

# NANOLLOSE LIMITED

## ACN 601 676 377

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## ENTITLEMENT ISSUE PROSPECTUS

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For a pro-rata non-renounceable entitlement issue of one Share for every three Shares held by those Shareholders registered at the Record Date at an issue price of \$0.016 per Share together with one free-attaching New Option for every five Shares applied for and issued to raise up to approximately \$1,050,701 (based on the number of Shares on issue as at the date of this Prospectus) (**Entitlement Offer**).

This Prospectus also contains the following offers:

- (a) up to 8,400,000 New Options to the Placement Participants (**Placement Offer**);
- (b) up to 85,668,789 New Options to Dutch Ink (or their nominees) (**Investor Offer**);
- (c) 25,000,000 Shares together with one free-attaching New Option for every five Shares applied for and issued to the Participating Directors (or their nominees) (**Director Offer**);  
and
- (d) 8,000,000 Quoted Options to Peak Asset Management (or their nominees) (**Advisor Offer**).

### IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Securities offered by this Prospectus should be considered as highly speculative.

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## IMPORTANT NOTICE

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This Prospectus is dated 13 January 2025 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered by this Prospectus should be considered as highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be made by an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

### No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

### Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important

factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

### Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offers are not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia, New Zealand, Hong Kong or Germany.

For further information on overseas Shareholders please refer to Section 2.12.

### Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 6.2 for further details.

### **Target Market Determination**

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Options issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (TMD) as set out on the Company's website ([www.nanollose.com](http://www.nanollose.com)).

### **Electronic Prospectus**

A copy of this Prospectus can be downloaded from the website of the Company at [www.nanollose.com](http://www.nanollose.com). If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian, New Zealand, Hong Kong or Germany resident and must only access this Prospectus from within Australia, New Zealand, Hong Kong or Germany.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 8 9389 3120 during office hours or by emailing the Company at [info@nanollose.com](mailto:info@nanollose.com).

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

### **Company Website**

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

### **Financial forecasts**

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

### **Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship**

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be

provided to holders if there have been any changes in their security holding in the Company during the preceding month.

### **Photographs and Diagrams**

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

### **Definitions and Time**

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 8.

All references to time in this Prospectus are references to Australian Western Standard Time.

### **Privacy statement**

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

### **Use of Trademarks**

This Prospectus includes the Company's registered and unregistered trademarks.

All other trademarks, tradenames and service marks appearing in this Prospectus are the property of their respective owners.

### **Enquiries**

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept an Offer please call the Company Secretary on +61 8 9389 3120

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## CORPORATE DIRECTORY

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### Directors

Wayne Best (Executive Chairman)  
Winton Willesee (Non-Executive Director)  
Heidi Beatty (Non-Executive Director)

### Company Secretary

Eryn Dawson

### Registered Office

Suite 5 CPC, 145 Stirling Highway  
NEDLANDS WA 6009

Telephone: + 61 8 9389 3120

Email: [info@nanollose.com](mailto:info@nanollose.com)

Website: [www.nanollose.com](http://www.nanollose.com)

### Auditor\*

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

### Share Registry\*

Automatic Registry Services  
Level 5  
191 St Georges Terrace  
PERTH WA 6000

Telephone: (08) 9324 2099

### Legal Advisers

Steinepreis Paganin  
Level 14, QV1 Building  
250 St Georges Terrace  
PERTH WA 6000

\*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

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## 1. KEY OFFER INFORMATION

### 1.2 Timetable\*

| EVENT   | DATE             |
|---|------------------|
| Lodgement of Prospectus with the ASIC   | 13 January 2025  |
| Lodgement of Prospectus and Appendix 3B with ASX  | 13 January 2025  |
| Opening Date of Placement Offer, Investor Offer, Director Offer and Advisor Offer   | 13 January 2025  |
| Closing Date as at 5:00pm* of Advisor Offer   | 15 January 2025  |
| Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Advisor Options  | 15 January 2025  |
| Ex date   | 16 January 2025  |
| Record Date for determining Entitlements  | 17 January 2025  |
| Entitlement Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed   | 22 January 2025  |
| Last day to extend the Closing Date of Entitlement Offer  | 17 February 2025 |
| Closing Date as at 5:00pm* of Entitlement Offer, Placement Offer, Investor Offer and Director Offer   | 20 February 2025 |
| General Meeting   | 20 February 2025 |
| Entitlement Shares quoted on a deferred settlement basis  | 21 February 2025 |
| Announcement of results of Entitlement Offer  | 25 February 2025 |
| Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Entitlement Shares and Tranche 2 Placement Shares, lodgement of cleansing statement in respect of Tranche 2 Placement Shares | 27 February 2025 |
| Issue date and lodgement of Appendix 3G for New Options under Entitlement Offer, Placement Offer and Investor Offer   | 27 February 2025 |
| Quotation of Entitlement Shares and Tranche 2 Placement Shares  | 28 February 2025 |

\*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the Securities are expected to commence trading on ASX may vary.

### 1.3 Summary of the Placement and the Entitlement Offer

As announced on 13 December 2024, the Company is conducting a placement (**Placement**) and non-renounceable entitlement issue in order to raise up to an aggregate of approximately \$1,722,701 (before costs).

#### 1.3.1 Placement

As announced on 13 December 2024, the Company has received binding commitments from sophisticated and professional investors under the Placement (**Placement Participants**) to raise a total of approximately \$672,000, through the issue of 42,000,000 Shares (**Placement Shares**) at an issue price of \$0.016 per Share together with one New Option for every five Placement Shares subscribed for and issued.

The Placement comprises:

- (a) 25,000,000 Placement Shares (**Tranche 1 Placement Shares**) which were issued on 20 December 2024 utilising the Company's existing placement capacity under ASX Listing Rule 7.1;

- (b) 17,000,000 Placement Shares (**Tranche 2 Placement Shares**) which will be issued subject to Shareholder approval being obtained at the Company's upcoming general meeting to be held on or around 20 February 2025 (**General Meeting**); and
- (c) 8,400,000 New Options which are free attaching to the Placement Shares which will be issued subject to Shareholder approval being obtained at the General Meeting (**Placement Options**).

### 1.3.2 Entitlement Offer

The Entitlement Offer is being made as a pro-rata non-renounceable entitlement issue of one Share for every three Shares held by those Shareholders registered at the Record Date at an issue price of \$0.016 per Share together with one free-attaching New Option for every five Shares applied for and issued to raise up to approximately \$1,050,701.

Full details in respect of the Entitlement Offer are set out in Section 2.1.

### 1.3.3 Placement Offer

The purpose of the Placement Offer being made under this Prospectus is to make the offer of the Placement Options to the Placement Participants.

