

NANOLLOSE TO ACCESS ADDITIONAL R&D REBATES ON OVERSEAS EXPENDITURE

Nanollose Limited (ASX:NC6) (“Nanollose” or the “Company”) is pleased to announce that it has obtained favourable findings from the Department of Industry, Innovation and Science (“Innovation and Science Australia”) which will enable the Company to claim tax rebates on certain overseas research and development expenditure up to \$1.419 million over the next three years.

This represents potential tax rebates of \$617k (at the current rate of 43.5%) over the next three years, subject to Nanollose undertaking these overseas R&D activities, and will be in addition to rebates claimed from the Company’s Australian based R&D expenditure.

Tax rebates under the Australian R&D Tax Incentive Scheme are typically only available for research and development activities undertaken in Australia. However, given the unique and specialised nature of Nanollose’s operations, much of its research and development activities cannot be undertaken within Australia due to the specialist viscose spinning equipment and raw material feedstock not being available in Australia.

As a result, Nanollose made an application to Innovation and Science Australia for advanced overseas findings which, following a very rigorous process, led to the issue of certificates under sections 28A and 28C of the Industry Research and Development Act 1986.

The certificates enable partial recovery of expenses for overseas R&D work that cannot be undertaken in Australia. These include refinement of Nanollose’s fibre spinning technology, creation of additional fibre types and development of the Company’s pilot plant, which is being established to optimise production and processing conditions for microbial cellulose.

Combined with tax rebates from the Company’s R&D undertaken in Australia, these additional tax rebates on overseas expenditure will be an important source of non-dilutive funding for Nanollose.

Nanollose Chairman, Dr Wayne Best, said “We are grateful for the finding given to Nanollose by Innovation and Science Australia and value the financial impact this will have on our R&D programs. The finding is the result of considerable effort in documenting our R&D programs for Innovation and Science Australia and reflects the quality and robustness of our programs.”

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ABOUT NANOLLOSE

Nanollose Limited (ASX: NC6) is an innovative Australian company that uses a low cost and eco-friendly fermentation process to grow fibres that could become a sustainable alternative to conventional plant-derived cellulose fibres. The Company's process, which uses streams from various large-scale industries like sugar, wine and food, has the ability to produce 'Plant-Free' Cellulose. Cellulose is the hidden polymer building block most consumers know nothing about, but forms a huge part of items used in their everyday life such as clothing, paper and hygiene products.