

# Appendix 4E

(Rule 4.3A)

## Preliminary final report

Name of entity

|                 |                     |
|-----------------|---------------------|
| Nanoveu Limited | ABN: 97 624 421 085 |
|-----------------|---------------------|

### 1. Details of the Reporting Period and the Previous Corresponding Period

| Financial period ended ("current period") | Financial period ended ("previous period") |
|-------------------------------------------|--------------------------------------------|
| 31 December 2021                          | 31 December 2020                           |

### 2. Results for Announcement to the Market

|     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |           |      |    | <b>2021<br/>\$'000</b> |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|------|----|------------------------|
| 2.1 | Revenue from ordinary activities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | up        | 112% | to | 781                    |
| 2.2 | Loss from ordinary activities after tax attributable to members                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | up        | 32%  | to | 2,320                  |
| 2.3 | Net loss for the period attributable to members                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | up        | 32%  | to | 2,320                  |
| 2.4 | Loss per share                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | unchanged |      | at | 1.3 cents              |
| 2.5 | <b>Brief explanation of results</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |           |      |    |                        |
|     | <p><u>Licensing Agreement with NTU Singapore</u></p> <p>Nanoveu entered a Licensing and Research Collaboration Agreement ("Collaboration Agreement") with Nanyang Technological University, Singapore, ("NTU") for the development of a new range of antiviral and antibacterial spray solutions.</p> <p>The Collaboration Agreement followed the successful development of a new spray formulation, which allows the Company to coat textiles, fabrics and irregular shapes which cannot be coated with Nanoveu's existing Nanoshield™ film. The parties continue to explore the deployment of the technology for enterprise scale textile treatment and other commercial applications.</p> <p>Under the Collaboration Agreement, Nanoveu will work with NTU Singapore on the development of copper-based active ingredients to create a new range of spray products. The Collaboration Agreement is for a term of 5 years with options to extend.</p> <p>Laboratory testing demonstrated a 95.49% reduction of Staphylococcus aureus (bacteria) within 45 seconds<sup>1</sup>. The copper-based spray has also demonstrated the</p> |           |      |    |                        |

<sup>1</sup> For testing performed and the results, please refer to the test report attached to ASX Release dated 14 October 2021

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>ability to withstand 120 machine washes and is suitable for coating a range of textiles and surfaces.</p> <p><u>Strategic License and Supply Agreement with Cupron, Inc.</u></p> <p>Nanoveu entered a non-exclusive License and Supply Agreement (“Agreement”) with Cupron, Inc. (“Cupron”), a company incorporated in the United States focused on copper-based antimicrobial technology that harnesses the unique properties of copper for healthcare, consumer, industrial, and military applications.</p> <p>Under the Agreement, Cupron will non-exclusively supply Nanoveu with proprietary Cupron materials, including copper iodide metal powder (“Cupron Enhanced Product” or “CEP”) for use in the Nanoshield antiviral and antimicrobial products. The Agreement formalised the MOU signed on 6 May 2021 (see ASX Announcement of 6 May 2021) into a binding agreement.</p> <p>The Nanoshield™ product is capable of using Cupron’s CEP without affecting efficacy or production profile and importantly, the CEP material is registered under the United States Environmental Protection Agency (EPA), with the Agreement allowing Nanoveu to sell its Nanoshield product (using CEP) under Cupron’s EPA Registration.</p> <p><u>Nestlé Professional</u></p> <p>Nanoveu secured Nestlé Professional as a customer - the global leader in out-of-home branded hot and cold beverage and food solutions, with Nanoshield™ screen protectors customised for Nestlé Professional out of home coffee machines.</p> <p>The Nanoshield™ protectors are customised to precisely fit the Nescafé touch screen and touch pad coffee machines, which are available around the world, with specific Nanoshield™ products also available for We Proudly Serve Starbucks® coffee in selected markets.</p> <p>Prior to selecting Nanoveu as a supplier, Nestlé Professional undertook its own evaluation of Nanoshield™ at the Nestlé Institute of Food Safety and Analytical Sciences located in Lausanne, Switzerland to scientifically validate different anti-viral solutions.</p> <p>In July 2021, Nanoveu announced that a study conducted by Nestle Research over a combined period of five months had concluded Nanoveu’s Nanoshield product to be highly effective against the SARSCoV-2 virus that causes COVID-19.</p> <p>The study, which was conducted by researchers from Nestlé Research, Institute of Food Safety and Analytical Science was published in the Applied and Environmental Microbiology journal (DOI: 10.1128/AEM.01098-21) and is available for public access: <a href="https://journals.asm.org/doi/10.1128/AEM.01098-21">https://journals.asm.org/doi/10.1128/AEM.01098-21</a></p> <p><u>Antiviral Face Masks</u></p> <p>The Company expanded its antiviral product applications with an order of A\$125,000 from its distributor for Thailand and Malaysia, Singapore Sanyo Trading Pte Ltd (see ASX Announcement of 23 August 2021), for a newly developed antiviral, non-woven polypropylene material which will be used to manufacture antiviral face masks.</p> <p>The masks are interwoven with Nanoshield™ antiviral and antibacterial technology and the masks were sold through the Company’s established distribution network under the Nanoshield™ brand.</p> <p>This new antiviral polypropylene material has expanded opportunities for Nanoveu to pursue applications for its antiviral products in the personal protective equipment industry and may extend to additional applications such as disposable bedding and medical gowns in the medical sector.</p> |
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|  | <p><u><b>Nanoshield Product Development</b></u></p> <p>Following the launch of the Nanoshield™ range of products, in February 2021 Nanoveu announced the results from testing of the Nanoshield products in an outdoor setting, with the products performing exceptionally well reducing the viral load by 99.98% within five minutes<sup>2</sup>. The results were almost identical to the performance of a product that had not undergone 12 months of outdoor exposure.</p> <p><u><b>Patent Approval for EyeFyx</b></u></p> <p>Nanoveu announced that it had filed and received Patent Cooperation Treaty approval for its EyeFyx project from the International Bureau of the World Intellectual Property Organisation, with the patent securing intellectual property rights in multiple markets including the USA, Japan, China, Australia and Europe including the UK. The progression to this stage in the patenting process follows the completion of prototype lenses for which patents were previously lodged (see ASX announcement of 18 November 2021).</p> <p>EyeFyx provides vision correction for screen images through the use of a film that is imprinted with different nano-lens structures, in conjunction with software to ensure functionality across a range of digital screens and eyesight strengths.</p> <p><u><b>ANZ Distributor Signs Agreement with Linfox</b></u></p> <p>Nanoveu’s exclusive Australian and New Zealand distributor, Touch Guard Pty Ltd (“Touch Guard”) signed an agreement with Linfox Armaguard Group (“Armaguard”).</p> <p>Touch Guard, which has an exclusive agreement with Nanoveu<sup>3</sup> is incorporating the unique Nanoveu antiviral, antibacterial technology into its own “shield” product called High Touch™.</p> <p>Under the partnership agreement Touch Guard and Armaguard have introduced High Touch™ to a vast number of vulnerable high use community contact points like ATMs, self-service kiosks, and devices. High Touch™ Antiviral Surface Protection will also be rolled out across Linfox Armaguard owned devices including atmX by Armaguard ATMs.</p> <p><u><b>International Distribution Agreements</b></u></p> <p>During 2021, Nanoveu continued to expand its international distribution network with the appointment of distributors across multiple territories.</p> <p>In February 2021, Nanoveu entered an exclusive 12-month distribution agreement with CuVira for Nanoveu’s products, including Nanoshield™ antiviral products in the United Kingdom market.</p> <p>In March 2021, the Company announced an exclusive distribution agreement with Vital Medikal Konfeksiyon Tekstil San ve Tic Ltd Sti, a specialist medical equipment distributor with in the Republic of Turkey, as well as a non-exclusive distribution agreement for Hong Kong with Asia Pro Lab Limited.</p> <p>Nanoveu also announced a distribution agreement for the Philippines with Avolution Inc, one of the nation’s most prominent advertising organisations.</p> <p>In April 2021, Nanoveu entered an exclusive distribution agreement covering the market of India with Mumbai-based group Verstech which included prepaid purchase orders totalling US\$100,000 within 90 days. Verstech is a privately held firm which has been</p> |
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<sup>2</sup> See ASX announcement of 18 February 2021 for testing and results

<sup>3</sup> Refer ASX announcement dated 8 December 2020

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>established to bring unique technologies to India to improve and simplify everyday activities</p> <p><u>Successful Capital Raisings</u></p> <p>In August 2021, Nanoveu raised \$1,350,000 (before costs) through a placement to sophisticated and professional investors at \$0.045 per share ("Shares"), with a 1 free attaching option for every two shares held, exercisable at \$0.058 within two years of the issue date of the Shares.</p> <p>The placement was supported by both new investors and continuing support from existing shareholders which is a testament to the Company's success creating modern, cutting-edge nanotechnology.</p> <p>Viriathus Capital Pty Ltd acted as the lead manager with the funds to be used to continue to further develop Nanoveu's range of antiviral and antibacterial products and continue its international expansion.</p> <p><u>Pro-Rata Non-Renounceable Rights Issue</u></p> <p>The Company undertook a pro-rata non-renounceable rights issue of one (1) fully paid ordinary share in the capital of the Company (Share) for every four (4) Shares held, at an issue price of \$0.045 per Share together with one (1) free attaching option for every two (2) Shares subscribed for and issued (New Option), with the Company receiving applications to subscribe for 10,516,730 new Shares from eligible shareholders under the Entitlement Offer to raise \$473,253 before costs.</p> <p>This allowed existing shareholders the opportunity to participate on the same terms as the new investors and was supported by Nanoveu's directors who participated in the rights issue.</p> <p><u>Advance Against the Future Issue of Shares</u></p> <p>\$400,000 was received against the future issue of shares under a funding facility following approval by shareholders on 8 November 2021.</p> <p>For further details, please refer to the financial report.</p> |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

### 3. NTA Backing

|                                                  | Current period | Previous corresponding period |
|--------------------------------------------------|----------------|-------------------------------|
| Net tangible asset backing per ordinary security | \$0.0076       | \$0.008                       |

### 4 Control gained or lost over entities having material effect

n/a

### 5. Dividends

There were no dividends declared or paid during the period and the do not recommend that any dividends be paid.

### 6. Dividend Reinvestment Plans

Not applicable.

**7. Material interest in entities which are not controlled entities**

Not applicable.

**8. Foreign Entities**

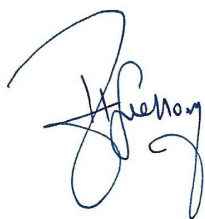
This report includes the following foreign subsidiaries:

- Nanoveu Pte Ltd, registered in Singapore; and
- Nanoveu Distribution Inc., registered in the United States of America.

**9. Annual Report**

Refer to the attached Annual Report for the year ended 31 December 2021 for further details. The financial statements contained in the annual report have been audited.

This report should be read in conjunction with the attached Annual Report for the year ended 31 December 2021.

A handwritten signature in blue ink, appearing to read 'Alfred Chong', is positioned above the signature line.

Signed by:

Date: 28 February 2022

Name: Alfred Chong  
Managing Director & CEO



# **Nanoveu Limited**

(ACN 624 421 085)

## **Annual Financial Report** for the year ended 31 December 2021

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## Company Directory

### Directors

Mr Scott Beeton  
Non-executive Chairman

Mr Alfred Chong  
Managing Director

Mr Michael van Uffelen  
Executive Director

Mr Steven Apedaile  
Non-executive Director

Mr David Nicol  
Non-executive Director

### Company Secretary

Mr Michael van Uffelen

### Share Registry

Automic Registry Services  
Level 5  
191 St Georges Tce  
Perth WA 6000

Telephone (within Australia): 1300 288 664  
Telephone (outside Australia): +61 2 9698 5414  
Email: [hello@automic.com.au](mailto:hello@automic.com.au)

### ABN

97 624 421 085

### Registered Office

1/18 Olive Street  
Subiaco WA 6008

Tel: +61 8 6244 9095

### Web Address

[www.nanoveu.com](http://www.nanoveu.com)

### ASX Code

NVU

### Auditors

BDO Audit (WA) Pty Ltd  
38 Station Street  
Subiaco WA 6008

### Solicitors

Steinepreis Paganin  
Level 4, The Read Buildings  
16 Milligan Street  
Perth WA 6000

## Letter from the Chairman

Dear Shareholders,

The 2021 Calendar Year has been an important period for Nanoveu, as we've continued to position ourselves as a global leader in the market, by advancing our portfolio of antiviral and antimicrobial technologies through ongoing product development, expansion of our international distribution channels, and further product validation through research and testing by a tier-1 global company.

Although we've met milestones at a time when the world is continuing to adapt to changes brought on by the global pandemic, 2021 certainly hasn't been without its challenges. With travel restrictions in place for much of the year, the team responsible for the daily operations of your company have gone above and beyond to operate a global business, addressing the needs of the global pandemic, without the ability to meet many of our distributors and customers face to face.

During the year, we've continue to prove our technology, and following positive independent laboratory test results assessing the effectiveness against several virus strains, we received further validation from Nestlé Professional regarding the effectiveness of our antiviral and antimicrobial technologies. As the global leading multinational company, the test results from the study conducted by Nestle Research over a combined period of five months, concluded Nanoveu's Nanoshield<sup>TM</sup> product to be highly effective against the SARSCoV-2 virus that causes COVID-19.

Subsequently, the Company secured Nestle Professional as a customer with Nanoshield<sup>TM</sup> screen protectors customised for Nestlé Professional out of home coffee machines.