## 1.4 Summary of the Investor Offer

The Company has granted one of the strategic investors participating in the Placement, Dutch Ink (2010) Pty Ltd (**Dutch Ink**), the exclusive right to place any Shortfall Securities on a best endeavours basis. In consideration for the placement of Shortfall Securities, the Company has agreed to issue Dutch Ink (or their nominees):

- (a) 20,000,000 New Options; and
- (b) up to 65,668,789 New Options on the basis of one New Option for each Share subscribed for and issued under the Entitlement Offer or issued under the Shortfall Offer,

totalling 85,668,789 New Options (**Strategic Options**), subject to obtaining Shareholder approval at the General Meeting.

The purpose of the Investor Offer being made under this Prospectus is to make the offer of the Strategic Options to Dutch Ink (or their nominees).

## 1.5 Summary of the Director Offer

The Company has agreed to issue Directors Wayne Best and Winton Willesee (the **Participating Directors**) (or their nominees) 12,500,000 Shares each together with one free-attaching New Option for every five Shares issued, in lieu of outstanding fees owed to the Participating Directors (**In-lieu Securities**), subject to obtaining Shareholder approval at the General Meeting. Further information will be provided in the Company's notice for the General Meeting (**Notice of Meeting**).

The purpose of the Director Offer being made under this Prospectus is to make the offer of the In-lieu Securities to the Participating Directors (or their nominees).

## 1.6 Summary of the Advisor Offer

As set out in the notice of meeting for the Company's 2024 Annual General Meeting dated 11 October 2024, the Company has agreed, subject to shareholder approval, to issue CoPeak Corporate Pty Ltd as Trustee for Peak Asset Management Unit Trust (**Peak Asset Management**) (or its nominees) 8,000,000 Quoted Options (**Advisor Options**) in recognition of Peak Asset Management's support of the 2023 placement and share purchase plan and for corporate advisory services provided to the Company since.

Shareholder approval for the Advisor Options was obtained at the Company's 2024 Annual General Meeting held on 14 November 2024.

The purpose of the Advisor Offer being made under this Prospectus is to make the offer of the Advisor Options to Peak Asset Management (or their nominees).

## 1.7 Key statistics of the Entitlement Offer

### Shares<sup>1</sup>

|   | FULL SUBSCRIPTION <sup>2</sup> |
|---|--------------------------------|
| Offer Price per Share                           | \$0.016                        |
| Entitlement Ratio (based on existing Shares)    | 1:3                            |
| Shares currently on issue                       | 197,006,368                    |
| Shares to be issued under the Entitlement Offer | 65,668,790                     |
| Gross proceeds of the issue of Shares           | \$1,050,701                    |
| <b>Shares on issue Post-Entitlement Offer</b>   | <b>262,675,158<sup>3</sup></b> |

#### Notes:

1. Refer to Section 4.1 for the terms of the Shares.
2. Assuming the full subscription of \$1,050,701 is achieved under the Entitlement Offer.
3. Assuming no other Shares are issued.

### Options

|   | FULL SUBSCRIPTION <sup>1</sup> |
|---|--------------------------------|
| Offer Price per New Option  | Nil                            |
| Option Entitlement Ratio (based on Shares subscribed for)         | 1:5                            |
| Options currently on issue  | 23,620,000                     |
| New Options to be issued under the Entitlement Offer <sup>2</sup> | 13,133,758                     |
| Gross proceeds of the issue of New Options                        | Nil                            |
| <b>Options on issue Post-Entitlement Offer</b>                    | <b>36,753,758<sup>3</sup></b>  |

#### Notes:

1. Assuming the full subscription of \$1,050,701 is achieved under the Entitlement Offer.
2. Refer to Section 4.2 for the terms of the New Options.
3. Assuming no other Options are issued.

## 1.8 Key Risk Factors

Prospective investors should be aware that subscribing for Securities involves a number of risks and an investment in the Company should be considered as highly speculative. The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 5.

## 1.9 Directors' Interests in Securities

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below:

| DIRECTOR        | SHARES    | OPTIONS   | SHARE ENTITLEMENT | NEW OPTION ENTITLEMENT | \$       | % <sup>1</sup>     |
|-----------------|-----------|-----------|-------------------|------------------------|----------|--------------------|
| Winton Willesee | 9,268,504 | 1,200,000 | 3,089,502         | 617,901                | \$49,432 | 8.22% <sup>2</sup> |



| DIRECTOR     | SHARES    | OPTIONS   | SHARE ENTITLEMENT | NEW OPTION ENTITLEMENT | \$       | % <sup>1</sup>     |
|--------------|-----------|-----------|-------------------|------------------------|----------|--------------------|
| Wayne Best   | 9,900,000 | 1,200,000 | 3,300,000         | 660,000                | \$52,800 | 8.47% <sup>2</sup> |
| Heidi Beatty | 68,504    | -         | 22,835            | 4,567                  | \$365    | 0.03%              |

**Notes:**

1. Percentage interest on a fully diluted basis on the basis that the Entitlement Offer and Placement are fully subscribed.
2. Includes In-lieu Securities issued to Winton Willesee and Wayne Best (or their nominees) under the Director Offer.

The Board recommends all Shareholders take up their Entitlements. The Directors reserve the right to take up their respective Entitlement in whole or in part at their discretion.

### 1.10 Details of Substantial Holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

| SHAREHOLDER                                      | SHARES    | %     |
|--|-----------|-------|
| Wayne Morris Best ATF Wayne & Debra Best Fam A/C | 9,900,000 | 5.03% |

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Entitlement Offer.

### 1.11 Effect on Control

Based on current shareholding and Entitlements of Shareholders (including substantial Shareholders) as at the date of this Prospectus, regardless of the amount raised under the Entitlement Offer, no Shareholder will increase their holding, to an amount in excess of 19.9% through applying for their Entitlements.

Further as set out in Section 2.9, on the basis of the allocation policy, no person will acquire, through participation in the Shortfall Offer a holding of Shares of, or increase their holding to, an amount in excess of 19.9% of all the Shares on issue on completion of the Entitlement Offer.

Further there will be no change to any Shareholder's voting power as a result of the issue of the New Options. Where New Options are exercised into Shares, the voting power of the Shareholders who exercise the New Options will increase. The likelihood of New Options being exercised is dependent on the price of Shares from time to time until the New Options expire.

### 1.12 Potential dilution on non-participating Shareholders

In addition to potential control impacts set out in Section 1.11, Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted by approximately 35.34% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus and assuming that the Entitlement Offer, Director Offer and the Placement are fully subscribed).

No immediate dilution will occur as a result of the issue of New Options under this Prospectus. However subsequent exercise of any or all of the New Options will result in dilution. Assuming all New Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Entitlement Offer, are likely to be diluted by approximately an additional 17.40% in aggregate (as compared to their holdings and number of Shares on issue as at the date of the Prospectus and assuming that the Entitlement Offer, Director Offer and the Placement are fully subscribed and the Strategic Options are issued).

