufacture of yarns and textiles incorporating Nanollose’s Tree-Free and Forest-Friendly Nullarbor fibres. Nanollose has shipped an initial ~135kg of Nullarbor-20™ to Paradise, which Paradise will convert into a variety of yarns and textiles for provision to selected apparel makers and fashion brands with whom Nanollose is currently finalising agreements.

Paradise is a technology first material science and innovation company, and is the innovation hub of award-winning apparel manufacturer, Alpine Group. The Alpine Group was founded in 1981 in Taiwan and over the last 40 years has established global operations including in the US, Singapore, Egypt, Jordan, Dubai, Taiwan and China. Alpine Group is a trusted partner to some of the biggest brand names in apparel, including: The North Face, Sweaty Betty, American Eagle Outfitters, Under Armour and Abercrombie and Fitch.

Binding MOU with one of the world’s largest fashion retailers, INDITEX:

In late May 2022, Nanollose entered into a binding memorandum of understanding (‘MOU’) with Industria de Diseño Textil, S.A. (“INDITEX”), one of the world’s largest fashion retailers. The MOU will see the non-exclusive delivery by Nanollose to INDITEX of samples of the Company’s Tree-Free (and/or blended) Nullarbor lyocell.

INDITEX is publicly listed on the stock exchanges of Madrid, Barcelona, Bilbao and Valencia, and on the Automated Quotation System. Their numerous brands include Zara, Pull&Bear, Massimo Dutti, Bershka, Stradivarius, Oysho and Zara Home, of which they sell into 215 markets through its online platform, and over 6,600 stores in 96 markets.

Nanollose will work with INDITEX, supplying samples of various materials for testing and prototyping, with the view to Nanollose gaining valuable commercial feedback, whilst INDITEX are allowed early access to the Company’s materials to determine the potential for use in their various brands.

The MOU with INDITEX is indicative of the significant interest and demand for sustainable solutions in the fashion and textile industry, and the willingness and commitment of industry leaders to seek out and support the sustainable innovations that Nanollose has to offer.

Vegan leather opportunity and agreement to develop next generation vegan leather products:

Whilst the Company’s primary focus remains the commercialisation of its fibre technology, the Company has been undertaking research and development into a microbial cellulose based vegan leather alternative. The vegan leather market is witnessing strong growth and is expected to be valued at US\$89.6Bn by 2025². The rapid rise of the vegan leather industry is attributed to the increasing awareness of the ethical and environmental concerns over the impact of traditional leather production among consumers, providing Nanollose with an exceptional opportunity. The vegan leather project is independent of Nanollose’s collaboration with Birla Cellulose, as it does not require the production of fibre, thereby providing Nanollose with valuable technology and business diversity.

In furtherance of this opportunity, in May 2022, Nanollose entered into a collaboration agreement with innovative vegan leather and materials company, von Holzhausen, whose vegan leather products replicate the essence of leather but offer superior performance and a significantly lower carbon impact. von Holzhausen is based in California and has a factory in the US and Italy that utilises their alternative materials created from plants and recycled fibres. The group has earned a strong reputation for the sustainability and luxuriousness of their products, which has earned them coverage across some of the world’s most renowned publications.

Under this agreement, Nanollose will provide von Holzhausen with samples of treated and processed microbial cellulose in various forms for testing as potential alternatives to leather or other materials either in their initial state or after further processing by von Holzhausen. As part of the collaboration agreement, each party will work closely together liaising regularly to exchange information and key specifications to advance the collaboration.

² <https://www.researchandmarkets.com/reports/5005163/vegan-leather-market-global-industry-analysis>

DIRECTORS' REPORT

The first set of vegan leather samples resulting from the Company's in-house research have since been delivered to von Holzhausen for assessment.

Intellectual Property Update:

High Tenacity Lyocell Fibres From Bacterial Cellulose and Method of Preparation Thereof

In January 2022, the Company's joint patent application (entitled High Tenacity Lyocell Fibres From Bacterial Cellulose and Method of Preparation Thereof) with Grasim Industries Limited ("Grasim") was filed globally via the Patent Cooperation Treaty (PCT). The Company is pleased with the progress being made towards finalising formal patent protection of its intellectual property and is pleased with the continued commitment from Grasim to the success of the project.

Plant Growth Media and Method for Making Same – First Granted Patent

In October 2021, Nanollose was granted a patent in China for its Jelli Grow product, "Plant Growth Media and Method for Making Same", representing the Company's first granted patent. The patent was also granted in Japan in May 2022 and is still pending in several other countries. Nanollose's Jelli Grow™ product is an alternative seed germination and plant growing material, which is edible, organic, biodegradable and made from the Company's Tree-Free Microbial Cellulose. The Company received a high level of customer enquiries for the Jelli Grow product during the period, with trial samples dispatched to the Middle East and South East Asia, and discussions continuing with additional parties. The Company's primary focus remains the commercialisation of its fibre technology.

The Company continues to expand protection for its brand names, including Nullarbor and Nufolium, by pursuing Trademark registrations and relevant internet domain names.