During the year, we secured further tier-1 companies as customers, with the Company's exclusive Australian and New Zealand distributor, Touch Guard, signing an agreement with Linfox Armaguard Group, whereby Touch Guard, which has an exclusive agreement with Nanoveu<sup>1</sup> is incorporating the unique Nanoveu antiviral, antibacterial technology into its own "shield" product called High Touch<sup>TM</sup>.

These agreements with global leaders further validate the Nanoveu technology, building on our position as a global leader in the antimicrobial and antiviral technology market.

With our portfolio of Nanoshield<sup>TM</sup> products proving highly effective in eliminating coronaviruses, we continued to progress our product development strategy by entering a Licensing and Research Collaboration Agreement with Nanyang Technological University, Singapore, ("NTU") for the development of a new range of antiviral and antibacterial spray solutions.

The Agreement followed the successful development of a new spray formulation suitable for coating textiles, fabrics and irregular shapes, and we see this product driving significant growth over the coming period as we continue discussions with interested parties globally regarding commercial applications. We also look forward to continuing to work with NTU as an integral part of our product development strategy going forward.

Aligning with the Company's product development strategy, we further expanded our strategic industry partnerships with an agreement with Cupron, Inc., US based company focused on copper-based antimicrobial technologies that harnesses the unique properties of copper. Cupron will supply Nanoveu with proprietary Cupron materials, including copper iodide metal powder for use in the Nanoshield antiviral and antimicrobial products, and importantly, the agreement will allow the Company to sell its Nanoshield<sup>TM</sup> products under Cupron's EPA Registration, providing further recognition for our products in the global market.

We also continued to advance our product development strategy in the antiviral facemask sector, with the Company receiving an order from Thailand and Malaysia distributor a newly developed antiviral, non-woven polypropylene material which will be used to manufacture antiviral face masks. We see the facemask market

<sup>1</sup> Refer ASX announcement dated 8 December 2020

as a key area of growth in 2022, as we continue to review a number of opportunities to expand market share in the sector.

To take our products to the world, we entered several distribution agreements for the United Kingdom, Turkey, Hong Kong, the Philippines and India, as we expand our distribution networks whilst minimising the cost of in house sales and marketing staff. Over the 2022 year, we will continue to pursue this low cost expansion strategy by entering agreements with key strategic partners, distributors and manufacturers globally.

We also continued to advance our EyeFyx project, a vision correction for screen images with further intellectual property protection secured during the year.

With a capital raise completed for \$1.8 million before costs, Nanoveu is well positioned for 2022 as we continue to expand our range of anti-viral and antimicrobial products, increase our international distribution networks and work alongside key strategic partners to expand market share and expedite entry into new markets.

Our Antiviral products continue to stay relevant – even more so as countries re-open and our combination of products which we will expand even further this year will continue to provide us with the ability to pace market demand for products that would not only combat this current set of virus but future proof countries with new tools to combat future variants.

I would like to thank the Nanoveu team for their ongoing dedication to date, as well as our loyal shareholders for their support.

We look forward to an exciting 2022 and another year of milestones for Nanoveu.

Scott Beeton  
Non-executive Chairman

# Directors' Report

Your Directors submit the financial report of Nanoveu Limited (the Company or Nanoveu) for the year ended 31 December 2021.

## Directors

The names of directors who held office during or since the end of the financial period and until the date of this report are as follows. Directors were in office for the entire financial period unless otherwise stated.

**Name, qualifications, independence status and special responsibilities**

**Experience**

Mr Scott Beeton

*Non-executive Chairman*

Appointed 22 September 2021

Scott has over 16 years' experience in leadership and senior management roles across financial services, technology and fintech ASX-listed companies. He has been a director on a number of ASX-listed companies as well as holding directorship and responsible manager/entity titles on various entities holding Australian Financial Services Licences.

Directorships in the past 3 years:

- TZ Limited (June 2021 to present)

Mr Alfred Chong

*(BSc Comp Science, MBA)*

*Managing Director and CEO*

Appointed 14 February 2018

Alfred is the Founder of Nanoveu. He has a history of building companies and executing trade sales in California and Singapore. Alfred moved back to Asia in 1997 and was the Asia Pacific CEO for Atex Media Command, a global provider of solutions and services to the media industry; CEO for THISS Technologies Inc, a satellite communications company; CEO for 121View, a digital signage company; and CMO at 3D International before founding Nanoveu.

The Singapore American Business Association in the United States named Alfred Entrepreneur of the Year and the San Francisco Chronicle named Alfred as one of the twenty foreign-born high technology "visionaries" who have helped to make the San Francisco Bay Area the world's technology centre. Alfred received both his Bachelor of Science in Computer Science and his Master's in Business Administration from the University of San Francisco.

Directorships in the past 3 years: None

Mr Michael van Uffelen

*(B Comm, ACA)*

*Director, CFO and Company Secretary*

Appointed 14 February 2018

Michael is an experienced Director, CFO and Company Secretary actively engaged in managing companies and providing corporate advisory services.

Michael holds a Bachelor of Commerce degree from the University of Western Australia and is a Chartered Accountant. He has over 30 years company and business management experience gained with major accounting firms, an investment bank, and private and public companies, in Australia and internationally.

Directorships in the past 3 years:

- Tian Poh Resources Limited (31 May 2015 to present)
- Anson Resources Limited (18 October 2018 to present)

Mr Steven Apedaile

*(FCA)*

Steven has worked in the accounting profession for over 30 years, 25 of which were spent in Hong Kong with the first 7 years with KPMG Hong Kong and then 18 years with Horwath Hong Kong. Steven has

## Directors' Report (continued)

*Independent Non-executive Director*

Appointed 14 May 2018

experience in all facets of international business, corporate finance and forensic accounting services.

Steven is a founding director and a former managing director of an ASX listed company and is a Fellow of the UK Institute of Chartered Accountants in England and Wales and is a Member of the Australian Institute of Company Directors.

ASX listed company directorships in the past 3 years:

- Sprintex Limited (16 April 2021 to present)

**Name, qualifications, independence status and special responsibilities**

### Experience

Mr David Nicol

(BSc, MA, PhD)

*Independent Non-executive Director*

Appointed 17 July 2018

David is a seasoned director and advisor for technology-based companies. He currently serves on four boards, one privately held and three public, for which two of the latter he chairs the Audit Committees.

David has held executive positions with three public companies - Verisign, Illuminet, and United Telecom/Sprint - and six early-stage, private companies, all of which were subsequently acquired. Beyond P&L responsibilities, his leadership roles have included strategic planning, business development, acquisitions, business planning, operations planning, product management, product development/support, financial planning, and fund raising/IR. Earlier activities included management consulting (F100 enterprises), MBA-level business school professor and aeronautical engineering (LTV Aerospace, North Am. Aviation and Boeing).

ASX listed company directorships in the past 3 years: None

### Directors' interests

As at the date of this report, the interests of the Directors in the Company were:

|                     | Number of Fully Paid Ordinary Shares | Number of Performance Rights | Number of 5.8c Unlisted Options Expiring 27 October 2023 |
|---------------------|--------------------------------------|------------------------------|----------------------------------------------------------|
| Scott Beeton        | -                                    | -                            | -                                                        |
| Alfred Chong        | 43,127,558                           | 2,150,000                    | 250,000                                                  |
| Michael van Uffelen | 770,625                              | 1,683,500                    | 77,063                                                   |
| Steven Apedaile     | 1,000,350                            | 155,000                      | 100,035                                                  |
| David Nicol         | 722,500                              | 155,000                      | 72,250                                                   |

### Directors' Meetings

The number of meetings of Directors held during the financial period and the number of meetings attended by each Director was as follows:

| Name                | Number of meetings eligible to attend | Number of meetings attended |
|---------------------|---------------------------------------|-----------------------------|
| Scott Beeton        | 1                                     | -                           |
| Alfred Chong        | 4                                     | 4                           |
| Michael van Uffelen | 4                                     | 4                           |
| Steven Apedaile     | 4                                     | 4                           |
| David Nicol         | 4                                     | 4                           |

## Directors' Report (continued)

### Company Secretary

The company secretary is Michael van Uffelen. Details are disclosed in director information.

### Dividends

No dividends have been paid or declared since the start of the financial period and the Directors do not recommend the payment of a dividend in respect of the financial period.

### Principal Activities

Nanoveu is a technology company developing a range of products for mobile phones and other digital displays. The Company's wholly-owned, flagship product is its Nanoshield antiviral protection which is available in a variety of mobile phone screen covers, mobile phone cases and as a commercial film capable of being applied to a number of surfaces. The product is a clear plastic containing a layer of charged copper nanoparticles which have antiviral and antimicrobial properties. The product is commercially available and sold in a number of countries via Nanoveu's channel partners. Nanoveu also produces EyeFly3D™, which converts 2D digital displays into 3D without the need for 3D glasses and is currently available for Apple iPhones and Google Pixel 3 phones.

In addition, the Company is also developing the following products:

- Customskins: vending machines capable of precisely applying screen covers to mobile phones in just over a minute and with an alignment accuracy of 150 microns;
- EyeFyx: a vision correction solution under development using hardware and software to manipulate screen output; and
- Anti-flamatory coating technology capable of being applied to plastic laminates for the aviation and transport sector(s).

### Operating and financial review

#### *Review of Operations*

#### Licensing Agreement with NTU Singapore

Nanoveu entered a Licensing and Research Collaboration Agreement ("Collaboration Agreement") with Nanyang Technological University, Singapore, ("NTU") for the development of a new range of antiviral and antibacterial spray solutions.

The Collaboration Agreement followed the successful development of a new spray formulation, which allows the Company to coat textiles, fabrics and irregular shapes which cannot be coated with Nanoveu's existing Nanoshield™ film. The parties are continue to explore the deployment of the technology for enterprise scale textile treatment and other commercial applications.

Under the Collaboration Agreement, Nanoveu will work with NTU Singapore on the development of copper-based active ingredients to create a new range of spray products. The Collaboration Agreement is for a term of 5 years with options to extend.

Laboratory testing demonstrated a 95.49% reduction of Staphylococcus aureus (bacteria) within 45 seconds<sup>2</sup>. The copper-based spray has also demonstrated the ability to withstand 120 machine washes and is suitable for coating a range of textiles and surfaces.

#### Strategic License and Supply Agreement with Cupron, Inc.

Nanoveu entered a non-exclusive License and Supply Agreement ("Agreement") with Cupron, Inc. ("Cupron"), a company incorporated in the United States focused on copper-based antimicrobial technology that harnesses the unique properties of copper for healthcare, consumer, industrial, and military applications.

Under the Agreement, Cupron will non-exclusively supply Nanoveu with proprietary Cupron materials, including copper iodide metal powder ("Cupron Enhanced Product" or "CEP") for use in the Nanoshield

<sup>2</sup> For testing performed and the results, please refer to the test report attached to ASX Release dated 14 October 2021 Annual Financial Report for the year ended 31 December 2021

## Directors' Report (continued)

antiviral and antimicrobial products. The Agreement formalised the MOU signed on 6 May 2021 (see ASX Announcement of 6 May 2021) into a binding agreement.

The Nanoshield™ product is capable of using Cupron's CEP without affecting efficacy or production profile and importantly, the CEP material is registered under the United States Environmental Protection Agency (EPA), with the Agreement allowing Nanoveu to sell its Nanoshield product (using CEP) under Cupron's EPA Registration.

### Nestlé Professional

Nanoveu secured Nestlé Professional as a customer - the global leader in out-of-home branded hot and cold beverage and food solutions, with Nanoshield™ screen protectors customised for Nestlé Professional out of home coffee machines.

The Nanoshield™ protectors are customised to precisely fit the Nescafé touch screen and touch pad coffee machines, which are available around the world, with specific Nanoshield™ products also available for We Proudly Serve Starbucks® coffee in selected markets.

Prior to selecting Nanoveu as a supplier, Nestlé Professional undertook its own evaluation of Nanoshield™ at the Nestlé Institute of Food Safety and Analytical Sciences located in Lausanne, Switzerland to scientifically validate different anti-viral solutions.

In July 2021, Nanoveu announced that a study conducted by Nestle Research over a combined period of five months had concluded Nanoveu's Nanoshield product to be highly effective against the SARSCoV-2 virus that causes COVID-19.

The study, which was conducted by researchers from Nestlé Research, Institute of Food Safety and Analytical Science was published in the Applied and Environmental Microbiology journal (DOI: 10.1128/AEM.01098-21) and is available for public access:

<https://journals.asm.org/doi/10.1128/AEM.01098-21>

### Antiviral Face Masks

The Company expanded its antiviral product applications with an order of A\$125,000 from its distributor for Thailand and Malaysia, Singapore Sanyo Trading Pte Ltd (see ASX Announcement of 23 August 2021), for a newly developed antiviral, non-woven polypropylene material which will be used to manufacture antiviral face masks.

The masks are interwoven with Nanoshield™ antiviral and antibacterial technology and the masks were sold through the Company's established distribution network under the Nanoshield™ brand.

This new antiviral polypropylene material has expanded opportunities for Nanoveu to pursue applications for its antiviral products in the personal protective equipment industry and may extend to additional applications such as disposable bedding and medical gowns in the medical sector

### Nanoshield Product Development

Following the launch of the Nanoshield™ range of products, in February 2021 Nanoveu announced the results from testing of the Nanoshield products in an outdoor setting, with the products performing exceptionally well reducing the viral load by 99.98% within five minutes<sup>3</sup>. The results were almost identical to the performance of a product that had not undergone 12 months of outdoor exposure.

### Patent Approval for EyeFyx

Nanoveu announced that it had filed and received Patent Cooperation Treaty approval for its EyeFyx project from the International Bureau of the World Intellectual Property Organisation, with the patent securing intellectual property rights in multiple markets including the USA, Japan, China, Australia and Europe including the UK. The progression to this stage in the patenting process follows the completion of prototype lenses for which patents were previously lodged (see ASX announcement of 18 November 2021).