For illustrative purposes, the table below shows how the dilution may impact the holdings of Shareholders:

| HOLDER        | HOLDING AS AT RECORD DATE | % AT RECORD DATE | ENTITLEMENTS UNDER THE ENTITLEMENT OFFER | HOLDINGS IF OFFER NOT TAKEN UP | % POST ENTITLEMENT OFFER |
|---------------|---------------------------|------------------|--|--------------------------------|--------------------------|
| Shareholder 1 | 10,000,000                | 5.08%            | 3,333,333                                | 10,000,000                     | 3.28%                    |
| Shareholder 2 | 5,000,000                 | 2.54%            | 1,666,667                                | 5,000,000                      | 1.64%                    |
| Shareholder 3 | 1,500,000                 | 0.76%            | 500,000                                  | 1,500,000                      | 0.49%                    |
| Shareholder 4 | 400,000                   | 0.20%            | 133,333                                  | 400,000                        | 0.13%                    |
| Shareholder 5 | 50,000                    | 0.03%            | 16,667                                   | 50,000                         | 0.02%                    |

**Notes:**

1. This is based on a share capital of 197,006,368 Shares as at the date of the Prospectus and assumes no Options (including New Options) currently on issue are exercised and no other Shares are issued (other than the Placement Shares and Shares the subject of the Director Offer) are issued.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that the Placement and Director Offer are fully subscribed and those Entitlements not accepted by Eligible Shareholders are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

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## **2. DETAILS OF THE OFFERS**

### **2.1 The Entitlement Offer**

The Entitlement Offer is being made as a pro-rata non-renounceable entitlement issue of one Share for every three Shares held by Shareholders registered at the Record Date at an issue price of \$0.016 per Share together with one New Option for every five Shares subscribed for and issued. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no Shares are issued prior to the Record Date including on exercise or conversion of securities on issue) approximately 65,668,790 Shares and 13,133,758 New Options may be issued under the Entitlement Offer to raise up to approximately \$1,050,701. No funds will be raised from the issue of the New Options.

As at the date of this Prospectus the Company has 23,620,000 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Entitlement Offer. Please refer to Section 3.3 for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares. The New Options under the Entitlement Offer will be issued on the terms and conditions set out in Section 4.2.

The purpose of the Entitlement Offer and the intended use of funds raised are set out in Section 3.

### **2.2 The Placement Offer**

The Placement Offer is for up to 8,400,000 New Options and will only be extended to the Placement Participants. Accordingly, Application Forms in relation to the Placement Offer will only be provided by the Company to the Placement Participants.

The Placement Offer is a conditional offer, subject to the satisfaction of the conditions set out in Section 2.6 below.

The New Options under the Placement Offer will be issued on the terms and conditions set out in Section 4.2.

No funds will be raised pursuant to the Placement Offer as the Placement Options are being issued free-attaching to the Placement Shares.

### **2.3 The Investor Offer**

The Investor Offer is for up to 85,668,789 New Options and will only be extended to Dutch Ink (or their nominees). Accordingly, Application Forms in relation to the Investor Offer will only be provided by the Company to Dutch Ink (or their nominees).

The Investor Offer is a conditional offer, subject to the satisfaction of the conditions set out in Section 2.6 below.

The New Options under the Investor Offer will be issued on the terms and conditions set out in Section 4.2.

No funds will be raised pursuant to the Investor Offer as the Strategic Options are being issued in consideration for the placement of any Shortfall Securities by Dutch Ink.

### **2.4 The Director Offer**

The Director Offer is for 25,000,000 Shares and 5,000,000 New Options and will only be extended to the Participating Directors (or their respective nominees). Accordingly, Application Forms in relation to the Director Offer will only be provided by the Company to the Participating Directors (or their respective nominees).

The Director Offer is a conditional offer, subject to the satisfaction of the conditions set out in Section 2.6 below.

The Shares offered under the Director Offer will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares. The New Options under the Director Offer will be issued on the terms and conditions set out in Section 4.2.

No funds will be raised pursuant to the Director Offer as the In-lieu Securities are being issued in lieu of outstanding fees owed to the Participating Directors. Refer to the Notice of Meeting for further information.

## 2.5 The Advisor Offer

The Advisor Offer is for 8,000,000 Quoted Options and will only be extended to Peak Asset Management (or their nominees). Accordingly, Application Forms in relation to the Advisor Offer will only be provided by the Company to Peak Asset Management (or their nominees).

The Quoted Options under the Advisor Offer will be issued on the terms and conditions set out in Section 4.3.

No funds will be raised pursuant to the Advisor Offer as the Advisor Options are being issued in recognition of Peak Asset Management's support of the 2023 placement and share purchase plan and in consideration for corporate advisory services provided to the Company since.

## 2.6 Conditions of the Offers

The Placement Offer, Investor Offer and the Director Offer are each conditional upon Shareholders approving the relevant resolution to issue the Securities the subject of those Offers at the General Meeting. No Securities will be issued under the Placement Offer, Investor Offer and/or Director Offer until this condition is satisfied.

## 2.7 Minimum subscription

There is no minimum subscription under the Offers.

## 2.8 Acceptance and Application – Entitlement Offer

### 2.8.1 Acceptance

The number of Securities to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form which can be accessed at <https://investor.automic.com.au/#/home>. Eligible Shareholders may choose any of the options set out in the table below.

| OPTION   | KEY CONSIDERATIONS  | FOR MORE INFORMATION             |
|--|---|----------------------------------|
| <b>Take up all of your Entitlement</b>   | <ul style="list-style-type: none"> <li>Should you wish to accept all of your Entitlement, then your application for Securities under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form which can be accessed at <a href="https://investor.automic.com.au/#/home">https://investor.automic.com.au/#/home</a>. Please read the instructions carefully.</li> <li>Payment can be made by the methods set out in Section 2.8.2. As set out in Section 2.8.2, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form.</li> </ul> | Section 2.8.2 and Section 2.8.1. |
| <b>Take up a proportion of your Entitlement and allow the balance to lapse</b> | <ul style="list-style-type: none"> <li>If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by completing the personalised Entitlement and Acceptance Form which can be accessed at</li> </ul>  | Section 2.8.2 and Section 2.8.1  |

| OPTION   | KEY CONSIDERATIONS  | FOR MORE INFORMATION |
|--|---|----------------------|
|  | <p><a href="https://investor.automic.com.au/#/home">https://investor.automic.com.au/#/home</a> for the number of Securities you wish to take up and making payment using the methods set out in Section 2.8.2 below. As set out in Section 2.8.2, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form.</p> |                      |
| <p><b>Allow all or part of your Entitlement to lapse</b></p> | <ul style="list-style-type: none"> <li>If you do not wish to accept any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement by the Closing Date, the Entitlement Offer to you will lapse.</li> </ul>   | <p>N/A</p>           |

The Entitlement Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

## 2.8.2 Payment options

### (a) By BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (ii) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (iii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iv) if you pay more than is required to subscribe for your Entitlement, you will not be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, and will be refunded the amount in excess.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received by 20 February 2025 (WST) on the Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.**

### Guidance where you have more than one CRN (Shareholding of Shares)

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. **Do not use the same CRN for more than one of your Shareholdings.** This can result in your Application monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any Application in respect of your remaining Shareholdings will not be valid).

