

Nanollose Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	Nanollose Limited ('Company')
ABN:	13 601 676 377
Reporting period:	For the half-year ended 31 December 2017
Previous period:	For the half-year ended 31 December 2016

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	- to	-
Loss from ordinary activities after tax attributable to the owners of Nanollose Limited	up	77.6% to	(833,224)
Loss for the half-year attributable to the owners of Nanollose Limited	up	77.6% to	(833,224)

Dividends

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

Comments

The loss for the Company after providing for income tax amounted to \$833,224 (31 December 2016: \$460,201). Included in the loss for the half-year period are compliance, regulatory, legal and consulting expenses relating to the ASX listing amounting to \$301,586.

Please refer to the Directors' report in the attached financial statements for further commentary.

3. Net tangible assets

	Reporting period	Previous period
Net tangible assets	3,773,942	332,831
Shares (No.)	74,999,993	49,499,993
Net tangible assets per ordinary security (cents)	<u>5.03</u>	<u>0.67</u>

4. Dividends

Current period

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

Previous period

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

5. Audit qualification or review

The financial statements were subject to a review by the auditors and the auditor's review report is attached as part of the Interim Financial Report.

6. Attachments

The Interim Financial Report of Nanollose Limited for the half-year ended 31 December 2017 is attached.

7. Signed



Signed _____
Winton Willesee
Non-Executive Director

Date: 16 February 2018

Nanollose Limited

ABN 13 601 676 377

Interim Report - 31 December 2017

Nanollose Limited
Directors' report
31 December 2017

The directors present their report, together with the financial statements, for Nanollose Limited (referred to hereafter as the "company") for the half-year ended 31 December 2017.

Directors

The following persons were directors of Nanollose Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Wayne Best (Chairman)
Winton Willesee
Gary Cass
Terence Walsh
Alfie Germano (appointed 9 August 2017)

Principal activities

During the period, the principal continuing activities of the company consisted of research and development, and promotion of the company's nanocellulose technology.

During the period, the company successfully raised \$5,000,000 by way of the issue of 25,000,000 shares of \$0.20 and was listed on the Australian Securities Exchange on 18 October 2017.

Review of operations

The loss for the company after providing for income tax amounted to \$833,224 (31 December 2016: \$460,201).

Significant changes in the state of affairs

Other than as noted above, there were no significant changes in the state of affairs of the company during the financial half-year.

Events after the reporting period

No matter or circumstance has arisen since 31 December 2017 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.

Dividends

No dividend has been declared or paid during the half-year ended 31 December 2017 (31 December 2016: Nil), and the directors do not recommend the payment of a dividend in respect of the half-year ended 31 December 2017.

Auditor's independence declaration

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

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Winton Willesee
Director

16 February 2018
Perth

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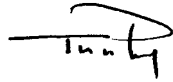
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Nanollose Limited for the half-year ended 31 December 2017, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 16 February 2018

Nanollose Limited
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31 December 2017

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**Nanollose Limited
Corporate Directory
31 December 2017**

Directors	Wayne Best Winton Willesee Gary Cass Terence Walsh
Managing Director	Raffaele (Alfie) Germano
Company Secretary Registered office	Erlyn Dale Suite 5 CPC 145 Stirling Highway Nedlands WA 6009
Principal place of business	Suite 5 CPC 145 Stirling Highway Nedlands WA 6009
Share register	Automic Level 3 50 Holt Street Surry Hills NSW 2010 Phone: 1300 288 664
Auditor	RSM Australia Partners Level 32 2 The Esplanade Perth WA 6000
Solicitors	Fairweather Corporate Lawyers 595 Stirling Highway Peppermint Grove WA 6011
Website	www.nanollose.com

Nanollose Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2017

	31 Dec 2017	31 Dec 2016
	\$	\$
Revenue		
Interest income	19,102	908
Expenses		
Research and development expenses	(210,701)	(113,356)
Employee related expenses	(197,282)	-
Compliance and regulatory expenses	(115,593)	-
Legal and consultancy expenses	(185,992)	(73,000)
Promotion and communication expenses	(66,223)	-
Administration expenses	(57,675)	(19,963)
Share based payments	(15,822)	(254,790)
Depreciation and amortisation expense	(1,919)	-
Interest expense	(1,119)	-
Loss before income tax expense	(833,224)	(460,201)
Income tax expense	-	-
Loss after income tax expense for the half-year	(833,224)	(460,201)
Other comprehensive income		
Other comprehensive income for the half-year, net of tax	-	-
Total comprehensive loss for the half-year	(833,224)	(460,201)
Loss per share for loss from continuing operations attributable to ordinary equity holders of the Company		
Basic loss per share	(1.39)	(1.13)
Diluted loss per share	(1.39)	(1.13)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Nanollose Limited
Statement of financial position
As at 31 December 2017