<sup>3</sup> See ASX announcement of 18 February 2021 for testing and results

## Directors' Report (continued)

EyeFyx provides vision correction for screen images through the use of a film that is imprinted with different nano-lens structures, in conjunction with software to ensure functionality across a range of digital screens and eyesight strengths.

We also continue to make significant progress on our EyeFyx vision correction technology. As again, a World's first, the challenge was indeed very difficult. However, towards the end of calendar year 2021, the Company launched an impressive new prototype which allows people suffering farsightedness to view a 14-inch screen without the aid of glasses. As we head into the new year, I am optimistic about the potential for even more powerful prototypes and the potential for EyeFyx to unlock new revenue streams in the future. However in any product development, there are developmental challenges that the team continues to strive towards resolution.

### ANZ Distributor Signs Agreement with Linfox

Nanoveu's exclusive Australian and New Zealand distributor, Touch Guard Pty Ltd ("Touch Guard") signed an agreement with Linfox Armaguard Group ("Armaguard").

Touch Guard, which has an exclusive agreement with Nanoveu<sup>4</sup> is incorporating the unique Nanoveu antiviral, antibacterial technology into its own "shield" product called High Touch™.

Under the partnership agreement Touch Guard and Armaguard have introduced High Touch™ to a vast number of vulnerable high use community contact points like ATMs, self-service kiosks, and devices. High Touch™ Antiviral Surface Protection will also be rolled out across Linfox Armaguard owned devices including atm by Armaguard ATMs.

### International Distribution Agreements

During 2021, Nanoveu continued to expand its international distribution network with the appointment of distributors across multiple territories.

In February 2021, Nanoveu entered an exclusive 12-month distribution agreement with CuVira for Nanoveu's products, including Nanoshield™ antiviral products in the United Kingdom market.

In March 2021, the Company announced an exclusive distribution agreement with Vital Medikal Konfeksiyon Tekstil San ve Tic Ltd Sti, a specialist medical equipment distributor with in the Republic of Turkey, as well as a non-exclusive distribution agreement for Hong Kong with Asia Pro Lab Limited.

Nanoveu also announced a distribution agreement for the Philippines with Avolution Inc, one of the nation's most prominent advertising organisations.

In April 2021, Nanoveu entered an exclusive distribution agreement covering the market of India with Mumbai-based group Verstech which included prepaid purchase orders totalling US\$100,000 within 90 days. Verstech is a privately held firm which has been established to bring unique technologies to India to improve and simplify everyday activities

### Successful Capital Raisings

In August 2021, Nanoveu raised \$1,350,000 (before costs) through a placement to sophisticated and professional investors at \$0.045 per share ("Shares"), with a 1 free attaching option for every two shares held, exercisable at \$0.058 within two years of the issue date of the Shares.

The placement was supported by both new investors and continuing support from existing shareholders which is a testament to the Company's success creating modern, cutting-edge nanotechnology.

Viriathus Capital Pty Ltd acted as the lead manager with the funds to be used to continue to further develop Nanoveu's range of antiviral and antibacterial products and continue its international expansion.

### Pro-Rata Non-Renounceable Rights Issue

The Company undertook a pro-rata non-renounceable rights issue of one (1) fully paid ordinary share in the capital of the Company (Share) for every four (4) Shares held, at an issue price of \$0.045 per Share together with one (1) free attaching option for every two (2) Shares subscribed for and issued (New Option), with the

<sup>4</sup> Refer ASX announcement dated 8 December 2020

## Directors' Report (continued)

Company receiving applications to subscribe for 10,516,730 new Shares from eligible shareholders under the Entitlement Offer to raise \$473,253 before costs.

This allowed existing shareholders the opportunity to participate on the same terms as the new investors and was supported by Nanoveu's directors who participated in the rights issue.

### Advance Against the Future Issue of Shares

\$400,000 was received against the future issue of shares under a funding facility following approval by shareholders on 8 November 2021.

### *COVID-19*

Beginning in February 2020, governments worldwide issued increasingly stringent orders to contain the spread of COVID-19, including shelter-in-place orders and travel bans. In response to this Nanoveu ceased travel for all employees. The Group continued to operate at full capacity including enacting necessary precautions for essential staff attending offices in accordance with local restrictions, which also included some staff working from home at times.

The COVID-19 pandemic is a new risk to human health and is a concern the Nanoveu Board takes seriously and is confident appropriate procedures are in place to navigate the Group through this period.

### *Significant changes in the state of affairs*

There have been no significant changes in the state of affairs of the Company to the date of this report, not otherwise disclosed in this report.

### *Review of financial condition*

The Group reported a loss before tax from continuing operations of \$2,320,618 (2020: \$1,762,016) for the year ended 31 December 2021, an increase of 20% from the prior year.

### *Liquidity and capital resources*

The Group had \$2,013,375 (2020: \$1,147,917) cash at bank at 31 December 2021.

The consolidated cash flow statement illustrates that there was a decrease in cash and cash equivalents in the year ended 31 December 2021 of \$1,047,490 (2020: \$1,047,490) inclusive of cash used in operating activities of \$1,904,246 (2020: \$2,246,982).

### *Business strategies and prospects for future financial years*

The Company is deploying its anti-viral protection product for digital screen and flat surfaces via distributors. With distributors engaged in Australia, Malaysia, Singapore, Thailand and the United Kingdom, the Company is actively seeking to expand its distribution network while pursuing sales directly with customers with a global presence and retail customer base.

Development of the EyeFyx vision correction product for digital displays is targeted to progress to product development following which products are intended to be brought to market and distributed via the distribution channels currently being built for the anti-viral protection product, as supplemented by additional distributors.

Additionally, the Company is seeking to deploy vending machines to enable its screens to be installed on mobile phones in a non-touch, clean environment.

### **Significant events after reporting date**

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future.

## Directors' Report (continued)

### Likely developments and expected results of operations

The Company expects to continue commercialisation of its anti-viral protection product for digital screens and flat surfaces, and complete the first stage of development of EyeFyx, its vision correction product for digital displays.

### Environmental legislation

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

### Share options, performance rights and performance options

#### (a) Share options

*Options issued and exercised:*

During 2021, the following options were issued as part of a capital raising (see Note 15 for further details):

| Expiry Date | Exercise Price | Number Issued | Number Exercised | Number Remaining at 31 December 2021 |
|-------------|----------------|---------------|------------------|--------------------------------------|
| 6 Sep 2023  | 5.8 cents      | 1,000,000     | -                | 1,000,000                            |
| 1 Feb 2024  | 5.8 cents      | 15,000,000    | -                | 15,000,000                           |
| 5 Oct 2023  | 5.8 cents      | 5,902,855     | -                | 5,902,855                            |

*Options on issue:*

Unissued ordinary shares of the Company under option:

| Terms of Options                                                             | Number on Issue at 31 Dec 2021 | Number on Issue at 31 Dec 2020 |
|------------------------------------------------------------------------------|--------------------------------|--------------------------------|
| Unlisted options with an exercise price of \$0.10 on or before 22 Dec 2022   | -                              | 2,081,328                      |
| Unlisted options with an exercise price of \$0.10 on or before 22 Dec 2022   | 3,300,000                      | 3,300,000                      |
| Unlisted options with an exercise price of \$0.1018 on or before 28 Oct 2023 | 3,900,000                      | 3,900,000                      |
| Unlisted options with an exercise price of \$0.058 on or before 6 Sep 2023   | 1,000,000                      | -                              |
| Unlisted options with an exercise price of \$0.058 on or before 1 Feb 2024   | 15,000,000                     | -                              |
| Unlisted options with an exercise price of \$0.058 on or before 5 Oct 2023   | 5,902,855                      | -                              |
| Total                                                                        | 29,102,855                     | 9,431,328                      |

*Expired options:*

During 2021, the following options expired unexercised:

| Terms of Options                                                                | Number    |
|---------------------------------------------------------------------------------|-----------|
| Unlisted options with an exercise price of \$0.20 on or before 16 November 2021 | 2,081,328 |
| Total                                                                           | 2,081,328 |

#### (b) Performance rights

*Performance rights issued:*

8,930,000 Performance Rights were granted to directors, employees and consultants during the half-year ended 30 June 2021 with 5,450,000 Performance Rights being approved at the Company's AGM on 2 July 2021. This comprised of 300,000 issued to Juliana Stothard (being a related party of Alfred Chong), 5,940,000 to Directors and 750,000 to a third party consultant.

Refer to Note 15(c) for terms and conditions.

## Directors' Report (continued)

### *Performance rights on issue:*

The following performance rights were on issue:

| Tranche | Performance Rights Hurdle                                                                                                                                                                                    | Number on Issue at 31 Dec 2021 |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| C       | Completion of iPhone Series X production of at least 100,000 units                                                                                                                                           | 223,000                        |
| D       | Completion of production of the first three Android models of at least 100,000 units                                                                                                                         | 217,500                        |
| E       | 12 months from the completion of gaming software development kit or launch of first five 3D games introduced to market                                                                                       | 434,000                        |
| F       | Securing distribution in China with sales of at least 100,000 units                                                                                                                                          | 610,000                        |
| K       | A\$8m of sales revenue across all by 31 December 2022 as validated from audited / reviewed financial reports                                                                                                 | 2,710,000                      |
| L       | A\$15m of sales revenue across all by 31 December 2023 as validated from audited / reviewed financial reports                                                                                                | 2,260,000                      |
| M       | The Company securing exclusive commercial and marketing rights of all antiviral products developed by Innex Limited by 31 December 2021 as validated by an exclusive licencing agreement (Class M Milestone) | 500,000                        |
| O       | A\$2.7m of EyeFyx product sales revenue by 31 December 2022 as validated from audited / reviewed financial reports                                                                                           | 250,000                        |
| P       | A\$5m of EyeFyx product sales revenue by 31 December 2023 as validated from audited / reviewed financial reports                                                                                             | 250,000                        |
| Total   |                                                                                                                                                                                                              | 7,454,500                      |

### **(c) Performance options**

#### *Performance options granted:*

No performance options were issued during 2021.

#### *Performance options forfeited:*

The performance options issued during 2020 were forfeited during the year.

These options and rights do not entitle the holder to participate in any share issue of the Company or any other body corporate.

Since the end of the financial period the Company has not issued any Shares as a result of the exercise of options or performance rights.

### **Indemnification and insurance of Directors and Officers**

The Company has agreed to indemnify all the directors and executive officers against all liabilities to another person (other than the Company or related body corporate) that may arise from their position as officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company has also agreed to indemnify the current Directors of its controlled entities for all liabilities to another person (other than the Company or related body corporate) that may arise from their position, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

### **Auditor Independence and Non-Audit Services**

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

## Directors' Report (continued)

Details of the amounts paid or payable to the auditors BDO Audit (WA) Pty Ltd for audit and interim review services provided during the year are set out below:

| <b>Audit Services</b>  | <b>2021</b> | <b>2020</b> |
|------------------------|-------------|-------------|
|                        | <b>\$</b>   | <b>\$</b>   |
| BDO Audit (WA) Pty Ltd | 33,000      | 33,000      |

### Non-Audit Services

There were no non-audit services provided during the 2020 year and the directors are of the opinion that the services as disclosed in Note 21 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

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

### Proceedings on Behalf of the Company

There are no proceedings on behalf of the Company under section 237 of the Corporations Act 2001 in the financial period or at the date of this report.

## **DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF NANOVEU LIMITED**

As lead auditor of Nanoveu Limited for the year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Nanoveu Limited and the entities it controlled during the period.



**Phillip Murdoch**  
**Director**

**BDO Audit (WA) Pty Ltd**  
Perth, 28 February 2022

## Directors' Report - Remuneration Report (audited)

This remuneration report for the financial year ended 31 December 2021 outlines remuneration arrangements of the Company in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the parent company, and including the executives receiving the highest remuneration.

For the purposes of this report, the term “executive” includes the Chief Executive Officer (CEO), executive directors and senior management and the term “director” refers to non-executive directors only.

### Individual key management personnel disclosures

Details of KMPs of the Company are set out below:

#### *Key management personnel*

##### **Directors**

|                        |                                                                 |
|------------------------|-----------------------------------------------------------------|
| Mr Scott Beeton        | Non-executive Chairman, appointed 22 September 2021             |
| Mr Alfred Chong        | Managing Director and CEO, appointed 14 February 2018           |
| Mr Michael van Uffelen | Director, CFO and Company Secretary, appointed 14 February 2018 |
| Mr Steven Apedaile     | Non-Executive Director, appointed 14 May 2018                   |
| Mr David Nicol         | Non-Executive Director, appointed 17 July 2018                  |

The Remuneration Report is set out under the following main headings:

- A. Principles used to determine the nature and amount of remuneration
- B. Details of remuneration
- C. Service agreements
- D. Share-based compensation
- E. Option holdings of key management personnel
- F. Performance Rights holdings of key management personnel
- G. Share holdings of key management personnel
- H. Other transactions and balances with key management personnel

### **A. Principles used to determine the nature and amount of remuneration**

#### *Remuneration philosophy*

The performance of the Group depends upon the quality of its directors and executives. To prosper, the Group must attract, motivate and retain highly skilled directors and executives.

To this end, the Group embodies the following principles in its compensation framework:

- Provide competitive rewards to attract high calibre executives;
- Link executive rewards to shareholder value; and
- Establish appropriate, demanding performance hurdles in relation to variable executive compensation

Remuneration consists of fixed remuneration and variable remuneration.

## Directors' Report - Remuneration Report (audited) (continued)

### *Fixed Remuneration*

Fixed remuneration is reviewed annually by the Board of Directors. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices.