### (b) By Electronic Funds Transfer (overseas applicants)

For payment by Electronic Funds Transfer (EFT) for overseas Eligible Shareholders, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (v) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (vi) if you pay more than is required to subscribe for your Entitlement, you will not be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, and will be refunded the amount in excess.

(c) **By Cheque**

Payment by cheque or cash will not be accepted.

### 2.8.1 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® or EFT will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® or EFT payment instruction is given in relation to any Application monies, the application may not be varied or withdrawn except as required by law.

### 2.9 Shortfall Offer

Any Entitlement not taken up pursuant to the Entitlement Offer will form the Shortfall Offer (**Shortfall Securities**). The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.016 being the price at which Shares have been offered under the Entitlement Offer.

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other third parties as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Entitlement Offer.

No Securities will be issued to a party under the Shortfall Offer if the effect would be to increase that party's voting power in the Company to an amount greater than 19.99%.

All decisions regarding the allocation of Shortfall Securities will be made by the Directors and will be final and binding on all applicants under the Shortfall Offer; as such there is no guarantee that any Shortfall Securities applied for will be issued.

The Company will have no liability to any Applicant who receives less than the number of Shortfall Securities they applied for under the Shortfall Offer. If the Company scales back any applications for Shortfall Securities under the Shortfall Offer any Application monies will be returned (without interest) as soon as practicable.

### 2.10 ASX listing

Application for Official Quotation of the Shares and Quoted Options offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Shares and Quoted Options offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares or Quoted Options and will repay all Application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

Application for Official Quotation of the Quoted Options offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Quoted Options offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Quoted Options and will repay all Application monies for the Quoted Options within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Quoted Options is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

The Company will not apply for Official Quotation of the New Options issued pursuant to this Prospectus.

## **2.11 Issue of Securities**

Securities issued pursuant to the Offers will be issued in accordance with the ASX Listing Rules and timetable set out at Section 1.2.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Securities issued is less than the number applied for, or where no issue is made surplus Application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all Application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offers will be mailed as soon as practicable after the issue of Securities and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

## **2.12 Overseas shareholders**

The Offers do not, and are not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offers are not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia, New Zealand, Hong Kong or Germany.

### **New Zealand**

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

### **Hong Kong**

WARNING: This Prospectus may be distributed in Hong Kong only to (i) not more than 50 existing shareholders of the Company and (ii) any other shareholder who is a "professional investor" (as defined in the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong). This Prospectus may not be distributed, published, reproduced or disclosed (in whole or in part) to any other person in Hong Kong or used for any purpose in Hong Kong other than in connection with the recipient's consideration of the Offer.

You are advised to exercise caution in relation to the Offers. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

This Prospectus has not been reviewed by any Hong Kong regulatory authority. In particular, this Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of the Laws of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong.

### **Germany**

This Prospectus has not been, and will not be, registered with or approved by any securities regulator in Germany or elsewhere in the European Union. Accordingly, this document may not be made available, nor may the Shares be offered for sale, in Germany except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (**Prospectus Regulation**).

In accordance with Article 1(4) of the Prospectus Regulation, an offer of Shares in Germany is limited:

- (a) to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- (b) to fewer than 150 natural or legal persons (other than qualified investors); or
- (c) in any other circumstance falling within Article 1(4) of the Prospectus Regulation.



***Nominees and custodians***

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia, New Zealand, Hong Kong or Germany without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

### 3. PURPOSE AND EFFECT OF THE OFFERS

#### 3.1 Purpose of the Capital Raising

The purpose of the Placement and Entitlement Offer (**Capital Raising**) is to raise up to approximately \$1,722,701 in aggregate (before costs).

The funds raised from the Capital Raising are intended to be applied in accordance with the table set out below:

| ITEM | USE OF FUNDS   | (\$)               | %              |
|------|--|--------------------|----------------|
| 1.   | R&D in fabric and fibres, agricultural products, and vegan leather | \$1,000,000        | 58.05%         |
| 2.   | Working capital  | \$687,701          | 39.92%         |
| 3.   | Expenses of the Offers <sup>1</sup>                                | \$35,000           | 2.03%          |
|      | <b>Total</b>   | <b>\$1,722,701</b> | <b>100.00%</b> |

#### Notes:

1. Refer to Section 6.8 for further details relating to the estimated expenses of the Offers.

On completion of the Capital Raising, the Board believes the Company will have sufficient working capital to achieve its stated objectives. In the event the Placement and/or the Entitlement Offer is not fully subscribed, operational objectives are likely to be modified, which may result in delay or substantial changes to the Company's future plans.

In addition, it should be noted that the Company's budgets and forecasts will be subject to modification on an ongoing basis depending on the results achieved from its business activities and operations.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

#### 3.2 Effect of the Capital Raising

The principal effect of the Capital Raising, assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, will be to:

- (a) increase the cash reserves by \$1,687,701 (after deducting the estimated expenses of the Offer) immediately after completion of the Capital Raising;
- (a) increase the number of Shares on issue from 197,006,368 as at the date of this Prospectus to 279,675,158 Shares; and
- (b) increase the number of Options on issue from 23,620,000 as at the date of this Prospectus to 45,153,758 Options.

#### 3.3 Effect on capital structure

The effect of the Placement and the Offers on the capital structure of the Company, assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, is set out below.

#### Shares

|  | NUMBER                   |
|--|--------------------------|
| Shares currently on issue                        | 197,006,368 <sup>1</sup> |
| Issue of Tranche 2 Placement Shares              | 17,000,000               |
| Shares offered pursuant to the Entitlement Offer | 65,668,790               |

|   | NUMBER             |
|---|--------------------|
| Shares offered pursuant to the Director Offer               | 25,000,000         |
| <b>Total Shares on issue after completion of the Offers</b> | <b>304,675,158</b> |

**Notes:**

- Including 25,000,000 Tranche 1 Placement Shares issued on 20 December 2024.