	Note	31 Dec 2017 \$	30 Jun 2017 \$
Assets			
Current assets			
Cash and cash equivalents		3,802,364	40,211
Trade and other receivables		79,034	14,407
Other		9,979	92,229
Total current assets		<u>3,891,377</u>	<u>146,847</u>
Non-current assets			
Plant and equipment		24,573	4,505
Total non-current assets		<u>24,573</u>	<u>4,505</u>
Total assets		<u>3,915,950</u>	<u>151,352</u>
Liabilities			
Current liabilities			
Trade and other payables		138,121	127,677
Provisions		3,887	-
Borrowings		-	60,973
Total current liabilities		<u>142,008</u>	<u>188,650</u>
Total liabilities		<u>142,008</u>	<u>188,650</u>
Net assets		<u>3,773,942</u>	<u>(37,298)</u>
Equity			
Issued capital	2	5,137,879	509,237
Reserves		301,268	285,446
Accumulated losses		(1,665,205)	(831,981)
Total equity		<u>3,773,942</u>	<u>(37,298)</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Nanollose Limited
Statement of changes in equity
For the half-year ended 31 December 2017

	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2016	5	-	(11,635)	(11,630)
Proceeds from share issues	603,895	-	-	603,895
Share issue costs	(54,023)	-	-	(54,023)
Share based payments	-	254,790	-	254,790
Loss after income tax expense for the half-year	-	-	(460,201)	(460,201)
Balance at 31 December 2016	<u>549,877</u>	<u>254,790</u>	<u>(471,836)</u>	<u>332,831</u>

	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2017	509,237	285,446	(831,981)	(37,298)
Proceeds from share issues	5,000,000	-	-	5,000,000
Share issue costs	(471,358)	-	-	(471,358)
Share based payments	100,000	15,822	-	115,822
Loss after income tax expense for the half-year	-	-	(833,224)	(833,224)
Balance at 31 December 2017	<u>5,137,879</u>	<u>301,268</u>	<u>(1,665,205)</u>	<u>3,773,942</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Nanollose Limited
Statement of cash flows
For the half-year ended 31 December 2017

	31 Dec 2017	31 Dec 2016
	\$	\$
Cash flows from operating activities		
Interest received	2,162	908
Payments to suppliers and employees	<u>(730,159)</u>	<u>(196,250)</u>
Net cash used in operating activities	<u>(727,997)</u>	<u>(195,342)</u>
Cash flows from investing activities		
Payments for plant and equipment	<u>(21,987)</u>	<u>-</u>
Net cash used in investing activities	<u>(21,987)</u>	<u>-</u>
Cash flows from financing activities		
Net proceeds from share issues	4,573,110	549,872
Net repayment of borrowings	<u>(60,973)</u>	<u>-</u>
Net cash from financing activities	<u>4,512,137</u>	<u>549,872</u>
Net increase in cash and cash equivalents	3,762,153	354,530
Cash and cash equivalents at the beginning of the financial half-year	<u>40,211</u>	<u>10,314</u>
Cash and cash equivalents at the end of the financial half-year	<u>3,802,364</u>	<u>364,844</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Nanollose Limited
Notes to the financial statements
31 December 2017

Note 1. Significant Accounting Policies

These financial statements for the interim half-year reporting period ended 31 December 2017 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, 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 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.

Note 2. Segment Information

The company identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The information presented in the financial report is the same information that is viewed by the Directors.

The company is currently operating in one business segment being an administrative entity in the research sector and one geographic segment being Australia.

Note 3. Equity – Issued capital

	31 Dec 2017	30 Jun 2017
	\$	\$
At the beginning of the period	509,237	5
Shares issued during the period pursuant to prospectus	5,000,000	603,895
Share issue costs	(471,358)	(94,633)
Share based payments to Managing Director in lieu of salary	100,000	-
Balance at the end of the period	5,137,879	509,237

Note 4. Contingent Liabilities

The company has no contingent liabilities as at 31 December 2017.

Note 5. Commitments

The company has no capital or other expenditure commitments as at 31 December 2017.

Nanollose Limited
Notes to the financial statements
31 December 2017

Note 6. Events after the Reporting Period

No matter or circumstance has arisen since 31 December 2017 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 7. Dividends

No dividend has been declared or paid during the half-year ended 31 December 2017 (31 December 2016: Nil) and the directors do not recommend the payment of a dividend in respect of the half-year ended 31 December 2017.

Nanollose Limited
Directors' declaration
31 December 2017

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2017 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Winton Willesee
Director

16 February 2018
Perth



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

We have reviewed the accompanying half-year financial report of Nanollose Limited which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Nanollose Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Nanollose Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

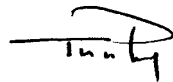
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Nanollose Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 16 February 2018