Lee Mathews designed garment launch at the Copenhagen Global Fashion Summit:

During the year, the Company worked with strategic partner and leading man-made cellulosic fibre manufacturer, Birla Cellulose, to produce a small quantity of 100% Tree-Free Nullarbor fibre, for the purposes of creating the first 100% Nullarbor lyocell garment. The fibre was spun into yarn using standard industrial yarn making equipment, and then knitted, using the latest zero-waste 3D knitting technology, into a concept garment (pictured right) designed by Australian fashion designer, Lee Mathews.

The garment was successfully launched in June 2022, in collaboration with Birla Cellulose at the Global Fashion Summit in Copenhagen, the leading international forum for sustainability in fashion.

The process demonstrated that Nullarbor lyocell fibre integrates seamlessly with existing industrial equipment to produce high-quality garments. Launching at a widely respected global industry event provided Nanollose with the opportunity to unveil the garment and promote Nullarbor to a wide audience of industry professionals.



DIRECTORS' REPORT

Industrial Transformational Research Hub for Functional and Sustainable Fibres:

Nanollose was part of a consortium of companies and academics which successfully applied for funding from the Australian Research Council (ARC) to establish an Industrial Transformational Research Hub for Functional and Sustainable Fibres. The Hub, which will be located at, and administered by, Deakin University, will receive \$5m in funding from the ARC over five years. It will provide the Company with access to world-leading materials science and fibre and textile expertise, with leveraged research and development funding. Specific research projects for Nanollose are currently being finalised and expected to begin in the next quarter.

CelluAir Update:

To date, CelluAir in conjunction with researchers at QUT have successfully developed filter material using cellulose nanofibres with a low pressure drop suitable for use in surgical face masks and respirators. A recent key achievement from 8 years of research has been the successful testing to AS/NZS 1716:2012 with particle filtration efficiency of 96% to 99%. Ongoing research into fully bio-degradable filter material is progressing and preliminary testing has been successful in terms of particle filtration efficiency and breathability.

Nanollose continues to work in close collaboration with CelluAir to develop alternate low-cost sources of cellulose nanofibres with appropriate properties to achieve both the filtration efficiency and low pressure drop required for good breathability. Several microbial cellulose samples supplied by Nanollose have been evaluated by CelluAir and refinement of material is ongoing.

The global market for face masks remains strong with high-volume manufacturers searching for bio-degradable materials to reduce the impact of environmental pollution from disposal of masks. The market opportunity for filter media constructed from cellulose nanofibres remains positive and CelluAir is actively engaging with manufacturers in providing filter samples on the path to commercialisation.

IMPACT OF COVID-19 GLOBAL PANDEMIC

The impact of the Coronavirus (COVID-19) pandemic is ongoing and whilst it has had no direct material financial impact for the Company up to 30 June 2022, it is not practicable to estimate the potential impact, positive or negative, after the reporting date.

Various governments (including the Australian government) have imposed restrictions (including quarantines) on the movement of people and goods as a measure to seek to slow and contain the spread of the Covid-19 virus.

Throughout temporary lockdowns to control the spread of COVID-19, the Company's operations in Western Australia have continued unaffected. The Company's key commercialisation focus is on progressing its collaboration with Grasim Industries and its Birla Cellulose business unit in India. To date, the Company has been able to advance this collaboration by exchanging materials and technical information including undertaking a first pilot spin at Birla Cellulose's facilities in India. However, the spread of the Covid-19 virus in India could delay the movement of goods and people and the ability of Grasim Industries to meet expected timelines.

The Company's two current supply chain alternatives for purchase of microbial cellulose are located in Indonesia and China. Again, the spread of the Covid-19 virus and any consequent restriction on the movement of goods and people, may delay the development of the Company's technologies.

The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

While the pandemic has seen paradigm shifts in many industries, it is encouraging to see that it has only strengthened the fashion industry's commitment to sustainability, with Nanollose's Tree-Free fibres ideally placed to assist the industry in meeting that commitment.

DIRECTORS' REPORT

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than detailed in the review of operations, there were no other significant changes in the state of affairs of the Company during the financial year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No matter or circumstance has arisen since 30 June 2022 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 as it positions itself at the forefront of commercially viable, eco-friendly fibre alternatives for the fashion and textile industries.

The Company continues to actively work with collaboration partners towards development of denim, yarns 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.

Work is ongoing towards the second 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. The Company is also continuing to progress in-house research initiatives, including microbial cellulose based alternatives to leather in collaboration with von Holzhausen.

AGM

The Company anticipates that it will hold its next Annual General Meeting ('AGM') on or before 25 November 2022. 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 7 October 2022 (35 business days prior to the date of the AGM). Any nominations must be received in writing no later than 5.00pm (WST) on 7 October 2022, at the Company's registered office.