**Options**

|   | NUMBER             |
|---|--------------------|
| Options currently on issue  |                    |
| Quoted Options exercisable at \$0.05 on or before 6 February 2027   | 23,120,000         |
| Unquoted Options exercisable at \$0.10 on or before 20 January 2026 | 500,000            |
| <b>Total Options on issue as at the date of this Prospectus</b>     | <b>23,620,000</b>  |
| New Options to be issued pursuant to the Placement Offer            | 8,400,000          |
| New Options to be issued pursuant to the Entitlement Offer          | 13,133,758         |
| New Options to be issued pursuant to the Investor Offer             | 85,668,789         |
| New Options to be issued pursuant to the Director Offer             | 5,000,000          |
| Quoted Options to be issued pursuant to the Advisor Offer           | 8,000,000          |
| <b>Total Options on issue after completion of the Offers</b>        | <b>143,822,547</b> |

The capital structure on a fully diluted basis as at the date of this Prospectus would be 220,626,368 Shares and on completion of the Placement and the Offers (assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date) would be 448,497,705 Shares.

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

**3.4 Pro-forma balance sheet**

The audited balance sheet as at 30 June 2024 and the unaudited pro-forma balance sheet as at 30 June 2024 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options or convertible securities are exercised prior to the Record Date and including expenses of the Offers and the Placement is fully subscribed.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

|                             | AUDITED<br>30 JUNE 2024<br>\$ | PROFORMA<br>30 JUNE 2024<br>\$ |
|-----------------------------|-------------------------------|--------------------------------|
| <b>CURRENT ASSETS</b>       |                               |                                |
| Cash and cash equivalents   | 138,755                       | 1,836,956                      |
| Trade and other receivables | 10,592                        | 10,592                         |
| Prepayments                 | 36,545                        | 36,545                         |

|                                   | AUDITED<br>30 JUNE 2024<br>\$ | PROFORMA<br>30 JUNE 2024<br>\$ |
|-----------------------------------|-------------------------------|--------------------------------|
| <b>TOTAL CURRENT ASSETS</b>       | <b>185,892</b>                | <b>1,884,093</b>               |
| <b>NON-CURRENT ASSETS</b>         |                               |                                |
| Right of use asset                | 41,422                        | 41,422                         |
| Plant and equipment               | 14,637                        | 14,637                         |
| <b>TOTAL NON-CURRENT ASSETS</b>   | <b>56,059</b>                 | <b>56,059</b>                  |
| <b>TOTAL ASSETS</b>               | <b>241,951</b>                | <b>1,940,152</b>               |
| <b>CURRENT LIABILITIES</b>        |                               |                                |
| Trade and other payables          | 331,903                       | (68,097)                       |
| Provisions                        | 91,210                        | 91,210                         |
| Lease liability                   | 42,530                        | 42,530                         |
| <b>TOTAL CURRENT LIABILITIES</b>  | <b>465,643</b>                | <b>65,643</b>                  |
| <b>TOTAL LIABILITIES</b>          | <b>465,643</b>                | <b>65,643</b>                  |
| <b>NET (LIABILITIES) / ASSETS</b> | <b>(223,692)</b>              | <b>1,874,509</b>               |
| <b>EQUITY</b>                     |                               |                                |
| Issued capital                    | 9,478,454                     | 11,576,655                     |
| Reserves                          | 1,101,666                     | 2,018,644                      |
| Accumulated Losses                | (10,803,812)                  | (11,720,790)                   |
| <b>TOTAL EQUITY</b>               | <b>(223,692)</b>              | <b>1,874,509</b>               |

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## **4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES**

### **4.1 Rights and liabilities attaching to Shares**

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

#### **(a) General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. The Company's constitution permits the use of technology at general meetings of shareholders (including wholly virtual meetings), to the extent permitted under the Corporations Act, Listing Rules and applicable law.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

#### **(b) Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

#### **(c) Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law

be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

## 4.2 **Terms of New Options**

(a) **Entitlement**

Each New Option entitles the holder to subscribe for one Share upon exercise of the New Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each New Option will be:

- (i) \$0.025 if the New Option is exercised on or before 30 April 2026;
- (ii) \$0.035 if the New Option is exercised after 30 April 2026 but on or before 30 April 2027;
- (iii) \$0.045 if the New Option is exercised after 30 April 2027 but on or before 30 April 2028;

(together, **Exercise Price**).

(c) **Expiry Date**

Each New Option will expire at 5:00 pm (WST) on 30 April 2028 (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The New Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The New Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the New Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 5 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

- (h) **Shares issued on exercise**
- Shares issued on exercise of the New Options rank equally with the then issued shares of the Company.
- (i) **Reconstruction of capital**
- If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (j) **Participation in new issues**
- There are no participation rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options without exercising the New Options.
- (k) **Change in exercise price**
- A New Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the New Option can be exercised.
- (l) **Transferability**
- The New Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

#### **4.3 Terms of Quoted Options**

- (a) **Entitlement**
- Each Quoted Option entitles the holder to subscribe for one Share upon exercise of the Quoted Option.
- (b) **Exercise Price**
- Subject to paragraph (i), the amount payable upon exercise of each Quoted Option will be \$0.05 if the Quoted Option is exercised in the first 12 months after issue (**Exercise Price**).
- (c) **Expiry Date**
- Each Option will expire at 5:00 pm (WST) on 6 February 2027 (**Expiry Date**). A Quoted Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) **Exercise Period**
- The Quoted Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- (e) **Notice of Exercise**
- The Quoted Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Quoted Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Quoted Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (f) **Exercise Date**
- A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Quoted Option being exercised in cleared funds (**Exercise Date**).



(g) **Timing of issue of Shares on exercise**

Within 5 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Quoted Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Quoted Options.

If a notice delivered under (g)(g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Quoted Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Quoted Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Quoted Options without exercising the Quoted Options.

(k) **Change in exercise price**

A Quoted Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Quoted Option can be exercised.