### *Variable Remuneration*

The Group currently has a discretionary variable component to the remuneration of the board and management and intends to introduce a structured variable remuneration plan in the near future.

### *Remuneration Reviews*

The Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the directors, the Managing Director and all other key management personnel.

The Board of Directors assesses the appropriateness of the nature and amount of compensation of key management personnel on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality board and executive team.

### *Remuneration structure*

In accordance with best practice Corporate Governance, the structure of non-executive director and executive remuneration is separate and distinct.

### *Non-executive Director Remuneration*

The Board seeks to set aggregate remuneration at a level that provides the Group with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The Constitution specifies that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external shareholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Non-executive directors receive a fee for being a director of the Company. The compensation of non-executive directors for the year ended 31 December 2021 is detailed below.

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, and the Corporations Act, 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 of each non-executive Director. This amount has been set at an amount not to exceed \$300,000 per annum.

In addition, a director may be paid fees or other amounts and non-cash performance incentive such as options and performance rights, subject to necessary shareholder approval, where a director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director.

Directors are also entitled to be reimbursed reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as directors.

### *Director Remuneration*

Remuneration of each director has been set at \$48,000 per annum plus superannuation of 9.5% which commenced being paid from admission to the Official List of the Australian Securities exchange. In addition, directors were offered performance rights for their services without cash remuneration prior to admission to the Official List of the Australian Securities exchange.

Remuneration for executive roles are separate and in addition to remuneration as a director. Accordingly, executive directors have a director contract and a separate contract for their executive services.

## Directors' Report - Remuneration Report (audited) (continued)

### Senior Manager and Executive Director remuneration

#### Objective

The entity aims to reward executives with a level and mix of compensation commensurate with their position and responsibilities within the entity so as to:

- reward executives for company, business unit and individual performance against targets set to appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link rewards with the strategic goals and performance of the Company; and
- ensure total compensation is competitive by market standards.

Compensation consists of the following key elements:

- Fixed Compensation; and
- Variable Compensation.

The proportion of fixed compensation and variable compensation (potential short term and long term incentives) is established for each key management person by the Directors.

### Fixed Compensation

#### Objective

Fixed compensation is reviewed annually by the Directors. The process consists of a review of individual performance, relevant comparative compensation in the market and internally and, where appropriate, external advice on policies and practices. This review is based on a calendar year cycle and is typically performed in December / January.

#### Structure

Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans.

### Variable Compensation

#### Objective

The objective of the Variable Compensation is to reward executives in a manner that aligns this element of compensation with the creation of shareholder wealth.

#### Structure

The Group currently has a discretionary variable component to the remuneration of the board and management and intends to introduce a structured variable remuneration plan in the near future.

### Use of remuneration consultants

The Group did not use the services of remuneration consultants.

### Objective of the remuneration committee

The Group did not have a remuneration committee during the period.

### Overview of Group performance

|                         | 2021          | 2020          | 2019          | 2018          | 2017        |
|-------------------------|---------------|---------------|---------------|---------------|-------------|
| Net loss                | \$(2,320,618) | \$(1,762,016) | \$(3,373,018) | \$(1,568,309) | \$(612,716) |
| Share price at year end | 3.2 cents     | 6.5 cents     | 5.2 cents     | 8.2 cents     | n/a         |
| Basic EPS (loss)        | (1.3) cents   | (1.3) cents   | (2.5) cents   | (1.6) cents   | (0.7) cents |

The Group currently has a discretionary variable component to the remuneration of the board and management and intends to introduce a structured variable remuneration plan in the near future.

# Directors' Report - Remuneration Report (audited) (continued)

## B. Details of remuneration

Year ended 31 December 2021

| Directors                  | Salary, fees & commissions | Bonus    | Non-monetary benefits (iv) | Post employment benefits | Share-based payments (v) | Total          | Portion of Remuneration Performance Related |
|----------------------------|----------------------------|----------|----------------------------|--------------------------|--------------------------|----------------|---------------------------------------------|
| <i>Executive</i>           |                            |          |                            |                          |                          |                |                                             |
| Mr Alfred Chong            | 199,254                    | -        | 8,849                      | 15,346                   | 6,558                    | 230,007        | 3%                                          |
| Mr Michael van Uffelen (i) | 158,350                    | -        | 6,720                      | 4,600                    | 13,558                   | 183,228        | 7%                                          |
| <i>Non-executive</i>       |                            |          |                            |                          |                          |                |                                             |
| Mr Scott Beeton (ii)       | 13,200                     | -        | 599                        | 1,320                    | -                        | 15,119         | -                                           |
| Mr Steven Apedaile (iii)   | 47,200                     | -        | 2,136                      | 4,600                    | 831                      | 54,767         | 2%                                          |
| Mr David Nicol             | 47,200                     | -        | 2,136                      | 4,600                    | 831                      | 54,767         | 2%                                          |
| <b>Total Directors</b>     | <b>465,204</b>             | <b>-</b> | <b>20,440</b>              | <b>30,466</b>            | <b>21,778</b>            | <b>537,888</b> | <b>6%</b>                                   |
| <b>Other KPMs</b>          |                            |          |                            |                          |                          |                |                                             |
| Nil                        | -                          | -        | -                          | -                        | -                        | -              | -                                           |
| <b>Total Other KPMs</b>    | <b>-</b>                   | <b>-</b> | <b>-</b>                   | <b>-</b>                 | <b>-</b>                 | <b>-</b>       | <b>-</b>                                    |
| <b>Total KMPs</b>          | <b>465,204</b>             | <b>-</b> | <b>20,440</b>              | <b>30,466</b>            | <b>21,778</b>            | <b>537,888</b> | <b>6%</b>                                   |

Compensation is stated on an accruals basis.

- (i) Includes remuneration via Black Tourmaline Consulting, a business in which he holds a beneficial interest.
- (ii) Includes remuneration via Springboard Financial Group Pty Ltd, a business in which he holds a beneficial interest.
- (iii) Includes remuneration via Apedaile Nominees Pty Ltd, a business in which he holds a beneficial interest.
- (iv) Comprises of directors and officers insurance.
- (v) Share based payments comprise the amortisation of the measured cost of performance rights issued at grant date. This grant date cost is based on the price of the Company's shares which is amortised to the estimated date of the hurdle being achieved based on an assessment of the probability of achievement of the hurdles specified in the performance rights. The ultimate benefit received by the participant may be materially different to this calculated value, and may be received at a significantly different time to the date presented in this table.

Year ended 31 December 2020

| Directors                  | Salary, fees & commissions | Bonus    | Non-monetary benefits (iii) | Post employment benefits | Share-based payments (iv) | Total          | Portion of Remuneration Performance Related |
|----------------------------|----------------------------|----------|-----------------------------|--------------------------|---------------------------|----------------|---------------------------------------------|
| <i>Executive</i>           |                            |          |                             |                          |                           |                |                                             |
| Mr Alfred Chong            | 220,041                    | -        | 8,520                       | 14,500                   | 44,980                    | 288,041        | 16%                                         |
| Mr Michael van Uffelen (i) | 137,500                    | -        | 5,161                       | 4,560                    | 54,482                    | 201,703        | 27%                                         |
| <i>Non-executive</i>       |                            |          |                             |                          |                           |                |                                             |
| Mr Steven Apedaile (ii)    | 48,000                     | -        | 1,909                       | 4,560                    | 16,027                    | 70,496         | 23%                                         |
| Mr David Nicol             | 48,000                     | -        | 1,909                       | 4,560                    | 17,342                    | 71,811         | 24%                                         |
| <b>Total Directors</b>     | <b>453,541</b>             | <b>-</b> | <b>17,499</b>               | <b>28,180</b>            | <b>132,831</b>            | <b>632,051</b> | <b>21%</b>                                  |
| <b>Other KPMs</b>          |                            |          |                             |                          |                           |                |                                             |
| Nil                        | -                          | -        | -                           | -                        | -                         | -              | -                                           |
| <b>Total Other KPMs</b>    | <b>-</b>                   | <b>-</b> | <b>-</b>                    | <b>-</b>                 | <b>-</b>                  | <b>-</b>       | <b>-</b>                                    |
| <b>Total KMPs</b>          | <b>453,541</b>             | <b>-</b> | <b>17,499</b>               | <b>28,180</b>            | <b>132,831</b>            | <b>632,051</b> | <b>21%</b>                                  |

Compensation is stated on an accruals basis.

- (i) Includes remuneration via Black Tourmaline Consulting, a business in which he holds a beneficial interest.
- (ii) Includes remuneration via Apedaile Nominees Pty Ltd, a business in which he holds a beneficial interest.
- (iii) Comprises of directors and officers insurance.

## Directors' Report - Remuneration Report (audited) (continued)

- (iv) Share based payments comprise the amortisation of the measured cost of performance rights issued at grant date. This grant date cost is based on the price of the Company's shares which is amortised to the estimated date of the hurdle being achieved based on an assessment of the probability of achievement of the hurdles specified in the performance rights. The ultimate benefit received by the participant may be materially different to this calculated value, and may be received at a significantly different time to the date presented in this table.

### C. Service agreements

#### *Agreements with Executives*

##### Alfred Chong – Managing Director and CEO

The Company entered into an executive services agreement (Executive Services Agreement) with Mr Chong dated 15 May 2018, pursuant to which the Company has engaged Mr Chong as Chief Executive Officer. The material terms and conditions of the Executive Services Agreement are summarised below:

- (a) Term: The Executive Services Agreement commenced on 1 June 2018 and replaced an earlier agreement dated 1 February 2013 and continues until terminated in accordance with its terms.
- (b) Remuneration: Mr Chong will receive from the commencement of his appointment, a salary of approximately S\$150,000 per annum plus the Singaporean Central Provident Fund contribution and a travel allowance of S\$12,000 per annum.
- (c) Incentive Programs: In addition to the Performance Rights he will receive on completion of the Offer, Mr Chong may participate in any incentive plan that the Company may introduce from time to time.
- (d) Termination: The Company may immediately terminate the employment of Mr Chong by written notice for a number of standard events including, but not limited to, if at any time Mr Chong:
  - (i) commits a serious or repeated or continual breach of the obligations under the Executive Services Agreement;
  - (ii) is guilty of any serious misconduct or serious neglect or dishonesty in the discharge of his duties under the Executive Services Agreement; or
  - (iii) acts in a manner which, in the reasonable opinion of the Company, brings the name or reputation of the Company or any member of the Company into serious disrepute or prejudices the interests of the business of the Company.

The Company or Mr Chong may terminate the Executive Services Agreement for any reason by giving 6 months' written notice.

The Executive Services Agreement contains other standard terms and conditions expected to be included in contracts of this nature.

##### Michael van Uffelen – Director, CFO and Company Secretary

The Company entered into a consulting agreement (Consulting Agreement) with Black Tourmaline Pty Ltd ATF Black Tourmaline Consulting (Black Tourmaline Consulting), an entity controlled by Mr van Uffelen and in which he has a beneficial interest, pursuant to which the Company has engaged Mr van Uffelen to act as Chief Financial Officer and Company Secretary. The material terms and conditions of the Executive Services Agreement are summarised below:

- (a) Term: The Executive Services Agreement commenced on 1 May 2018 and continues until terminated in accordance with its terms.
- (b) Remuneration: Black Tourmaline Consulting will receive from 1 May 2018 a fee of \$6,000 per month, which was amended to \$9,500 per month during the 2020 year, plus GST.
- (c) Incentive Programs: Black Tourmaline Consulting may participate in any incentive plan that the Company may introduce from time to time.
- (d) Termination: The Company or Black Tourmaline Consulting may terminate the Consulting Agreement for any reason by giving 3 months' written notice.

The Consulting Agreement contains other standard terms and conditions expected to be included in contracts of this nature.

## Directors' Report - Remuneration Report (audited) (continued)

### Agreements with all directors

The Company has entered into agreements with all directors. The material terms of the agreement are as follows:

- (a) Director's fees: director's fees at the rate of \$48,000 per annum plus superannuation together with reimbursement for out of pocket expenses incurred as a result of engagement as a director.
- (b) Termination: Non-Executive Directors may retire at any time and are subject to re-election at the annual general meeting of shareholders in accordance with the Company's policy of at least one third of the Non-Executive Directors being nominated for re-election each year based on the Company's rotation schedule.

### D. Share-based compensation

#### Compensation shares, options and performance rights granted to key management personnel

Key management personnel did not receive any share-based compensation in the form of shares or options during the year. Performance rights remuneration for KMP is summarised below.

#### Performance rights of key management personnel

The table below shows the number of Performance Rights granted, converted and forfeited during the year.

|                        | Balance at start of year | Granted as remuneration | Converted (i)    | Forfeited (ii)     | Balance at end of year | Maximum value yet to vest (\$) (iii) |
|------------------------|--------------------------|-------------------------|------------------|--------------------|------------------------|--------------------------------------|
| <b>Directors</b>       |                          |                         |                  |                    |                        |                                      |
| Mr Scott Beeton        | -                        | -                       | -                | -                  | -                      | -                                    |
| Mr Alfred Chong        | 1,200,000                | 2,300,000               | (100,000)        | (1,250,000)        | 2,150,000              | 45,692                               |
| Mr Michael van Uffelen | 692,000                  | 2,000,000               | (58,500)         | (950,000)          | 1,683,500              | 45,692                               |
| Mr Steven Apedaile     | 72,500                   | 200,000                 | (7,500)          | (110,000)          | 155,000                | 4,569                                |
| Mr David Nicol         | 72,500                   | 200,000                 | (7,500)          | (110,000)          | 155,000                | 4,569                                |
| <b>Total Directors</b> | <b>2,037,000</b>         | <b>4,700,000</b>        | <b>(173,500)</b> | <b>(2,420,000)</b> | <b>4,143,500</b>       | <b>100,522</b>                       |

- (i) The performance hurdle for Tranche D was achieved during the year, being the completion of production of the first three Android models of at least 100,000 units.
- (ii) The following tranches were forfeited during the year as the hurdles were not achieved:
  - a. Tranche B: First sales of EyeFyx products achieved by 31 March 2021; and
  - b. Tranche J: A\$3m of sales revenue across all by 31 December 2021 as validated from audited / reviewed financial reports.