ENVIRONMENTAL REGULATION

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

DIRECTORS' REPORT

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

8,431,798 ordinary shares

Winton Willesee – Non-Executive Director

Experience and Expertise

Mr Willesee is an experienced company director and secretary 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 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

DIRECTORS' REPORT

Other Current Directorships	Non-Executive Chairman of New Zealand Coastal Seafoods Limited (ASX:NZS) Chairman of UUV Aquabotix Ltd (ASX:UUV) Non-Executive Director of Hygrovest Ltd (ASX: HGV) Non-Executive Director of Neurotech International Limited (ASX: NTI)
Former Directorships in last 3 years	Non-Executive Director of eSense Lab Ltd (delisted from ASX on 10 August 2021)
Interests in Shares and Options	8,068,504 ordinary shares 500,000 unlisted \$0.147 options expiring 7 December 2024

Terence Walsh – Non-Executive Director

Experience and Expertise	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.
Other Current Directorships	None
Former Directorships in last 3 years	Non-Executive Director of Structural Monitoring Systems PLC (ASX:SMN)
Interests in Shares and Options	965,672 ordinary shares 500,000 unlisted \$0.147 options expiring 7 December 2024

Heidi Beatty – Non-Executive Director

Experience and Expertise	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 & 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
Other Current Directorships	None
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

DIRECTORS' REPORT

COMPANY SECRETARY

Erlyn Dawson – 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.

DIRECTORS' MEETINGS

Attendances by each Director during the year were as follows:

Director	Number Eligible to Attend	Number Attended
Wayne Best	5	5
Winton Willesee	5	5
Terence Walsh	5	5
Heidi Beatty	5	5

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.

DIRECTORS' REPORT

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

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by 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 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.

There are currently no outstanding unissued Options or Performance Rights.

DIRECTORS' REPORT

Options

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

Performance Rights

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

On 4 December 2020 following shareholder approval, the Company issued 2,000,000 Class D Performance Rights to Dr Wayne Best. The Class D Performance Rights were to vest on the achievement of either of the following milestones on or before 31 December 2021:

- (i) Commercial Exploitation:
 - A. the Company enters into a commercial agreement or multiple agreements to exploit the Company's intellectual property via the licensing of the Company's intellectual properties and/or sales of products made from or related to the Company's microbial cellulose business; and
 - B. the Company receives \$1,000,000 of gross revenue under that agreement or those agreements; or
- (ii) A 'Takeover Event' occurs.

The 2,000,000 Class D Performance Rights issued to Dr Wayne Best expired unvested on 31 December 2021.

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 2022 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:

2022 Key Management Person									
	Cash Salary and fees	Super-annuation	Annual Leave	Options issued	Equity-settled Shares	Equity-settled Performance rights	Total	Fixed	Incentive
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(%)	(%)
DIRECTORS									
Executives:									
Wayne Best	225,000	22,669	18,213	-	-	(65,835)	200,047	100%	-
Non-executives:									
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%	-
TOTAL	330,000	22,669	18,213	85,200	-	(65,835)	390,247		

DIRECTORS' REPORT

2021 Key Management Person									
	Cash Salary and fees	Super-annuation	Annual Leave	Options issued	Equity-settled Shares	Equity-settled Performance rights	Total	Fixed	Incentive
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(%)	(%)
DIRECTORS									
Executives:									
Wayne Best	160,000	15,506	24,788	-	5,000	65,835	271,129	76%	24%
Alfie Germano ¹	99,720	8,501	-	-	5,000	-	113,221	100%	-
Non-executives:									-
Winton Willesee	32,667	-	-	-	2,333	-	35,000	100%	-
Terence Walsh	32,667	-	-	-	2,333	-	35,000	100%	-
Heidi Beatty	32,677	-	-	16,571	2,333	-	51,571	63%	37%
TOTAL	357,721	24,007	24,788	16,571	16,999	65,835	505,921		

¹ Resigned on 15 January 2021

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. Of the \$165,000 cash component, Dr Best agreed to forego \$5,000 in cash for the 4 months from 1 July 2020 to 31 October 2020 in consideration of the issue of Shares. From 1 July 2021 cash remuneration reverted to \$225,000 per annum.

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

Share-based compensation

On 26 November 2021, Shareholders agreed to issue the following options to Directors:

Issue of 500,000 Class J options (NC6OPT 6 \$0.147 expiry 07/12/2024) to Winton Willesee valued at \$42,600.

Issue of 500,000 Class J options (NC6OPT 6 \$0.147 expiry 07/12/2024) to Terence Walsh valued at \$42,600.