(l) **Transferability**

The Quoted Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

## 5. RISK FACTORS

### 5.1 Introduction

The Securities offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

### 5.2 Company and industry specific

| RISK CATEGORY                 | RISK   |
|-------------------------------|--|
| <b>Potential for dilution</b> | <p>In addition to potential control impacts set out in Section 1.11, Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted by approximately 35.34% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus and assuming that the Entitlement Offer, Director Offer and the Placement are fully subscribed).</p> <p>No immediate dilution will occur as a result of the issue of New Options under this Prospectus. However subsequent exercise of any or all of the New Options will result in dilution. Assuming all New Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Entitlement Offer, are likely to be diluted by approximately an additional 17.40% in aggregate (as compared to their holdings and number of Shares on issue as at the date of the Prospectus and assuming that the Entitlement Offer, Director Offer and the Placement are fully subscribed and the Strategic Options are issued).</p> <p>It is not possible to predict what the value of the Company, a Share will be following the completion of the Entitlement Offer being implemented and the Directors do not make any representation as to such matters.</p> <p>The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.019 is not a reliable indicator as to the potential trading price of Shares after implementation of the Entitlement Offer.</p> |
| <b>Going Concern</b>          | <p>The Company's annual report for the financial year ended 30 June 2024 (<b>Financial Report</b>) includes a note on the financial condition of the Company and the possible existence of a</p>   |

| RISK CATEGORY                      | RISK   |
|------------------------------------|--|
|                                    | <p>material uncertainty about the Company's ability to continue as a going concern.</p> <p>Notwithstanding the 'going concern' qualification included in the Financial Report, the Directors believe that upon the successful completion of the Capital Raising, the Company will have sufficient funds to adequately meet the Company's commitments and short term working capital requirements. However, it is highly likely that further funding will be required to meet the medium to long term working capital costs of the Company.</p> <p>In the event that the Capital Raising is not completed successfully there is significant uncertainty as to whether the Company can continue as a going concern which is likely to have a material adverse effect on the Company's activities.</p>  |
| <b>Future funding needs</b>        | <p>The Company has yet to commercialise the technologies developed by the Company relating to the processing, production and applications of microbial nanocellulose (<b>Technologies</b>) and has not as yet generated any material revenue or any profits. The Company will depend on the availability of investor funds until the Company generates cash flows from successful commercialisation of the Technologies.</p> <p>No assurance can be given that future funding for further development activities will be made available on acceptable terms (if at all). If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its expansion and development programs as the case may be. Further, it may impact on the Company's ability to continue as a going concern.</p>   |
| <b>Technology development risk</b> | <p>The Company has intellectual property rights to the Technologies. The Company has not licensed the Technologies or intellectual property or begun commercial production of any plant-free cellulose product or generated any revenue. The Technologies currently span research, development and pilot stages. Continued research and development is required to achieve successful commercial production. There is a risk with new technology that development will not progress as planned and may encounter delays.</p> <p>A significant risk is whether the Company can develop the Technologies and move to commercial licensing and/or production. There cannot be any assurance that this will occur within the timeframes targeted or at all. This includes successful technology development and commercial development such as customer engagement and marketing. Developmental problems or delays may have an adverse impact on the Company's business model, operating results and financial position.</p> |
| <b>Commercialisation risk</b>      | <p>There can be no assurance that the Company will successfully commercialise the Technologies, or if the technology is commercialised, that it will generate ongoing interest from the market.</p> <p>The Company is seeking to commercially produce plant-free cellulose-based products and/or license the Technologies or related intellectual property. Successful commercialisation of plant-free microbial cellulose to date has been very limited and there can be no assurance of the commercialisation sought.</p> <p>A specific risk for the Technologies that are successfully</p>  |

| RISK CATEGORY  | RISK  |
|--|---|
|  | <p>commercialised is the need to be commercially competitive in the global markets it targets as an alternative to plant-based cellulose. This risk to be commercially competitive may limit and restrict the global markets size and or applications particularly in the industrial segment.</p> <p>Another specific risk for the Technologies that are successfully commercialised is the availability of reliable raw materials in adequate supply.</p>  |
| <p><b>Intellectual property risk</b></p>                                     | <p>The success of the Technologies will depend in part on the Company's ability to obtain patents (and therefore proprietary rights) without infringing the proprietary rights of others. The Company has filed various patent applications including a joint patent application with Grasim Industries. Not all of these applications have been granted yet and so do not give the Company any currently enforceable rights. The Company's ability to commercialise its Technologies successfully is partially dependent upon its rights to exploit the inventions and methods described in the current and any future patent applications.</p> <p>There can be no assurance that the Company's patent applications will be granted. Third parties may object to the grant of the Company's patent applications on grounds which may include alleged infringement of their patents. The Company is aware of third party held patents covering intellectual property within its relevant technology development landscape but does not believe any of these patents will materially impact the Company's business plans and current technology development. However, the Company has not undertaken an exhaustive assessment of existing patents to determine any overlapping technology or potential infringement, as the costs of such would be prohibitive.</p> <p>The strength of patents involves complex legal and scientific questions and can be uncertain. There can be no assurance that any patents in relation to the Technologies will afford the Company commercially significant protection of the Technologies or that competitors or other parties will not develop competing technologies that circumvents such patents or that the patents in any way support commercial viability and or competitiveness.</p> |
| <p><b>Licensing, supply or service contracts and customer engagement</b></p> | <p>To successfully commercialise the Technologies, the Company will look to sell plant-free cellulose-based products or licence its Technologies and/or intellectual property to customers to generate revenue and this will require customer engagement and the execution of relevant contracts. Given the Company's stage of development, it does not currently have any paying customers.</p>  |
| <p><b>Reliance on key personnel</b></p>                                      | <p>The Company's success largely depends on the core competencies of the Directors and management, as well as other technical personnel including contractors (R&amp;D laboratories) and the ability of the Company to retain these key executives. The Company's continued development and commercialisation will be dependent on the Board and senior executives. The loss of services on any of the Company's key personnel may have an adverse impact on the Company's performance in this early stage of development.</p>  |
| <p><b>Legal proceedings</b></p>  | <p>Legal proceedings may arise from time to time in the course of the business of the Company including enforcing or defending its intellectual property rights against infringement and</p>  |

| RISK CATEGORY               | RISK   |
|-----------------------------|--|
|                             | <p>unauthorised use by competitors.</p> <p>As at the date of this Prospectus, there are no legal proceedings affecting the Company and the Directors are not aware of any legal proceedings pending or threatened against or affecting the Company.</p>  |
| <b>Compliance risk</b>      | <p>To successfully commercialise the Technologies, the Company will need to comply with various government or regulatory standards in Australia and overseas. A failure to comply with those standards may limit the Company's ability to develop and commercialise the Technologies.</p>  |
| <b>Competition</b>          | <p>The industry in which the Company will be involved is subject to domestic and global competition. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of the Company's business.</p> <p>The cellulose production industry is a competitive sector. There are also other competitors who may be working on developing other environmentally sustainable processes for textile production.</p> <p>The development of a new or superior technology by a competitor could affect the Company's ability to commercialise its Technologies. There is a risk that existing competitors or new entrants to the market may develop superior or more effective fibres which could have an adverse effect on the Company's business and financial position. Competing plant-based and recycling technologies may adversely impact the commercial competitiveness of the Technologies across competing global market segments.</p> |
| <b>Management of growth</b> | <p>There is a risk that management of the Company will not be able to implement the Company's growth strategy. The capacity of the management to properly implement and manage the strategic direction of the Company may affect the Company's financial performance.</p> <p>The Company has incurred losses since it was formed. The Company needs to invest in the commercial development of its Technologies and the Directors anticipate making further losses in the foreseeable future until the Company is able to effectively commercialise and generate revenue from its Technologies. As a consequence, there can be no certainty that the Company will achieve or sustain profitability or achieve or sustain positive cash flow from its operating activities.</p>   |
| <b>Insurance</b>            | <p>The Company may maintain insurance within ranges of coverage that it believes to be consistent with industry practice and having regard to the nature of activities being conducted. However, it is not always possible to insure against all risks associated with activities in development of technology. The Company may decide not to take out insurance against certain risks as a result of high premiums or for other reasons. Should liabilities arise on uninsured risks, the Company's business, financial condition and results of operations and the market price of the Shares may be materially adversely affected.</p>  |