The previously recognised share-based payment expense of \$23,450 relating to Tranche B and was reversed in the current period.

- (iii) Calculated as the amount of the grant date fair value that is yet to be expensed.

The vesting of Performance Rights is subject to the following performance hurdles:

| Tranche | Performance Hurdle                                                                                                          | Alfred Chong | Michael van Uffelen | Steven Apedaile | David Nicol |
|---------|-----------------------------------------------------------------------------------------------------------------------------|--------------|---------------------|-----------------|-------------|
| C       | Completion of iPhone Series X production of at least 100,000 units                                                          | 200,000      | 117,000             | 15,000          | 15,000      |
| D       | Completion of production of the first three Android models of at least 100,000 units                                        | 100,000      | 58,500              | 7,500           | 7,500       |
| E       | Remaining employed/engaged by the Company in June 2021 (this hurdle has been achieved, but the shares are yet to be issued) | 100,000      | 58,000              | 7,500           | 7,500       |

**Directors' Report - Remuneration Report (audited) (continued)**

|              |                                                                                                                       |                  |                  |                |                |
|--------------|-----------------------------------------------------------------------------------------------------------------------|------------------|------------------|----------------|----------------|
| F            | Securing distribution in China with sales of at least 100,000 units                                                   | 300,000          | 200,000          | -              | -              |
| K            | A\$8m of sales revenue across all products by 31 December 2022 as validated from audited / reviewed financial reports | 850,000          | 750,000          | 75,000         | 75,000         |
| L            | A\$15m of sales revenue across all by 31 December 2023 as validated from audited / reviewed financial reports         | 600,000          | 500,000          | 50,000         | 50,000         |
| <b>Total</b> |                                                                                                                       | <b>2,150,000</b> | <b>1,683,500</b> | <b>155,000</b> | <b>155,000</b> |

| <b>Reconciliation of KMP Performance Rights</b> |                                                                                   |                  |                  |                |                |
|-------------------------------------------------|-----------------------------------------------------------------------------------|------------------|------------------|----------------|----------------|
| Tranche B - F                                   | Performance Rights held at the start of the year                                  | 1,200,000        | 692,000          | 72,500         | 72,500         |
| Tranche J-L                                     | Performance Rights granted during the year                                        | 2,300,000        | 2,000,000        | 200,000        | 200,000        |
| Tranche B&J                                     | Performance rights forfeited due to the hurdle not being achieved                 | (1,050,000)      | (850,000)        | (92,500)       | (92,500)       |
| Tranche D                                       | Performance Rights converted during the year on achievement of performance hurdle | (300,000)        | (158,500)        | (25,000)       | (25,000)       |
| <b>Total</b>                                    |                                                                                   | <b>2,150,000</b> | <b>1,683,500</b> | <b>155,000</b> | <b>155,000</b> |

The shares to be issued in the event of vesting of the Performance Rights shall rank pari-passu in all respects with other fully paid ordinary shares in the Company. The fair value of the Performance Rights is determined based on the market price of the company's shares at the grant date. The fair value per performance right are:

| <b>Tranches</b> | <b>Grant Date</b> | <b>Fair Value per Performance Right</b> |
|-----------------|-------------------|-----------------------------------------|
| B - F           | 31 May 2019       | \$0.07                                  |
| J - L           | 2 July 2021       | \$0.053                                 |

Details of performance rights over ordinary shares in the Company granted as compensation to key management personnel during the year are as follows:

*Performance rights issued to KMP:*

4,700,000 Performance Rights were granted to directors and KMP during the year ended 31 December 2021 with 5,450,000 Performance Rights being approved at the Company's AGM on 2 July 2021. The vesting of the Performance Rights to Directors and KMP is subject to the achievement of the following hurdles:

| <b>Tranche</b> | <b>Performance Hurdle</b>                                                                                             | <b>Alfred Chong*</b> | <b>Michael van Uffelen</b> | <b>Steven Apedaile</b> | <b>David Nicol</b> | <b>Assumed Probability of achievement</b> | <b>Assumed Achievement Date</b> |
|----------------|-----------------------------------------------------------------------------------------------------------------------|----------------------|----------------------------|------------------------|--------------------|-------------------------------------------|---------------------------------|
| J              | A\$3m of sales revenue across all products by 31 December 2021 as validated from audited / reviewed financial reports | 850,000              | 750,000                    | 75,000                 | 75,000             | 0%                                        | Milestone not met               |
| K              | A\$8m of sales revenue across all by 31 December 2022 as validated from audited /                                     | 850,000              | 750,000                    | 75,000                 | 75,000             | 100%                                      | 31 December 2022                |

**Directors' Report - Remuneration Report (audited) (continued)**

|       |                                                                                                               |           |           |         |         |      |                  |
|-------|---------------------------------------------------------------------------------------------------------------|-----------|-----------|---------|---------|------|------------------|
|       | reviewed financial reports                                                                                    |           |           |         |         |      |                  |
| L     | A\$15m of sales revenue across all by 31 December 2023 as validated from audited / reviewed financial reports | 500,000   | 500,000   | 50,000  | 50,000  | 100% | 31 December 2022 |
| Total |                                                                                                               | 2,200,000 | 2,000,000 | 200,000 | 200,000 |      |                  |

\*Includes related party performance rights issued.

50% of each tranche of Performance Rights vest on achievement of the respective performance hurdle and 50% vest 12 months after achievement of the respective hurdle as long as the respective staff member continuously remains employed by the Company 12 months after achievement of the respective hurdle.

The shares to be issued in the event of vesting of the Performance Rights shall rank pari-passu in all respects with other fully paid ordinary shares in the Company.

Any unvested Performance Rights will lapse 7 years after their date of issue or if the respective performance hurdle is not achieved by the date specified, where applicable.

*Performance rights vested but not converted:*

During the 2021 year, the following performance rights to KMP have vested but not been converted to fully paid ordinary shares:

| Tranche | Performance Rights Hurdle                                                                           | Number Vested, Not Converted |
|---------|-----------------------------------------------------------------------------------------------------|------------------------------|
| E       | Completion of gaming software development kit or launch of first five 3D games introduced to market | 173,000                      |
| Total   |                                                                                                     | 173,000                      |

*Performance rights vested and were converted:*

During the 2021 year, the following performance rights to KMP have vested and been converted to fully paid ordinary shares:

| Tranche | Performance Rights Hurdle                                                            | Number Vested and Converted |
|---------|--------------------------------------------------------------------------------------|-----------------------------|
| D       | Completion of production of the first three Android models of at least 100,000 units | 173,500                     |
| Total   |                                                                                      | 173,500                     |

*Performance rights forfeited:*

The following performance rights to KMP were forfeited due to the hurdle not being achieved:

| Tranche | Performance Rights Hurdle                                                                                    | Number Forfeited |
|---------|--------------------------------------------------------------------------------------------------------------|------------------|
| B       | First sales of EyeFyx products achieved by 31 March 2021                                                     | 850,000          |
| J       | A\$3m of sales revenue across all by 31 December 2021 as validated from audited / reviewed financial reports | 1,750,000        |
| Total   |                                                                                                              | 2,600,000        |

## Directors' Report - Remuneration Report (audited) (continued)

*Performance rights on issue:*

The following performance rights were on issue to KMPs:

| Tranche | Performance Rights Hurdle                                                                                              | Number on Issue at 31 Dec 2021 |
|---------|------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| C       | Completion of iPhone Series X production of at least 100,000 units                                                     | 347,000                        |
| E       | 12 months from the completion of gaming software development kit or launch of first five 3D games introduced to market | 173,000                        |
| F       | Securing distribution in China with sales of at least 100,000 units                                                    | 500,000                        |
| K       | A\$8m of sales revenue across all by 31 December 2022 as validated from audited / reviewed financial reports           | 1,750,000                      |
| L       | A\$15m of sales revenue across all by 31 December 2023 as validated from audited / reviewed financial reports          | 1,200,000                      |
| Total   |                                                                                                                        | 3,970,000                      |

### E. Option holdings of key management personnel

|                        | Balance at start of the financial period | Granted as remuneration | Exercised | Net change other (i) | Balance at the end of financial period / ceasing service | Vested and exercisable |
|------------------------|------------------------------------------|-------------------------|-----------|----------------------|----------------------------------------------------------|------------------------|
| <b>Directors</b>       |                                          |                         |           |                      |                                                          |                        |
| Mr Scott Beeton        | -                                        | -                       | -         | -                    | -                                                        | -                      |
| Mr Alfred Chong        | -                                        | -                       | -         | 250,000              | 250,000                                                  | 250,000                |
| Mr Michael van Uffelen | -                                        | -                       | -         | 77,063               | 77,063                                                   | 77,063                 |
| Mr Steven Apedaile     | -                                        | -                       | -         | 100,035              | 100,035                                                  | 100,035                |
| Mr David Nicol         | -                                        | -                       | -         | 72,250               | 72,250                                                   | 72,250                 |
| <b>Total Directors</b> | -                                        | -                       | -         | <b>499,348</b>       | <b>499,348</b>                                           | <b>499,348</b>         |

(i) Options are exercisable at \$0.058 each on or before 27 October 2023 and were acquired as part of the attaching options to participation in an entitlement issue.

### F. Share holdings of key management personnel

| <u>31 December 2021</u> | Balance at start of the period | On conversion of performance rights | Acquisitions (i) | Disposals | Balance at the end of period / date of ceasing to be a KMP |
|-------------------------|--------------------------------|-------------------------------------|------------------|-----------|------------------------------------------------------------|
| <b>Directors</b>        |                                |                                     |                  |           |                                                            |
| Mr Scott Beeton         | -                              | -                                   | -                | -         | -                                                          |
| Mr Alfred Chong         | 42,527,558                     | 100,000                             | 500,000          | -         | 43,127,558                                                 |
| Mr Michael van Uffelen  | 558,000                        | 58,500                              | 154,125          | -         | 770,625                                                    |
| Mr Steven Apedaile      | 792,780                        | 7,500                               | 200,070          | -         | 1,000,350                                                  |
| Mr David Nicol          | 570,500                        | 7,500                               | 144,500          | -         | 722,500                                                    |
| <b>Total Directors</b>  | <b>44,448,838</b>              | <b>173,500</b>                      | <b>998,695</b>   | -         | <b>45,621,033</b>                                          |

(i) Shares were acquired in an entitlement issue at \$0.045 per share, with 1 attaching option for each 2 participating shares. The options are exercisable at \$0.058 each on or before 27 October 2023.

## Directors' Report - Remuneration Report (audited) (continued)

### G. Other transactions and balances with Key Management Personnel

Apart from the above item and reimbursements for expenses paid on behalf of the Company, director and fees paid directly or indirectly to director related entities, there were no transactions or balances with KMP during the years ended 31 December 2021 and 2020.

### H. Voting and comments made at the Company's Annual General Meeting

At the Annual General Meeting held on 2 July 2021, 94.3% of votes cast were in favour of the adoption of the Company's remuneration report for the 2020 financial year. The Company did not receive any comments at the Annual General Meeting on its remuneration report.

END OF THE AUDITED REMUNERATION REPORT

Signed in accordance with a resolution of the Directors:



**Alfred Chong**  
**Managing Director and CEO**  
Singapore, 28<sup>th</sup> February 2022

# **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021**

|                                                                                   | Note | 2021<br>\$         | 2020<br>\$         |
|-----------------------------------------------------------------------------------|------|--------------------|--------------------|
| Revenue from contracts with customers                                             | 6    | 781,214            | 367,856            |
| <b>Revenue</b>                                                                    |      | <b>781,214</b>     | <b>367,856</b>     |
| Cost of sale of goods                                                             | 11   | (394,655)          | (240,155)          |
| <b>Gross profit (loss)</b>                                                        |      | <b>386,559</b>     | <b>127,701</b>     |
| Other operating income                                                            | 6    | 66,955             | 103,994            |
| Selling and distribution expenses                                                 | 6    | (680,409)          | (514,290)          |
| Administration expenses                                                           | 6    | (1,421,286)        | (1,131,940)        |
| Research costs                                                                    | 6    | (230,704)          | (211,241)          |
| Share based payment expense                                                       | 7    | (77,836)           | (92,257)           |
| Impairment                                                                        | 6    | (66,440)           | -                  |
| <b>Operating profit (loss)</b>                                                    |      | <b>(2,023,161)</b> | <b>(1,718,033)</b> |
| Finance income                                                                    | 6    | 432                | 1,124              |
| Finance costs                                                                     |      | (297,889)          | (45,107)           |
| <b>(Loss) before income tax</b>                                                   |      | <b>(2,320,618)</b> | <b>(1,762,016)</b> |
| Income tax expense                                                                | 8    | -                  | -                  |
| <b>(Loss) for the year</b>                                                        |      | <b>(2,320,618)</b> | <b>(1,762,016)</b> |
| <b>Other comprehensive income / (loss)</b>                                        |      |                    |                    |
| <i>Items that may be reclassified to profit or loss:</i>                          |      |                    |                    |
| - Foreign currency differences on translation of foreign operations               |      | 78,221             | (45,626)           |
|                                                                                   |      | <u>78,221</u>      | <u>(45,626)</u>    |
| <b>Total comprehensive (loss) for the year</b>                                    |      | <b>(2,242,397)</b> | <b>(1,807,642)</b> |
| Loss per share – basic and diluted attributable to the members of Nanoveu Limited | 5    | (1.3)              | (1.3)              |