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

Strike price:	\$0.0147
Stock price:	\$0.099
Expiry date:	7 December 2024
Risk free rate:	0.98%
Volatility:	134%
Dividend yield:	nil

Additional information

The loss of the Company for the five years to 30 June 2022 are summarised below:

	2022 (\$)	2021 (\$)	2020 (\$)	2019 (\$)	2018 (\$)
Sales revenue	-	-	-	-	-
EBITDA	(1,505,105)	(875,938)	(1,187,793)	(2,022,299)	(1,776,703)
EBIT	(1,570,109)	(932,885)	(1,241,318)	(2,054,457)	(1,783,135)
Loss after income tax	(1,566,504)	(931,045)	(1,235,489)	(2,003,995)	(1,730,214)

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

	2022	2021	2020	2019	2018
Share price at financial year end (\$)	0.071	0.09	0.04	0.05	0.13
Total dividends declared (cents per share)	-	-	-	-	-
Basic loss per share (cents per share)	1.05	0.77	1.57	2.67	2.57

DIRECTORS' REPORT

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
Ordinary shares					
Wayne Best	8,431,798	-	-	-	8,431,798
Winton Willesee	8,068,504	-	-	-	8,068,504
Terence Walsh	768,504	-	197,168	-	965,672
Heidi Beatty	68,504	-	-	-	68,504
Total	17,337,310	-	197,168	-	17,534,478

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
Options over ordinary shares					
Wayne Best	-	-	-	-	-
Winton Willesee	-	500,000	-	-	500,000
Terence Walsh	-	500,000	-	-	500,000
Heidi Beatty	500,000	-	-	-	500,000
Total	500,000	1,000,000	-	-	1,500,000

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
Rights to Ordinary shares					
Wayne Best	2,000,000	-	-	(2,000,000)	-
Total	2,000,000	-	-	(2,000,000)	-

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:

	2022	2021
Payable to Valle Corporate Pty Ltd (director related entity of Winton Willesee)	2,000	2,000
Payable to Azalea Consulting Pty Ltd (director related entity of Winton Willesee)	5,496	5,496

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

Payments to Valle Corporate Pty Ltd (director related entity of Winton Willesee) of \$22,000 (2021: \$21,800) for bookkeeping and financial reporting services fees.

Payments to Azalea Consulting Pty Ltd (director related entity of Winton Willesee) of \$60,451 (2021: \$60,451) for 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 2021 Annual General Meeting ('AGM')

At the AGM held on 26 November 2021, the Company received votes representing 23,780,289 shares in favour of the adoption of the remuneration report put to shareholders for the financial year ended 30 June 2021. This represented 91.04% of the votes cast at the AGM.

This is the end of the Audited Remuneration Report.

DIRECTORS' REPORT

SHARES

As at the date of this report, there are 148,886,368 (2021: 148,686,368) 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
21 May 2020	NC6OPT1	800,000	\$0.10	31 May 2023
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
Total		26,568,635		

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

There are no Performance rights on issue as at the date of this report.

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.

Corporate Governance

The Company's 2022 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

The Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 for the year ended 30 June 2022 has been received and can be found on page 24.

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

25 August 2022

RSM Australia Partners

Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 92619100

F +61 (0) 8 92619111

www.rsm.com.au

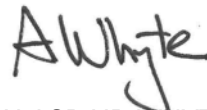
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Nanollose Limited for the year ended 30 June 2022, 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.

RSM

RSM AUSTRALIA PARTNERS



ALASDAIR WHYTE
Partner

Perth, WA
Dated: 25 August 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	30 June 2022 (\$)	30 June 2021 (\$)
Revenue			
Interest income		6,563	1,840
R&D incentives		224,611	322,859
		231,174	324,699
Expenses			
Research expenses		(448,164)	(393,433)
Promotion and communication expenses		(253,278)	(202,549)
Consultancy and legal expenses		(67,969)	(104,520)
Employee benefits expense		(646,760)	(452,460)
Depreciation expense		(65,004)	(56,948)
Share-based payments	13	(71,765)	145,735
Share of losses of associates using the equity accounting method		(16,356)	(23,445)
Other expenses		(224,897)	(164,290)
Interest expense		(2,958)	(3,834)
Foreign exchange losses		(527)	
(LOSS) BEFORE INCOME TAX		(1,566,504)	(931,045)
Income tax benefit	4	-	-
(LOSS) AFTER INCOME TAX		(1,566,504)	(931,045)
Other comprehensive income/(loss)		-	-
Total comprehensive (loss) for the year		(1,566,504)	(931,045)
Basic loss per share (cents per share)	24	(1.05)	(0.77)
Diluted loss per share	24	(1.05)	(0.77)

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Notes	30 June 2022 (\$)	30 June 2021 (\$)
CURRENT ASSETS			
Cash and cash equivalents	5	1,586,252	3,006,597
Trade and other receivables		20,406	33,018
Prepayments		42,011	57,760
TOTAL CURRENT ASSETS		1,648,669	3,097,375
NON-CURRENT ASSETS			
Right of use asset	6	37,471	10,447
Investments in associate	7	160,199	176,555
Plant and equipment	8	63,489	97,265
TOTAL NON-CURRENT ASSETS		261,159	284,267
TOTAL ASSETS		1,909,828	3,381,642
CURRENT LIABILITIES			
Trade and other payables	9	88,177	445,166
Provisions	10	55,239	24,788
Lease liability	11	38,093	11,405
Borrowings		-	26,475
TOTAL CURRENT LIABILITIES		181,509	507,834
TOTAL LIABILITIES		181,509	507,834
NET ASSETS		1,728,319	2,873,808
EQUITY			
Issued capital	12	8,975,496	8,955,496
Reserves	13	1,054,426	653,411
Accumulated Losses	14	(8,301,603)	(6,735,099)
TOTAL EQUITY		1,728,319	2,873,808