### 5.3 General specific

| RISK CATEGORY                                     | RISK  |
|---|---|
| <p><b>Additional requirements for capital</b></p> | <p>The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offers. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its R&amp;D and commercialisation programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.</p>             |
| <p><b>Investment risk</b></p>                     | <p>There are a number of risks associated with any stock market investment. The market price of Shares can be expected to rise and fall in accordance with general market conditions and factors.</p> <p>The value of the Shares will be determined by the stock market and will be subject to a range of factors beyond the control of the Company or its Directors. These factors include movements in local and international stock exchanges, local interest rates and exchange rates, domestic and international economic and political conditions, government taxation, market supply, competition and demand and other legal, regulatory or policy changes.</p> <p>The trading price after listing may also be affected by the financial and operating performance of the Company.</p> |
| <p><b>Share market risk</b></p>                   | <p>The market price of Shares and other securities can be expected to rise and fall in accordance with general market conditions and factors specifically affecting Australian technology companies and technology companies globally.</p> <p>There are a number of factors (both national and international) that may affect the share market price and neither the Company nor its Directors have control of these factors.</p>   |
| <p><b>Economic</b></p>                            | <p>General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's research, development and platform promotion activities, as well as on its ability to fund those activities.</p>  |
| <p><b>Market conditions</b></p>                   | <p>Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> <li>(a) general economic outlook;</li> <li>(a) introduction of tax reform or other new legislation;</li> <li>(b) interest rates and inflation rates;</li> <li>(c) changes in investor sentiment toward particular market sectors;</li> <li>(d) the demand for, and supply of, capital; and</li> <li>(e) terrorism or other hostilities.</li> </ul> <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market.</p>   |

| RISK CATEGORY   | RISK   |
|---|--|
|   | Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.   |
| <b>Management actions</b>                             | Directors of the Company will, to the best of their knowledge, experience and ability endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for the same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its security.   |
| <b>Legislative</b>                                    | Changes in relevant taxes, legal and administration regimes, accounting practice and government policies may adversely affect the financial performance of the Company.  |
| <b>Litigation risks</b>                               | The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.  |
| <b>Dividends</b>                                      | Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.   |
| <b>Taxation</b>                                       | <p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.</p>   |
| <b>Reliance on key personnel</b>                      | The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.   |
| <b>Global Conflicts Specific<br/>Ukraine and Gaza</b> | <p>The current evolving conflict between Ukraine and Russia and Israel and Palestine (<b>Ukraine and Gaza Conflicts</b>) is impacting global economic markets. The nature and extent of the effect of the Ukraine and Gaza Conflicts on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the Ukraine and Gaza Conflicts.</p> <p>The Directors are continuing to closely monitor the potential secondary and tertiary macroeconomic impacts of the unfolding events, including the changing pricing of commodity and energy markets and the potential of cyber activity impacting governments and businesses. Further, any</p> |



| RISK CATEGORY | RISK  |
|---------------|---|
|               | <p>governmental or industry measures taken in response to the Ukraine and Gaza Conflicts, including limitations on travel and changes to import/export restrictions and arrangements involving the relevant countries may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p> <p>The Company is monitoring the situation closely and considers the impact of the Ukraine and Gaza Conflicts on the Company's business and financial performance to, at this stage, be limited. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.</p> |

#### 5.4 Speculative investment

The risk factors described above, and other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Securities offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Securities.

Before deciding whether to subscribe for Securities under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.



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## 6. ADDITIONAL INFORMATION

### 6.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

### 6.2 Continuous disclosure obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the annual financial report most recently lodged by the Company with the ASIC;
  - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
  - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

| DATE             | DESCRIPTION OF ANNOUNCEMENT                   |
|------------------|---|
| 3 January 2025   | Ceasing to be a substantial holder            |
| 24 December 2024 | Becoming a substantial holder                 |
| 23 December 2024 | Application for quotation of securities – NC6 |
| 20 December 2024 | Becoming a substantial holder                 |
| 13 December 2024 | Change of Director's Interest Notice          |
| 13 December 2024 | Notification of cessation of securities - NC6 |
| 13 December 2024 | Proposed issue of securities - NC6            |
| 13 December 2024 | Strategic \$2.1M Capital Raising              |
| 9 December 2024  | Notification of cessation of securities - NC6 |
| 6 December 2024  | Change of Director's Interest Notice          |
| 15 November 2024 | Results of Meeting                            |

| DATE              | DESCRIPTION OF ANNOUNCEMENT                       |
|-------------------|---|
| 31 October 2024   | Quarterly Activities/Appendix 4C Cash Flow Report |
| 11 October 2024   | Proposed issue of securities - NC6                |
| 11 October 2024   | Notice of Annual General Meeting/Proxy Form       |
| 17 September 2024 | Notification of cessation of securities - NC6     |
| 6 September 2024  | FIRST NUFOLIUM FIBRE SHIPMENT FOR PRODUCT TESTING |
| 29 August 2024    | Appendix 4G & Corporate Governance Statement      |

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website [www.nanollose.com](http://www.nanollose.com).

### 6.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

|         | (\$)    | DATE   |
|---------|---------|--|
| Highest | \$0.032 | 6 December 2024  |
| Lowest  | \$0.016 | 24 October 2024; 14 November 2024; 15 November 2024; 18 November 2024; |
| Last    | \$0.019 | 10 January 2025  |

### 6.4 Strategic Agreement

The Company has signed an agreement with Dutch Ink to place any Shortfall Securities on a best endeavours basis (**Strategic Agreement**), the material terms and conditions of which are summarised below:

|                      |   |
|----------------------|---|
| <b>CONSIDERATION</b> | <p>Dutch Ink's fee for assisting the Company with the Placement and the Entitlement Offer shall be:</p> <p>(a) subject to Shareholder approval and to completion of the Entitlement Offer and the Placement, the issue of 20,000,000 New Options;</p> <p>(b) subject to Shareholder approval and to completion of the Entitlement Offer and the Placement, the issue of one New Option for every one Share subscribed for by existing Shareholders pursuant to the Entitlement Offer; and</p> <p>(c) subject to Shareholder approval and to completion of the Entitlement Offer and the Placement, the issue of one New Option for every one Share placed by Dutch Ink under the Shortfall Offer.</p> |
| <b>TERMINATION</b>   | <p>Dutch Ink's appointment pursuant to the Strategic Agreement may be terminated by the Company at any time before the Shares are issued if Dutch Ink fails to rectify any material breach of the Strategic Agreement having been given 10 business days' notice in writing by the Company of such breach having</p>  |

occurred. Any such termination by the Company will take effect upon receipt by Dutch Ink of written notice to that effect. Upon such termination, no fees will be payable to Dutch Ink in accordance with the terms of the Strategic Agreement.