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## AS AT 31 DECEMBER 2021

|                                  | Note | 2021<br>\$       | 2020<br>\$       |
|----------------------------------|------|------------------|------------------|
| <b>CURRENT ASSETS</b>            |      |                  |                  |
| Cash and cash equivalents        | 9    | 2,013,375        | 1,147,917        |
| Other receivables                | 10   | 205,961          | 161,074          |
| Inventories                      | 11   | 469,298          | 377,452          |
| <b>Total Current Assets</b>      |      | <b>2,688,634</b> | <b>1,686,443</b> |
| <b>NON-CURRENT ASSETS</b>        |      |                  |                  |
| Plant and equipment              |      | 64,955           | 91,294           |
| Right of use asset               | 12   | -                | 14,985           |
| <b>Total Non-current Assets</b>  |      | <b>64,955</b>    | <b>106,279</b>   |
| <b>TOTAL ASSETS</b>              |      | <b>2,753,589</b> | <b>1,792,722</b> |
| <b>CURRENT LIABILITIES</b>       |      |                  |                  |
| Trade and other payables         | 13   | 161,409          | 231,322          |
| Lease liability                  | 12   | -                | 14,985           |
| Financial liability              | 14   | 986,682          | 318,792          |
| Provisions                       |      | 20,895           | 14,681           |
| <b>Total Current Liabilities</b> |      | <b>1,168,986</b> | <b>579,780</b>   |
| <b>TOTAL LIABILITIES</b>         |      | <b>1,168,986</b> | <b>579,780</b>   |
| <b>NET ASSETS</b>                |      | <b>1,584,603</b> | <b>1,212,942</b> |
| <b>EQUITY</b>                    |      |                  |                  |
| Issued capital                   | 15   | 16,769,439       | 14,211,972       |
| Accumulated losses               |      | (14,269,349)     | (11,948,731)     |
| Reserves                         |      | (915,487)        | (1,050,300)      |
| <b>TOTAL EQUITY</b>              |      | <b>1,584,603</b> | <b>1,212,942</b> |

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes

# **CONSOLIDATED STATEMENT OF CASH FLOWS** **FOR THE YEAR ENDED 31 DECEMBER 2021**

|                                                              | <b>Note</b> | <b>2021</b>        | <b>2020</b>        |
|--------------------------------------------------------------|-------------|--------------------|--------------------|
|                                                              |             | <b>\$</b>          | <b>\$</b>          |
| <b>Cash flows from Operating Activities</b>                  |             |                    |                    |
| Receipts from customers                                      |             | 715,543            | 327,778            |
| Government grant received                                    |             | 66,955             | 103,994            |
| Payments to suppliers and employees                          |             | (2,823,694)        | (2,679,878)        |
| Interest received                                            |             | 432                | 1,124              |
| <b>Net cash (used in) operating activities</b>               | <b>9(b)</b> | <b>(2,040,764)</b> | <b>(2,246,982)</b> |
| <b>Cash Flows from Investing Activities</b>                  |             |                    |                    |
| Purchase of plant and equipment                              |             | -                  | (20,908)           |
| <b>Net cash (used in) / investing activities</b>             |             | <b>-</b>           | <b>(20,908)</b>    |
| <b>Cash Flows from Financing Activities</b>                  |             |                    |                    |
| Proceeds from the issuance of shares                         | 15          | 2,042,258          | 660,000            |
| Issue of convertible notes                                   | 14          | 1,000,000          | 600,000            |
| Share issue expenses                                         |             | (136,037)          | (39,600)           |
| <b>Net cash (used in) / provided by financing activities</b> |             | <b>2,906,222</b>   | <b>1,220,400</b>   |
| Net increase (decrease) in cash held                         |             | 865,458            | (1,047,490)        |
| Cash at the beginning of the financial year                  |             | 1,147,917          | 2,195,407          |
| <b>Cash at the end of the financial year</b>                 | <b>9</b>    | <b>2,013,375</b>   | <b>1,147,917</b>   |

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 31 DECEMBER 2021

|                                                              | Issued Capital    | Accumulated Losses  | Option Reserve | Common Control Reserve | Share Based Payment Reserve | Foreign Currency Translation Reserve | Total            |
|--------------------------------------------------------------|-------------------|---------------------|----------------|------------------------|-----------------------------|--------------------------------------|------------------|
|                                                              | \$                | \$                  | \$             | \$                     | \$                          | \$                                   | \$               |
| Balance at 1 January 2020                                    | 13,372,408        | (10,186,715)        | -              | (1,710,087)            | 424,875                     | 81,131                               | 1,981,612        |
| Loss for the year                                            | -                 | (1,762,016)         | -              | -                      | -                           | (45,626)                             | (1,807,642)      |
| Total comprehensive loss for the year                        | -                 | (1,762,016)         | -              | -                      | -                           | (45,626)                             | (1,807,642)      |
| <i>Transactions with owners in their capacity as owners:</i> |                   |                     |                |                        |                             |                                      |                  |
| Shares issued                                                | 660,000           | -                   | -              | -                      | -                           | -                                    | 660,000          |
| Vesting of performance rights                                | 235,470           | -                   | -              | -                      | (235,470)                   | -                                    | -                |
| Share issue expenses                                         | (186,064)         | -                   | 146,464        | -                      | -                           | -                                    | (39,600)         |
| Equity facility transaction costs                            | 130,158           | -                   | 196,156        | -                      | -                           | -                                    | 326,314          |
| Share based payments                                         | -                 | -                   | -              | -                      | 92,257                      | -                                    | 92,257           |
| <b>Balance at 31 December 2020</b>                           | <b>14,211,972</b> | <b>(11,948,731)</b> | <b>342,620</b> | <b>(1,710,087)</b>     | <b>281,662</b>              | <b>35,505</b>                        | <b>1,212,942</b> |
| Balance at 1 January 2021                                    | 14,211,972        | (11,948,731)        | 342,620        | (1,710,087)            | 281,662                     | 35,505                               | 1,212,942        |
| Loss for the year                                            | -                 | (2,320,618)         | -              | -                      | -                           | 78,221                               | (2,242,397)      |
| Total comprehensive loss for the year                        | -                 | (2,320,618)         | -              | -                      | -                           | 78,221                               | (2,242,397)      |
| <i>Transactions with owners in their capacity as owners:</i> |                   |                     |                |                        |                             |                                      |                  |
| Shares issued                                                | 2,042,258         | -                   | -              | -                      | -                           | -                                    | 2,042,258        |
| Vesting of performance rights                                | 42,005            | -                   | -              | -                      | (42,005)                    | -                                    | -                |
| Share issue expenses                                         | (156,797)         | -                   | 20,760         | -                      | -                           | -                                    | (136,037)        |
| Equity facility conversion                                   | 630,000           | -                   | -              | -                      | -                           | -                                    | 630,000          |
| Share based payments                                         | -                 | -                   | -              | -                      | 77,836                      | -                                    | 77,836           |
| <b>Balance at 31 December 2021</b>                           | <b>16,769,439</b> | <b>(14,269,349)</b> | <b>363,380</b> | <b>(1,710,087)</b>     | <b>317,493</b>              | <b>113,727</b>                       | <b>1,584,603</b> |

The above Consolidated Statement of Statement of Changes in Equity should be read in conjunction with the accompanying notes

- (ii) As a result of the capital reorganisation an equity account called 'Common Control Reserve' exists. This equity account represents the carrying value of the net liabilities of Nanoveu Limited prior to the date of completion of the capital reorganisation.

## **1. CORPORATE INFORMATION**

The consolidated financial statements of Nanoveu Limited and its subsidiaries (collectively, the Group) for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on 28 February 2022. Nanoveu Limited (the Company or the parent) is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The principal activity of the Company was the deployment of nanotechnology for consumer applications.

## **2. SIGNIFICANT ACCOUNTING POLICIES**

### **2.1 Basis of preparation of the financial report**

This general purpose financial report has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. Nanoveu Limited is a for profit entity for the purposes of preparing the financial statements.

### **2.2 Basis of Measurement and Reporting Conventions Including Capital Reorganisation**

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded off to the nearest dollar unless stated otherwise.

On 14 February 2018, the Company was formed by major shareholders of Nanoveu Pte Ltd to list the Nanoveu business on the Australian Securities Exchange. As a result, the Company issued 90,584,250 shares to existing shareholders of Nanoveu Pte Ltd in exchange for all shares in Nanoveu Pte Ltd. There were no major changes to the shareholder group and the transaction does not result in any change in economic substance. Furthermore, the transaction is outside the scope of AASB3 Business Combinations since the Company does not meet the definition of a “business” as required by that standard. Accordingly, the consolidated financial statements of the Company are a continuation of Nanoveu Pte Ltd including comparative information being that of Nanoveu Pte Ltd.

#### *Common Control Entity*

On 16 November 2018, the Company completed a transaction with the shareholders of Nanoveu Pte Ltd (Singapore) under common control to acquire 100% of the share capital in Nanoveu Pte Ltd in exchange for 90,584,250 ordinary shares in the Company.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

### **2.3 Going concern**

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Group incurred a loss for the year ended 31 December 2021 of \$2,320,618 (2020: \$1,762,016) and net cash outflows from operating activities of \$1,904,246 (2020: \$2,246,982).

The ability of the Group to continue as a going concern is dependent on securing additional funding through either equity, debt or receipts, or a combination of all, to continue to fund its operational and technology development activities. These conditions indicate a material uncertainty that may cast a significant doubt about the Group’s ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors believe that there are sufficient funds available to continue to meet the Group’s working capital requirements as at the date of this report and that sufficient funds will be available to finance the operations of the Group for the following reasons:

The Directors of Nanoveu Limited have assessed the likely cash flow for the 12 month period from date of signing this financial report and its impact on the Group and believe there will be sufficient funds to meet the

Group's working capital requirements as at the date of this report, based on the belief that additional funds will be receipted via product sales to finance the Company's activity and from continued funding under the Antiviral Technologies Portfolio LLC facility (refer Note 14).

The Group has historically demonstrated its ability to raise funds to satisfy its immediate cash requirements. Management have considered the future capital requirements of the Group and will consider all funding options as required.

The Directors of Nanoveu Limited have reason to believe that in addition to the cash flow currently available, additional funds from receipts are expected from the commercialisation of the Group's products.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements or raise additional capital through equity or debts raisings and that the interim financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern and meet its debts as and when they become due and payable.

## **2.4 Basis of Consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption, and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity

holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

## **2.5 Summary of Significant Accounting Policies**

### **(a) Current versus non-current classification**

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

#### **(b) Fair value of assets and liabilities**

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques.

These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

#### ***Valuation techniques***

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities;
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value; or

- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

### ***Fair value hierarchy***

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

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

#### ***Level 1***

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

#### ***Level 2***

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

#### ***Level 3***

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- (a) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- (b) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

### **(c) Revenue recognition**

Revenue is recognised on the sale of products. Revenue recognised is subject to the reversal constraint and is only recognised to the extent that it is highly probably of not reversing. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude, and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

#### ***Sale of goods***

When recognising revenue from the sale of goods to customers is recognised when control of the goods has passed to the customer, which is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains the benefit of the goods.

*Interest income*

Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

**(d) Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

**(e) Income tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by reporting date.

Deferred income tax is provided on all temporary differences at reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

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

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

**(f) Other taxes**

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax ('GST') except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

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

**(g) Foreign currency translation**

The financial report is presented in Australian dollars, which is the Group's presentation and functional currency. The functional currencies of the subsidiaries are United States dollars and Singapore Dollars. Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

*Transactions and balances*

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in other comprehensive income (OCI) until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

*Group companies*

On consolidation, the assets and liabilities of foreign operations are translated into Australian dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

**(h) Cash and cash equivalents**

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

**(i) Trade and other receivables**

Trade receivables are amounts due from customers for products sold in the ordinary course of business. Trade receivables are measured at the amount of consideration that is unconditional. The Group holds trade receivables with the objective to collect the contractual cash flows and measures them at amortised cost.

The Group will apply the simplified impairment methodology permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**(j) Inventories**

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials: purchase cost on a first-in/first-out basis; and
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course

**(k) Plant and equipment**

Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

- Office equipment 3 years
- Plant, machinery and equipment 3 years
- Furniture and fittings 3 years
- Computers 3 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is de-recognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**(l) Intangible assets**

*Research and development costs*

Research costs are expensed as incurred. An intangible asset arising from development expenditure on an internal project is recognised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefit from the related project.

**(m) Trade and other payables**

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

**(n) Loans and borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently

measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised.

*Convertible notes*

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost or fair value. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period to get ready for their intended use or sale. Borrowing costs cease to be capitalised upon the earlier of extinguishment of the liability or the commencement of commercial production from the qualifying asset.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

**(o) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**(p) Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

*Employee Benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating long service leave are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

**(q) Share-based payment transactions**

The Group provides benefits to employees (including senior executives) and consultants of the Group in the form of share-based payments, whereby employees and consultants render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees and consultants are measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using an option pricing model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of profit or loss and other comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition. If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

#### **(r) Leases**

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with duration of twelve months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option; and
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a

straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

**(s) Issued capital**

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

**(t) Earnings per share**

*Basic earnings per share*

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

*Diluted earnings per share*

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

**(u) Segment Reporting**

The Group predominantly deploys nanotechnology applications for consumer devices. For management purposes, the Company is organised geographically into two operating segments being the Americas and the Rest of the World, plus Head Office. All of the Company's activities are inter-related and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial results of the Company as a whole.