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 2022

	Issued Capital (\$)	Reserves (\$)	Accumulated Losses (\$)	Total Equity (\$)
Balance as at 1 July 2021	8,955,496	653,411	(6,735,099)	2,873,808
Total comprehensive loss for the year	-	-	(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)
Balance as at 30 June 2022	8,975,496	1,054,426	(8,301,603)	1,728,319

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 2021

	Issued Capital (\$)	Reserves (\$)	Accumulated Losses (\$)	Total Equity (\$)
Balance as at 1 July 2020	5,788,186	801,086	(5,804,054)	785,218
Total comprehensive loss for the year	-	-	(931,045)	(931,045)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	3,041,810	-	-	3,041,810
Issue of shares to directors in lieu of fees (note 12)	25,500	-	-	25,500
F Class options issued (note 13a)	-	33,960	-	33,960
G Class options issued (note 13a)	-	16,571	-	16,571
H Class options issued (note 13a)	-	64,100	-	64,100
C Class performance rights issued (note 13b)	-	167,859	-	167,859
D Class performance rights issued (note 13b)	-	65,835	-	65,835
A Class performance rights converted (note 12 and 13b)	100,000	(100,000)	-	-
C Class performance rights not vested (note 13b)	-	(396,000)	-	(396,000)
Balance as at 30 June 2021	8,955,496	653,411	(6,735,099)	2,873,808

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 2022

	Notes	30 June 2022 (\$)	30 June 2021 (\$)
CASH FLOWS FROM OPERATING ACTIVITIES			
Government grants received – Cashflow Boost		-	49,904
R&D incentive received		224,611	322,859
Payments to suppliers and employees		(1,610,522)	(1,305,955)
Interest paid		(2,958)	(3,834)
Interest received		6,563	1,840
NET CASH USED IN OPERATING ACTIVITIES	22	(1,382,306)	(935,186)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments For Plant and Equipment		(5,352)	(72,153)
Investment in associate		-	(200,000)
NET CASH USED IN INVESTING ACTIVITIES	8	(5,352)	(272,153)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		20,000	3,633,727
Payment of share issue costs		-	(238,708)
Repayment of lease liability		(26,212)	-
Repayment of borrowings		(26,475)	(26,424)
Proceeds from borrowings		-	6,180
NET CASH (USED IN) / FROM FINANCING ACTIVITIES		(32,687)	3,374,775
Net (decrease) / increase in cash and cash equivalents		(1,420,345)	2,167,436
Cash and cash equivalents at beginning of financial year			
		3,006,597	839,161
Cash and cash equivalents at end of financial year	5	1,586,252	3,006,597

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currency transactions

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

Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

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 2022. 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 2022 (\$)	30 June 2021 (\$)
Reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense from continuing operations	(1,566,504)	(931,045)
Tax benefit at the statutory tax rate of 30% (2021: 30%)	469,951	279,314
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-assessable income	-	118,800
Other non-deductible expenses	(22,072)	(95,499)
	447,879	302,615
Future tax benefit not recognised	(447,879)	(302,615)
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 \$1,622,968 (2021: \$1,175,089).

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 2022 (\$)	30 June 2021 (\$)
Cash at bank	366,252	52,856
Term deposit [1]	1,220,000	2,953,741
[1] Term deposit amount includes \$20,000 used as security for credit cards.	1,586,252	3,006,597

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. RIGHT OF USE ASSET

	30 June 2022 (\$)	30 June 2021 (\$)
Right of use asset	153,190	100,289
Accumulated depreciation	(115,719)	(89,842)
	37,471	10,447
Right of use asset		
Opening balance	100,289	100,289
Additions	52,901	-
Closing balance	153,190	100,289
Accumulated depreciation		
Opening balance	(89,842)	(64,770)
Depreciation expense	(25,877)	(25,072)
	(115,719)	(89,842)
	37,471	10,447

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 2022 (%)	30 June 2021 (%)
CelluAir Pty Ltd	Australia	20	20

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. INVESTMENT IN ASSOCIATE (CONTINUED)

Summarised financial information

	CelluAir Pty Ltd	
	30 June 2022 (\$)	30 June 2021 (\$)
Summarised statement of financial position		
Current assets	83,895	122,774
Non-current assets	12,269	-
Total assets	96,164	122,774
Current liabilities	(5,959)	-
Net assets	90,205	122,774
Summarised statement of profit or loss and other comprehensive income		
Expenses	(81,780)	(117,226)
Loss before income tax	(81,780)	(117,226)
Income tax expense	-	-
Loss after income tax	(81,780)	(117,226)
Other comprehensive loss	-	-
Total comprehensive loss	(81,780)	(117,226)
Reconciliation of the Company's carrying amount		
Opening carrying amount	176,555	-
Addition	-	200,000
Share of loss after income tax	(16,356)	(23,445)
Closing carrying amount	160,199	176,555

Commitments

CelluAir Pty Ltd has no commitments not recognised as liabilities as at 30 June 2022 (2021: \$nil).