The Strategic Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations, warranties and confidentiality provisions).

## 6.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
  - (i) the formation or promotion of the Company; or
  - (i) the Offers.

### **Security holdings**

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus, together with their respective Entitlement, is set in Section 1.9.

### **Remuneration**

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors as disclosed in the Company's annual report for the financial year ended 30 June 2024.

| DIRECTOR        | FY ENDING 30 JUNE 2025 | FY ENDING 30 JUNE 2024 |
|-----------------|------------------------|------------------------|
| Winton Willesee | \$35,000 <sup>1</sup>  | \$35,000 <sup>1</sup>  |

| DIRECTOR     | FY ENDING 30 JUNE 2025 | FY ENDING 30 JUNE 2024 |
|--------------|------------------------|------------------------|
| Wayne Best   | \$250,875 <sup>2</sup> | \$234,375 <sup>3</sup> |
| Heidi Beatty | \$35,000 <sup>1</sup>  | \$35,000 <sup>1</sup>  |

**Notes:**

1. In director fees.
2. Comprising \$225,000 in director salary plus superannuation of \$25,875.
3. Comprising \$225,000 in director salary, \$24,750 in superannuation, \$6,354 in annual leave entitlements and \$(21,729) in equity-based payments.

**6.6 Interests of experts and advisers**

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offers; or
- (f) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offers.

Dutch Ink has acted as adviser to the Company in relation to the Capital Raising. The Company proposes to issue Dutch Ink (or its nominees) the Strategic Options in consideration for these services.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin \$20,000 (excluding GST and disbursements) for these services.

**6.7 Consents**

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Dutch Ink has given its written consent to being named as adviser to the Company in this Prospectus.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus.

## 6.8 Expenses of the Offers

In the event that all Entitlements are accepted, the total expenses of the Offers are estimated to be approximately \$35,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

|  | \$              |
|--|-----------------|
| ASIC fees                                  | \$3,206         |
| ASX fees                                   | \$8,660         |
| Legal fees                                 | \$20,000        |
| Miscellaneous, printing and other expenses | \$3,134         |
| <b>Total</b>                               | <b>\$35,000</b> |

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**7. DIRECTORS' AUTHORISATION**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

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## 8. GLOSSARY

**\$** means the lawful currency of the Commonwealth of Australia.

**Advisor Offer** means the offer of 8,000,000 Advisor Options to Peak Asset Management (or their nominees), the subject of this Prospectus.

**Advisor Options** has the meaning given in Section 1.6.

**Application Form** means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

**ASX Listing Rules** means the listing rules of the ASX.

**ASX Settlement Operating Rules** means the settlement rules of the securities clearing house which operates CHES.

**Board** means the board of Directors unless the context indicates otherwise.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

**Capital Raising** has the meaning given in Section 3.1.

**Closing Date** means the date specified in the timetable set out at Section 1.2 (unless extended).

**Company** means Nanollose Limited (ACN 601 676 377).

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**CRN** means Customer Reference Number in relation to BPAY®.

**Directors** means the directors of the Company as at the date of this Prospectus.

**Director Offer** means the offer of 25,000,000 Shares together with one free-attaching New Option for every five Shares applied for and issued to the Participating Directors (or their nominees), the subject of this Prospectus.

**Dutch Ink** means Dutch Ink (2010) Pty Ltd (ACN 145 338 825).

**Eligible Shareholder** means a Shareholder as at the Record Date who is eligible to participate in the Entitlement Offer.

**Entitlement** means the entitlement of a Shareholder who is eligible to participate in the Entitlement Offer.

**Entitlement and Acceptance Form** means the entitlement and acceptance form either attached to or accompanying this Prospectus.

**Entitlement Offer** means the non-renounceable entitlement issue, the subject of this Prospectus.

**General Meeting** has the meaning given in Section 1.3.1.

**Ineligible Shareholder** means a Shareholder as at the Record Date whose registered address is not situated in Australia, New Zealand, Hong Kong or Germany.

**In-lieu Securities** has the meaning given in Section 1.5.

**Investor Offer** means the offer of 85,668,789 New Options to Dutch Ink (or their nominees), the subject of this Prospectus.

**New Option** means an Option issued on the terms set out in Section 4.2.

**Notice of Meeting** has the meaning given in Section 1.5.

**Entitlement Offer** means the non-renounceable entitlement issue the subject of this Prospectus.

**Offers** means the Entitlement Offer, Placement Offer Investor Offer, Director Offer and Advisor Offer.

**Official Quotation** means official quotation on ASX.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Participating Directors** has the meaning given in Section 1.5.

**Peak Asset Management** means CoPeak Corporate Pty Ltd as Trustee for Peak Asset Management Unit Trust.

**Placement** has the meaning given in Section 1.3.

**Placement Offer** means the offer of up to 8,400,000 New Options to the Placement Participants.

**Placement Options** has the meaning given in Section 1.3.1.

**Placement Participants** has the meaning given in Section 1.3.1.

**Placement Shares** has the meaning given in Section 1.3.1.

**Prospectus** means this prospectus.

**Record Date** means the date specified in the timetable set out at Section 1.

**Section** means a section of this Prospectus.

**Securities** means Shares and/or Options as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**Shortfall** means the Securities not applied for under the Entitlement Offer (if any).

**Shortfall Application Form** means the Shortfall Offer application form either attached to or accompanying this Prospectus.

**Shortfall Offer** means the offer of the Shortfall Securities on the terms and conditions set out in Section 2.9.

**Shortfall Securities** means those Securities not applied for under the Entitlement Offer (if any) and offered pursuant to the Shortfall Offer.

**Strategic Options** has the meaning given in Section 1.3.3.

**Tranche 1 Placement Shares** has the meaning given in Section 1.3.1.

**Tranche 2 Placement Shares** has the meaning given in Section 1.3.1.

**Quoted Options** means the Company's quoted NC6OB class of Options, exercisable at \$0.05 on or before 6 February 2027.

**WST** means Western Standard Time as observed in Perth, Western Australia.