**2.6 Changes in Accounting Policies and Disclosures**

New, revised or amending Accounting Standards and Interpretations adopted

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

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

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

New standards and interpretations not yet adopted

There are no standards that are not yet effective that would be expected to have a material impact on the Group in the current or future reporting periods and on future transactions.

**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

*Share-based payment transactions:*

The Group measures the cost of equity-settled share-based payments which are performance shares at fair value at the grant date based on the expected issue price of the securities upon admission to the Official List of the Australian Securities Exchange.

The Group measures the cost of equity-settled share-based payments which are options at fair value at the grant date using an option pricing model, taking into account the terms and conditions upon which the instruments were granted. The fair value is determined by a valuation using a Black Scholes Option Pricing Model, using the assumptions detailed in Note 15.

The Group issued option, performance rights and performance options during the year ended 31 December 2021 based on the conditions set out in Note 15. The Group follows the guidelines of AASB 2 'Share Based Payments' and takes into account non-market vesting conditions and estimates the probability and expected timing of achieving the vesting conditions. For Full terms of the securities issued see Note 15.

*Coronavirus (COVID-19) pandemic*

On 31 January 2020, the World Health Organisation (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. Because of the rapid increase in exposure globally, on 11 March 2020, the WHO classified the COVID-19 outbreak as a pandemic.

The full impact of the COVID-19 outbreak continues to evolve at the date of this report. The Group is therefore uncertain as to the full impact that the pandemic will have on its financial condition, liquidity, and future results of operations during 2022. Management is actively monitoring the global situation and its impact on the Group's financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Group is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the 2021 financial year.

Although the Company cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have a material adverse effect on the Group's results of future operations, financial position, and liquidity in the fiscal year 2021 and 2020.

#### **4. SEGMENT REPORTING**

The Group predominantly deploys nanotechnology applications for consumer devices. For management purposes, the Group is organised into business units based on its services and has three reportable segments, as follows:

- Americas;
- rest of the world; and
- corporate and head office.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Also, the Group's financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

Nanoveu Limited

| <b>Year Ended 31<br/>December 2021</b> | <b>Americas</b> | <b>Rest of the<br/>World</b> | <b>Corporate and<br/>Head Office</b> | <b>Total<br/>Segments</b> | <b>Adjustments<br/>and<br/>Eliminations</b> | <b>Consolidated</b> |
|----------------------------------------|-----------------|------------------------------|--------------------------------------|---------------------------|---------------------------------------------|---------------------|
| <b>Revenue</b>                         |                 |                              |                                      |                           |                                             |                     |
| External customers                     | 882             | 780,332                      | -                                    | 781,214                   | -                                           | 781,214             |
| Inter-segment                          | -               | -                            | -                                    | -                         | -                                           | -                   |
| Total revenue (i)                      | 882             | 780,332                      | -                                    | 781,214                   | -                                           | 781,214             |
| <b>Income/(expenses)</b>               |                 |                              |                                      |                           |                                             |                     |
| Depreciation and<br>amortisation       | -               | (50,439)                     | -                                    | (50,439)                  |                                             | (50,439)            |
| Segment<br>profit/(loss)               | (58,236)        | (2,262,814)                  | 432                                  | (2,320,618)               | -                                           | (2,320,618)         |
| Total assets                           | 442             | 942,337                      | 1,810,851                            | 2,753,630                 | (41)                                        | 2,753,589           |
| Total liabilities                      | (6,147)         | (125,362)                    | (1,037,476)                          | (1,168,986)               | -                                           | (1,168,986)         |

| <b>Year Ended 31<br/>December 2020</b> | <b>Americas</b> | <b>Rest of the<br/>World</b> | <b>Corporate and<br/>Head Office</b> | <b>Total<br/>Segments</b> | <b>Adjustments<br/>and<br/>Eliminations</b> | <b>Consolidated</b> |
|----------------------------------------|-----------------|------------------------------|--------------------------------------|---------------------------|---------------------------------------------|---------------------|
| <b>Revenue</b>                         |                 |                              |                                      |                           |                                             |                     |
| External customers                     | 14,785          | 353,072                      | -                                    | 367,856                   | -                                           | 367,856             |
| Inter-segment                          | -               | -                            | -                                    | -                         | -                                           | -                   |
| Total revenue (i)                      | 14,785          | 353,072                      | -                                    | 367,856                   | -                                           | 367,856             |
| <b>Income/(expenses)</b>               |                 |                              |                                      |                           |                                             |                     |
| Depreciation and<br>amortisation       | -               | (49,217)                     | -                                    | (49,217)                  | 287                                         | (48,930)            |
| Segment<br>profit/(loss)               | (25,010)        | (668,937)                    | (1,068,069)                          | (1,762,016)               | -                                           | (1,762,016)         |
| Total assets                           | -               | 802,145                      | 990,618                              | 1,792,763                 | (41)                                        | 1,792,722           |
| Total liabilities                      | -               | (226,158)                    | (353,622)                            | (579,780)                 | -                                           | (579,780)           |

Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column. All other adjustments and eliminations are part of detailed reconciliations presented further below.

**Adjustments and eliminations**

Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis. Current taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis. Inter-segment revenues are eliminated on consolidation.

- (i) Revenue is recognised at a point in time.

**5. LOSS PER SHARE**

|                                                                                                                            | <b>2021</b> | <b>2020</b> |
|----------------------------------------------------------------------------------------------------------------------------|-------------|-------------|
|                                                                                                                            | <b>\$</b>   | <b>\$</b>   |
| Basic and diluted loss per share (cents per share)                                                                         | (1.3)       | (1.3)       |
| The loss and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows: |             |             |
| Loss for the year                                                                                                          | (2,320,618) | (1,762,016) |
| Weighted average number of shares outstanding during the year used in the calculations of basic loss per share:            | 173,506,505 | 134,972,532 |

There is no dilution of shares due to options as the potential ordinary shares are not dilutive and are therefore not included in the calculation of diluted loss per share.

**6. RESULT FOR THE YEAR**

|                                              | <b>2021</b>      | <b>2020</b>      |
|----------------------------------------------|------------------|------------------|
|                                              | <b>\$</b>        | <b>\$</b>        |
| <b>Revenue from contracts with customers</b> |                  |                  |
| Sale of goods                                | 781,214          | 367,856          |
|                                              | <u>781,214</u>   | <u>367,856</u>   |
| <b>Other operating income</b>                |                  |                  |
| Government grant                             | 66,955           | 103,994          |
|                                              | <u>66,955</u>    | <u>103,994</u>   |
| <b>Selling and distribution expenses</b>     |                  |                  |
| Advertising and marketing                    | 151,706          | 12,652           |
| Employee expenses                            | 526,707          | 475,758          |
| Industry shows                               | -                | 114              |
| Website                                      | 1,996            | 7,114            |
| Sundry expenses                              | -                | 18,653           |
|                                              | <u>680,409</u>   | <u>514,290</u>   |
| <b>Administration expenses</b>               |                  |                  |
| Audit fees                                   | 37,314           | 33,000           |
| Consulting fees                              | 114,724          | 68,243           |
| Depreciation and amortisation                | 50,439           | 49,217           |
| Director and employee expenses               | 579,145          | 472,096          |
| Investor relations                           | 138,500          | 69,000           |
| Legal fees                                   | 65,892           | 123,665          |
| Licence fees                                 | 69,319           | -                |
| Office rental                                | 49,794           | 24,530           |
| Travel expenses                              | -                | 9,333            |
| Sundry expenses                              | 316,158          | 282,855          |
|                                              | <u>1,421,286</u> | <u>1,131,940</u> |
| <b>Research costs</b>                        |                  |                  |
| Research costs (a)                           | 106,710          | -                |
| Employee expenses                            | 123,994          | 211,241          |
|                                              | <u>230,704</u>   | <u>211,241</u>   |

(a) Research costs relate mainly to the EyeFyx project being conducted in collaboration with Singapore's National Technical University.

**Impairment**

|              |               |          |
|--------------|---------------|----------|
| Other assets | 66,440        | -        |
|              | <u>66,440</u> | <u>-</u> |

**Finance income**

|                 |            |              |
|-----------------|------------|--------------|
| Interest income | 432        | 1,124        |
|                 | <u>432</u> | <u>1,124</u> |

**7. SHARE BASED PAYMENTS**

During the year 8,930,000 (2020: nil) Performance Rights were issued for nil cash consideration, including 4,700,000 (2020: nil) Performance Rights issued to Key Management Personnel. During the financial year a total share-based payment expense of \$77,836 was recognised through profit and loss (2020: \$92,257).

Refer to Note 15 for further information.

## **8. INCOME TAX**

### **(a) Income tax recognised in profit/loss**

No income tax is payable by the Company as it recorded a loss for income tax purposes for the period.

### **(b) Numerical reconciliation between income tax expense and the loss before income tax.**

The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:

|                               | <b>2021</b> | <b>2020</b> |
|-------------------------------|-------------|-------------|
|                               | <b>\$</b>   | <b>\$</b>   |
| Accounting loss before tax    | (2,320,618) | (1,762,016) |
| Income tax benefit at 25% (i) | 580,154     | 484,554     |
| Unrecognised tax losses       | (580,154)   | (484,554)   |
| Income tax expense            | <u>-</u>    | <u>-</u>    |

### **(c) Unrecognised deferred tax balances**

|                                                              |                     |                     |
|--------------------------------------------------------------|---------------------|---------------------|
| Tax losses @ 25% (i)                                         | (12,666,420)        | (11,632,702)        |
| Other                                                        | (9,199)             | 8,517               |
| Net unrecognised deferred tax (asset) / liability at 25% (i) | <u>(12,675,619)</u> | <u>(11,624,185)</u> |

A deferred tax asset attributable to income tax losses has not been recognised at balance date as the probability criteria disclosed in Note 2.5(e) is not satisfied and such benefit will only be available if the conditions of deductibility also disclosed in Note 2.5(e) are satisfied.

(i) Reflects the tax rate of the Company. The corporate tax rate in Singapore is 17% and in the United States is 28%.

## **9. CASH AND CASH EQUIVALENTS**

|              | <b>2021</b>      | <b>2020</b>      |
|--------------|------------------|------------------|
|              | <b>\$</b>        | <b>\$</b>        |
| Cash at bank | 2,013,375        | 1,147,917        |
|              | <u>2,013,375</u> | <u>1,147,917</u> |

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Refer to Note 20(a) for risk exposure for cash and cash equivalents.

### **(a) Reconciliation to the Statement of Cash Flows**

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and at bank.

Cash and cash equivalents as shown in the statement of cash flows are reconciled to the related items in the balance sheet as follows:

|                           | <b>2021</b>      | <b>2020</b>      |
|---------------------------|------------------|------------------|
|                           | <b>\$</b>        | <b>\$</b>        |
| Cash and cash equivalents | <u>2,013,375</u> | <u>1,147,917</u> |

**(b) Reconciliation of loss after income tax to net cash flows from operating activities:**

|                                                     | <b>2021</b>        | <b>2020</b>        |
|-----------------------------------------------------|--------------------|--------------------|
|                                                     | <b>\$</b>          | <b>\$</b>          |
| Loss for the year                                   | (2,320,618)        | (1,762,016)        |
| Non cash flow items in loss for the year:           |                    |                    |
| - Depreciation and amortisation                     | 50,439             | 49,217             |
| - Interest accrued                                  | 297,889            | 45,107             |
| - Share based payment                               | 77,836             | 92,257             |
| - Waiver of trade payables                          | -                  | -                  |
| - Impairment                                        | 66,440             | -                  |
| - Foreign currency difference                       | 54,121             | (39,080)           |
| Changes in operating assets and liabilities:        |                    |                    |
| - (Increase) / decrease in other assets             | (111,327)          | 28,263             |
| - (Increase) in inventory                           | (91,846)           | (377,452)          |
| - (Decrease) / increase in trade and other payables | (69,913)           | (297,959)          |
| - Increase in provisions                            | 6,214              | 14,681             |
| Cash flow used in operating activities              | <b>(2,040,764)</b> | <b>(2,246,982)</b> |

There were no non-cash investing and financing activities.