Contingent assets

CelluAir Pty Ltd has no contingent assets as at 30 June 2022 (2021: \$nil).

Contingent liabilities

CelluAir Pty Ltd has no contingent liabilities as at 30 June 2022 (2021: \$nil).

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. PLANT AND EQUIPMENT

	30 June 2022 (\$)	30 June 2021 (\$)
Plant and equipment – at cost	142,632	137,281
Accumulated depreciation	(92,800)	(58,208)
	49,832	79,073
Leasehold improvements – at cost	58,251	58,251
Accumulated depreciation	(44,594)	(40,059)
	13,657	18,192
	63,489	97,265

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 2021	79,073	18,192	97,265
Additions	5,351	-	5,351
Depreciation expense	(34,592)	(4,535)	(39,127)
Balance at 30 June 2022	49,832	13,657	63,489

NOTE 9. TRADE AND OTHER PAYABLES

	30 June 2022 (\$)	30 June 2021 (\$)
Trade payables	37,163	108,106
Other payables	51,014	337,060
	88,177	445,166

Refer to Note 23 for further information on financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. PROVISIONS

	30 June 2022 (\$)	30 June 2021 (\$)
Provision for annual leave	55,239	24,788

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 2022 (\$)	30 June 2021 (\$)
Lease liability - current	38,093	11,405

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

	2022 (shares)	2021 (shares)	2022 (\$)	2021 (\$)
Ordinary shares - fully paid	148,886,368	148,686,368	8,975,496	8,955,496

Movements in ordinary share capital

	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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 12. EQUITY - ISSUED CAPITAL (CONTINUED)

	Date	Shares	Issue price	\$
Balance as at 30 June 2020		105,749,991		5,788,186
Issue of shares to sophisticated investors	6 October 2020	12,000,000	\$0.055	660,000
Issue of shares to directors in lieu of fees	4 December 2020	499,104	\$0.051	25,500
Conversion of Performance Rights	4 December 2020	500,000	\$0.200	100,000
Issue of shares - lieu of cash fees for advisors	15 January 2021	200,000	\$0.050	10,000
Conversion of options	25 January 2021	200,000	\$0.100	20,000
Issue of shares to sophisticated investors	23 April 2021	28,537,273	\$0.100	2,853,727
Issue of shares to sophisticated investors	24 June 2021	1,000,000	\$0.100	100,000
Transaction costs relating to share issues				(601,917)
Balance as at 30 June 2021		148,686,368		8,955,496

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.

NOTE 13. EQUITY – RESERVES

	30 June 2022 (\$)	30 June 2021 (\$)
Options reserve (a)	1,054,426	587,576
Performance rights reserve (b)	-	65,835
	1,054,426	653,411

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13. EQUITY – RESERVES (CONTINUED)

(a) Movements in options reserve

	No. of Options	\$	
Balance as at 30 June 2020	45,733,332	472,945	
30 September 2020	lapsed 1,100,000 Class C	(1,100,000)	-
4 December 2020	issue of 2,400,000 Class F	2,400,000	33,960
4 December 2020	issue of 500,000 Class G	500,000	16,571
31 December 2020	lapsed 23,783,333 Class A	(23,783,333)	-
31 December 2020	lapsed 18,749,999 NC6OPT	(18,749,999)	-
15 January 2021	lapsed 1,100,000 Class D	(1,100,000)	-
25 January 2021	exercised 200,000 NC6OPT1	(200,000)	-
20 April 2021	issue 1,000,000 Class H	1,000,000	64,100
Balance as at 30 June 2021	4,700,000	587,576	
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
Balance as at 30 June 2022	26,568,635	1,054,426	

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 \$85,200 for options issued to Directors was calculated using the Hoadley ESO2 valuation model using the following inputs:

	Unlisted options NC6OPT 6
Number of options in series	1,000,000
Grant date	26 Nov 2021
Expiry date	7 Dec 2024
Share price at grant date	\$0.099
Exercise price	\$0.1470
Expected volatility	134%
Dividend yield	nil
Risk-free interest rate	0.98%
Fair value at grant date	\$0.0852

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13. EQUITY – RESERVES (CONTINUED)

The expense of \$52,400 for options issued to employees was calculated using the Hoadley ESO2 valuation model using the following inputs:

	Unlisted options NC6OPT 5
Number of options in series	1,000,000
Grant date	14 Sept 2021
Expiry date	15 Sept 2024
Share price at grant date	\$0.099
Exercise price	\$0.15
Expected volatility	133%
Dividend yield	nil
Risk-free interest rate	0.14%
Fair value at grant date	\$0.0524

The options on issue as at 30 June 2022 are as follows:

Grant date	Class of option	No. of Options	Exercise price	Expiry date
21 May 2020	NC6OPT1	800,000	\$0.10	31 May 2023
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
Total		26,568,635		

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13. EQUITY – RESERVES (CONTINUED)

(b) Movements in performance rights reserve

	No. of Performance Rights	\$
Balance as at 30 June 2020	4,500,000	328,141
Conversion of A Class Performance Rights	(500,000)	(100,000)
C Class Performance rights issued in prior year - expense recognised for the year end 30 June 2021	-	167,859
D Class Performance rights issued to director - expense recognised for the year end 30 June 2021	2,000,000	65,835
C Class Performance rights lapsed	(4,000,000)	(396,000)
Balance as at 30 June 2021	2,000,000	65,835
D Class Performance rights lapsed	(2,000,000)	(65,835)
Balance as at 30 June 2022	-	-

There are no Performance Rights on issue as at 30 June 2022.

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

	30 June 2022 (\$)	30 June 2021 (\$)
<i>Share-based payment – employees/KMP</i>		
Options issued to employee	52,400	-
Options issued to directors	85,200	16,571
Performance rights issued to directors	-	233,694
Performance rights to director lapsed	(65,835)	(396,000)
	71,765	(145,735)
<i>Share-based payment – supplier/consultant</i>		
Options issued to lead manager	329,250	33,960
Options issued to consultant	-	64,100
	329,250	98,060

NOTE 14. EQUITY – ACCUMULATED LOSSES

	30 June 2022 (\$)	30 June 2021 (\$)
Accumulated losses at the beginning of the financial year	(6,735,099)	(5,804,054)
Loss after income tax expense for the year	(1,566,504)	(931,045)
Accumulated losses at the end of the financial year	(8,301,603)	(6,735,099)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 15. KEY MANAGEMENT PERSONNEL COMPENSATION

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

	30 June 2022 (\$)	30 June 2021 (\$)
Short-term employee benefits	330,000	357,721
Post-employment benefits	22,669	24,007
Annual leave payments	18,213	24,788
Share-based payments - shares	-	16,999
Share-based payments - options	85,200	16,571
Share-based payments - performance rights	(65,835)	65,835
	390,247	505,921

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 2022 (\$)	30 June 2021 (\$)
Audit services – RSM Australia Partners		
Auditor review of the financial statements	33,500	30,750
Other services – RSM Australia Partners		
Preparation of income tax return	6,500	5,500
	40,000	36,250

NOTE 17. COMMITMENTS

The Company has no commitments not recognised as liabilities as at 30 June 2022 (2021: \$nil).

NOTE 18. CONTINGENT ASSETS

The Company has no contingent assets as at 30 June 2022 (2021: \$nil).

NOTE 19. CONTINGENT LIABILITIES

The Company has no contingent liabilities as at 30 June 2022 (2021: \$nil).

NOTES TO THE FINANCIAL STATEMENTS

NOTE 20. EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2022 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 Valle Corporate Pty Ltd (director related entity of Winton Willesee) of \$22,000 (2021: \$21,800) for bookkeeping and financial reporting services fees.

Payments to Azalea Consulting Pty Ltd (director related entity of Winton Willesee) of \$60,451 (2021: \$60,451) for 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:

	2022	2021
Payable to Valle Corporate Pty Ltd (director related entity of Winton Willesee)	2,000	2,000
Payable to Azalea Consulting Pty Ltd (director related entity of Winton Willesee)	5,496	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 2022 (\$)	30 June 2021 (\$)
Loss after income tax expense for the year	(1,566,504)	(931,045)
Adjustments for:		
Depreciation of plant and equipment	39,128	31,876
Depreciation of right-of-use-asset	25,876	25,072
Equity accounted expense	16,356	23,445
Share based payments	71,765	(145,735)
Expenses paid via equity instruments	-	64,100
Change in operating assets and liabilities:		
Trade and other receivables	12,612	34,353
Prepayments	15,749	(34,830)
Provisions	30,451	(6,679)
Trade and other payables	(27,739)	4,257
Net cash used in operating activities	(1,382,306)	(935,186)

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 2022 (\$)	30 June 2021 (\$)
Financial assets		
Cash and cash equivalents	1,586,252	3,006,597
Trade and other receivables	20,406	33,018
	1,606,658	3,039,615
Financial liabilities		
Trade and other payables	88,177	445,166
Lease liability (current and non-current)	38,093	11,405
Borrowings	-	26,475
	126,270	483,046

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 (2021: \$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 2022 (\$)	30 June 2021 (\$)
Basic loss per share (cents)	1.05	0.77
Diluted loss per share (cents)	1.05	0.77

	30 June 2022 (\$)	30 June 2021 (\$)
Net loss used in the calculation of basic and diluted loss per share	(1,566,504)	(931,045)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic loss per share	148,810,204	120,612,310
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted loss per share	148,810,204	120,612,310

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.

DIRECTOR'S DECLARATION

In the opinion of the Directors of Nanollose Limited:

- (a) the Financial Statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and Notes set out on pages 25 to 51, 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 2022 and of their 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 disclosed in Note 1; 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 for the financial period ended 30 June 2022.

Signed in accordance with a resolution of the Directors.



Winton Willesee

Non-Executive Director

Dated at Perth, Western Australia

25 August 2022



RSM Australia Partners

Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 92619100

F +61 (0) 8 92619111

www.rsm.com.au

**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 2022, 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 2022 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**

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

Liability limited by a scheme approved under Professional Standards Legislation

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.

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

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 2022 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.

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: https://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 in the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Nanollose Limited, for the year ended 30 June 2022, 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



Alasdair Whyte
Partner

Perth, WA
Dated: 25 August 2022

ASX ADDITIONAL INFORMATION

The shareholder information set out below was applicable as at 1 August 2022.

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 on issue.

3. Distribution of Shareholders

i) Fully Paid Ordinary Shares

Shares Range	Holders	Units	%
1 – 1,000	32	4,808	0.00%
1,001 – 5,000	193	758,565	0.51%
5,001 – 10,000	268	2,169,093	1.46%
10,001 – 100,000	753	28,171,103	18.92%
100,001 and above	198	117,782,799	79.11%
Total	1,444	148,886,368	100.00%

On 1 August 2022, there were 320 holders of unmarketable parcels of less than 7,247 Shares (based on the closing Share price of \$0.069).

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	71	3,480,152	15.63%
100,001 and above	23	18,738,248	84.15%
Total	103	22,268,635	100.00%

iii) **Class E Options exercisable at \$0.10 on or before 31 May 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	800,000 ¹	100%
Total	1	800,000	100%

¹Held by Anthony John Locantro

iv) **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 ¹	100%
Total	1	500,000	100%

¹Held by Heidi Beatty

v) **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 ¹	100%
Total	1	1,000,000	100%

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

vi) **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 ¹	100%
Total	1	1,000,000	100%

¹ Held by Boon Aik Tan

vii) **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 ²	100%
Total	2	1,000,000	100%

¹Holders 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

4. Substantial Shareholders

The names of the substantial shareholders as notified to the Company as at 1 August 2022 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 2022.

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 2022 are as follows:

	Name	Holding	%
1	Wayne Morris Best <Wayne & Debra Best Fam A/C>	8,431,798	5.66%
2	Azalea Family Holdings Pty Ltd	8,000,000	5.37%
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	5,838,112	3.92%
6	Mr Christopher Spafford Richardson	3,323,988	2.23%
7	Mrs Suzanne Margaret Cass <Cass A/C>	3,315,000	2.23%
8	Tripit Pty Ltd <Peter Heather Wells S/F A/C>	3,000,000	2.02%
9	Madeiros Pty Ltd <Visser Super Fund A/C>	2,609,942	1.75%
10	Mr Dean Anthony Mackenzie	2,463,544	1.65%
11	BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient DRP>	2,226,915	1.50%
12	Mr Michael Hilton Holbrook	2,122,376	1.43%
13	Mr Anthony West	1,840,003	1.24%
14	Lobster Pot Investments Pte Ltd	1,799,262	1.21%
15	Mr David Robin Lunn & Mrs Stephanie Ann Yu <Lunn Superfund A/C>	1,722,097	1.16%
16	Mr Terry Visser & Mrs Hafidah Visser	1,372,333	0.92%
17	Mr Andreas Steinwachs	1,310,111	0.88%
18	BNP Paribas Noms Pty Ltd <DRP>	1,256,032	0.84%
19	Mr Bill Chia-Han Chang	1,219,761	0.82%
20	Mr Shane Raffa	1,075,000	0.72%
	TOTAL	65,211,987	43.80%

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 2022 are as follows:

	Holder Name	Holding	%
1	Mr Adam Laurence Bode	6,500,000	29.19%
2	Mr Michael Hilton Holbrook <Helm A/C>	5,557,487	24.96%
3	Mr Bhathiya Jeewaka Fernando	1,407,614	6.32%
4	Mr Stefan Alasdair Graham	650,552	2.92%
5	BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient DRP>	525,000	2.36%
6	Mr Ali Mohammed Parvez Ukani	425,000	1.91%
7	Mr Christopher Spafford Richardson	400,464	1.80%
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	Mrs Virginia Lea Lonsdale	220,176	0.99%
13	Mrs Kathryn Valerie Van Der Zwan <Harleston Family A/C>	187,500	0.84%
14	Mr Dan Thomas Dowse Collins	166,666	0.75%
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%
15	Mr Noel Russell Cameron & Dr Belinda Caroline Goad <Noel Cameron Super Fund A/C>	156,250	0.70%
16	FTM Share Investments Pty Ltd	150,000	0.67%
17	Mr Shane James Sentance	125,000	0.56%
18	Mr Martin Paul Wilson <Connor A/C>	118,750	0.53%
19	Jenda Vic Pty Ltd	113,125	0.51%
20	Mr Alan Philip May	100,000	0.45%
20	SJ Capital Pty Ltd	100,000	0.45%
20	Mr Mark Andrew Wing Young & Ms Noreen Hallion & Mr Paul Simon Hallion <Hallion Wing Young S/F A/C>	100,000	0.45%
	Total	19,038,248	85.49%