**10. TRADE AND OTHER RECEIVABLES**

|                   | <b>2021</b>    | <b>2020</b>    |
|-------------------|----------------|----------------|
|                   | <b>\$</b>      | <b>\$</b>      |
| <b>Current:</b>   |                |                |
| Trade receivables | 65,671         | 40,078         |
| Prepayments       | 25,199         | 104,442        |
| Other             | 115,091        | 16,554         |
|                   | <b>205,961</b> | <b>161,074</b> |

**11. INVENTORIES**

|                                                       | <b>2021</b>    | <b>2020</b>    |
|-------------------------------------------------------|----------------|----------------|
|                                                       | <b>\$</b>      | <b>\$</b>      |
| <b>Current:</b>                                       |                |                |
| Trading goods                                         | 3,684          | -              |
| Work in progress                                      | 465,614        | 377,452        |
| Provision for inventory obsolescence                  | -              | -              |
|                                                       | <b>469,298</b> | <b>377,452</b> |
| Inventories recognised as an expense in cost of sales | <b>394,655</b> | <b>240,155</b> |
|                                                       | <b>394,655</b> | <b>240,155</b> |

## 12. RIGHT OF USE ASSET AND LEASE LIABILITY

During the prior the prior year, the Group had an office lease of less than 12 months which is presented as a right of use asset and a lease liability as noted below. The lease was not renewed during the current financial year:

|                                           | 2021<br>\$ | 2020<br>\$ |
|-------------------------------------------|------------|------------|
| <b>Right of use asset:</b>                |            |            |
| Non-current                               | -          | 14,985     |
|                                           | -          | 14,985     |
| <b>Lease liability:</b>                   |            |            |
| Current                                   | -          | 14,985     |
| Non-current                               | -          | -          |
|                                           | -          | 14,985     |
| The payments on the lease are as follows: |            |            |
| < 1 year                                  | -          | 14,985     |
| 1 to 2 years                              | -          | -          |
| 2 to 5 years                              | -          | -          |
|                                           | -          | 14,985     |

## 13. TRADE AND OTHER PAYABLES

|                           | 2021<br>\$ | 2020<br>\$ |
|---------------------------|------------|------------|
| <b>Current:</b>           |            |            |
| Trade payables            | 110,859    | 172,167    |
| Unearned income           | -          | 25,545     |
| Accrued expenses          | 44,402     | 33,155     |
| Other current liabilities | 6,148      | 456        |
|                           | 161,409    | 231,322    |

## 14. FINANCIAL LIABILITIES AT AMORTISED COST

|                                                | 2021<br>\$     | 2020<br>\$     |
|------------------------------------------------|----------------|----------------|
| <b>Current:</b>                                |                |                |
| Advance against shares to be issued            | 1,600,000      | 600,000        |
| Less: Transaction costs – options/shares       | (326,314)      | (326,314)      |
| Accrued finance costs                          | 342,995        | 45,106         |
| Value of shares issued (see Note 15)           | (630,000)      | -              |
| <b>Financial liability balance at year-end</b> | <b>986,682</b> | <b>318,792</b> |

The Company secured a funding facility of up to \$2.4 million from Antiviral Technologies Portfolio LLC (“the Investor”) for subscriptions for ordinary shares of the Company as follows:

- A \$1,600,000 subscription for shares with the value of \$1,756,000 has been received by the Company.
- An additional \$800,000 subscription for shares with the value of \$878,000 may be made by mutual consent of the parties, subject to the Company obtaining shareholder approval for that subscription.

Each of these investments will be made by way of the Investor prepaying for shares which will be issued upon the Investor’s written request, within 18 months of the final subscription, in the number determined by applying to the subscription amount prepaid for by the Investor the “Purchase Price”, being the average of the five daily Annual Financial Report for the year ended 31 December 2021

volume-weighted average prices (rounded down to the next one tenth of a cent, or if the share price exceeds \$0.10, the next half a cent) selected by the Investor at its discretion during the 20 consecutive actual trading days immediately prior to the Investor's written request. Each issue must be for no less than \$150,000 of the shares.

The Company has made an initial issuance of 3,500,000 shares to the Investor for no consideration ("Collateral Shares"); the remainder of shares will be issued as set out above. Alternatively, in lieu of applying these shares towards the aggregate number of the Placement Shares to be issued by Nanoveu, the Investor may, at a date determined by the Investor (no later than five business days after the later of the date of termination of the Agreement or the date by which all of the investments under the Agreement have been made, and all of the shares issuable under the Agreement have been issued), elect to make a further payment to the Company equal to the value of these shares determined using the Purchase Price at the time of the payment. The Collateral Shares are reported as Treasury Shares until applied towards the Placement Shares or when consideration is received from the Investor. As at 31 Decemebr 2021 all treasury shares were disclosed as ordinary placement shares.

The Company has:

- paid a fee to the Investor of \$100,000 (equivalent to 4.2% of the maximum placement amount), satisfied by way of an issuance of 1,587,302 Shares to the Investor which had a fair value of \$130,158 on issue date; and
- granted to the Investor 3,900,000 unlisted options to acquire ordinary shares at \$0.1018 each on or before 36-month anniversary of their grant date. This exercise price is at a 40% premium to the average of the daily VWAPs for Shares for the 20 consecutive actual trading days immediately prior to the date of the Agreement. These options had a fair value of \$196,156 and have been valued using a Black-Scholes methodology.

The difference between the amount received by the Company and the value of shares to be issued plus the fair value of the shares issued in lieu of fees and the fair value of the options granted to the Investor are amortised as notional interest over the term of each tranche of 18 months.

As shares are issued to settle the liability for shares, the liability is reduced by the value of the shares issued.

During the year, the Company recognised a total of \$297,889 in accrued finance costs through profit and loss.

## 15. ISSUED CAPITAL

|                                   | 2021              | 2020              |
|-----------------------------------|-------------------|-------------------|
|                                   | \$                | \$                |
| Paid up capital – ordinary shares | 18,036,520        | 15,222,257        |
| Capital raising costs             | (1,434,486)       | (1,010,285)       |
|                                   | <u>16,769,439</u> | <u>14,211,972</u> |

### (a) Ordinary shares

|                                                                 | Date        | Number of shares | \$         |
|-----------------------------------------------------------------|-------------|------------------|------------|
| <b>31 December 2021 movements in issued capital:</b>            |             |                  |            |
| Balance at 1 January 2021                                       |             | 152,138,505      | 14,211,972 |
| Placement at \$0.045 per share (i)                              | 3 Sep 2021  | 30,000,000       | 1,350,000  |
| Entitlement issue at \$0.045 per share (ii)                     | 5 Oct 2021  | 11,805,730       | 531,258    |
| Conversion performance rights (see Note 7)                      |             |                  |            |
| - 50% of Tranche D, at \$0.07 per share                         | 29 Jan 2021 | 221,500          | 15,505     |
| - Tranche M, at \$0.053 per share                               | 11 Nov 2021 | 500,000          | 26,500     |
| Shares issued under an equity agreement (see Note 14)           |             |                  |            |
| - Shares issued under the equity facility, at \$0.05 per share  | 6 Jan 2021  | 4,000,000        | 200,000    |
| - Shares issued under the equity facility, at \$0.045 per share | 6 Apr 2021  | 5,000,000        | 230,000    |
| - Shares issued under the equity facility, at \$0.037 per share | 12 Nov 2021 | 5,405,405        | 200,000    |
| - Payment for collateral shares, at \$0.046 per share           | 6 Apr 2021  | -                | 161,000    |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

Nanoveu Limited

|                             |             |            |
|-----------------------------|-------------|------------|
|                             | 209,071,140 | 16,926,235 |
| Share issue expenses        | -           | (156,797)  |
| Balance at 31 December 2021 | 209,071,140 | 16,769,439 |

- (i) Each 2 participating shares entitled the participant to 1 option with an exercise price of \$0.058 with a 2 year term. These options, totalling 15,000,000, were issued on 1 February 2022. Further, the arrnaging broker was issued with 1,000,000 with an exercise price of \$0.058 on or before 6 September 2021.
- (ii) Each 2 participating shares entitled the participant to 1 option with an exercise price of \$0.058 with an expiry date of 5 October 2021.

|                                                       | Date        | Number of<br>shares | \$         |
|-------------------------------------------------------|-------------|---------------------|------------|
| <b>31 December 2020 movements in issued capital:</b>  |             |                     |            |
| Balance at 1 January 2020                             |             | 132,530,203         | 13,372,408 |
| Placement at \$0.05 per share                         | 22 Dec 2020 | 13,200,000          | 660,000    |
| Conversion performance rights (see Note 7)            |             |                     |            |
| - 50% of Tranche E, at \$0.07 per share               | 15 Jul 2020 | 221,000             | 15,470     |
| - Tranche A, at \$0.20 per share                      | 21 Dec 2020 | 1,100,000           | 220,000    |
| Shares issued under an equity agreement (see Note 14) |             |                     |            |
| - Fee shares                                          | 14 Aug 2020 | 1,587,302           | 130,158    |
| - Treasury shares                                     | 14 Aug 2020 | 3,500,000           | -          |
|                                                       |             | 152,138,505         | 14,398,036 |
| Share issue expenses                                  |             | -                   | (186,064)  |
| Balance at 31 December 2020                           |             | 152,138,505         | 14,211,972 |

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote. The Company does not have authorised capital or par value in respect of its shares.

**(b) Share options**

*Options issued and exercised:*

During 2021, the following options were issued as part of a capital raising (see Note 15 for further details):

| Expiry Date | Exercise Price | Number Issued | Number Exercised | Number Remaining at 31 December 2021 |
|-------------|----------------|---------------|------------------|--------------------------------------|
| 6 Sep 2023  | 5.8 cents      | 1,000,000     | -                | 1,000,000                            |
| 1 Feb 2024  | 5.8 cents      | 15,000,000    | -                | 15,000,000                           |
| 5 Oct 2023  | 5.8 cents      | 5,902,855     | -                | 5,902,855                            |

During 2020, the following options were issued as part of a capital raising (see Note 15 for further details):

| Expiry Date | Exercise Price | Number Issued | Number Exercised | Number Remaining at 31 December 2020 |
|-------------|----------------|---------------|------------------|--------------------------------------|
| 28 Oct 2023 | 10.18 cents    | 3,900,000     | -                | 3,900,000                            |
| 22 Dec 2022 | 10.00 cents    | 3,300,000     | -                | 3,300,000                            |

No options were exercised during either the 2020 or 2021 years.

*Options on issue:*

Unissued ordinary shares of the Company under option:

| <b>Terms of Options</b>                                                      | <b>Number on<br/>Issue at 31 Dec<br/>2021</b> | <b>Number on<br/>Issue at 31 Dec<br/>2020</b> |
|------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| Unlisted options with an exercise price of \$0.10 on or before 16 Nov 2021   | -                                             | 2,081,328                                     |
| Unlisted options with an exercise price of \$0.10 on or before 22 Dec 2022   | 3,300,000                                     | 3,300,000                                     |
| Unlisted options with an exercise price of \$0.1018 on or before 28 Oct 2023 | 3,900,000                                     | 3,900,000                                     |
| Unlisted options with an exercise price of \$0.058 on or before 6 Sep 2023   | 1,000,000                                     | -                                             |
| Unlisted options with an exercise price of \$0.058 on or before 1 Feb 2024   | 15,000,000                                    | -                                             |
| Unlisted options with an exercise price of \$0.058 on or before 5 Oct 2023   | 5,902,855                                     | -                                             |
| <b>Total</b>                                                                 | <b>29,102,855</b>                             | <b>9,431,328</b>                              |

*Weighted average exercise prices:*

The following table illustrates the number (No.) and weighted average exercise prices of and movements in share options issued as compensation during 2021 and 2020:

|                                          | <b>2021<br/>No</b> | <b>2021 Weighted<br/>average<br/>exercise price</b> | <b>2020<br/>No</b> | <b>2020 Weighted<br/>average<br/>exercise price</b> |
|------------------------------------------|--------------------|-----------------------------------------------------|--------------------|-----------------------------------------------------|
| Outstanding at the beginning of the year | 9,431,328          | 12 cents                                            | 2,231,328          | 20 cents                                            |
| Granted during the year                  | 21,902,855         | 5.8 cents                                           | 7,200,000          | 10 cents                                            |
| Forfeited during the year                | -                  | -                                                   | -                  | -                                                   |
| Exercised during the year                | -                  | -                                                   | -                  | -                                                   |
| Expired during the year                  | 2,081,328          | 20 cents                                            | -                  | -                                                   |
| Outstanding at the end of the year       | 29,102,855         | 6.9 cents                                           | 9,431,328          | 12 cents                                            |
| Exercisable at the end of the year       | 29,102,855         | 6.9 cents                                           | 9,431,328          | 12 cents                                            |

*Valuation of options*

Options were valued using a Black Scholes Option Pricing model. The fair value of Options is recognised as an expense at the date of issue using the following assumptions:

| <b>Grant Date</b> | <b>Number<br/>Issued</b> | <b>Exercise<br/>Price<br/>(cents)</b> | <b>Assumed Stock<br/>Price at Grant Date<br/>(cents)</b> | <b>Interest<br/>Rate</b> | <b>Volatility</b> | <b>Value Per<br/>Option<br/>(cents)</b> |
|-------------------|--------------------------|---------------------------------------|----------------------------------------------------------|--------------------------|-------------------|-----------------------------------------|
| 28/10/2020        | 3,900,000                | 10.19                                 | 5.6                                                      | 0.13%                    | 205%              | 5.0                                     |
| 22/12/2020        | 3,300,000                | 10                                    | 5.4                                                      | 0.09%                    | 213%              | 4.4                                     |
| 6/9/2021          | 1,000,000                | 5.8                                   | 4.5                                                      | 0.5%                     | 100%              | 2.1                                     |

The amount recognised as a share issue expense for Options issued during the 2021 year was \$20,760 (2020: \$169,457).

*Expired options:*

During 2021, the following options expired unexercised:

| <b>Terms of Options</b>                                                         | <b>Number</b>    |
|---------------------------------------------------------------------------------|------------------|
| Unlisted options with an exercise price of \$0.20 on or before 16 November 2021 | 2,081,328        |
| <b>Total</b>                                                                    | <b>2,081,328</b> |

**(c) Performance rights**

*Performance rights issued:*

8,930,000 Performance Rights were granted to directors, employees and consultants during the half-year ended 30 June 2021 with 5,450,000 Performance Rights being approved at the Company's AGM on 2 July 2021. This comprised of 300,000 issued to Juliana Stothard (being a related party of Alfred Chong), 5,940,000 to Directors and 750,000 to a third party consultant. The vesting of the Performance Rights is subject to the achievement of the following hurdles:

| Tranche | Performance Hurdle                                                                                                                                                                                           | Number    | Assumed Probability of achievement | Assumed Achievement Date |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|------------------------------------|--------------------------|
| J       | A\$3m of sales revenue across all products by 31 December 2021 as validated from audited / reviewed financial reports                                                                                        | 2,710,000 | 0%                                 | 31 December 2021         |
| K       | A\$8m of sales revenue across all by 31 December 2022 as validated from audited / reviewed financial reports                                                                                                 | 2,710,000 | 100%                               | 31 December 2022         |
| L       | A\$15m of sales revenue across all by 31 December 2023 as validated from audited / reviewed financial reports                                                                                                | 2,260,000 | 100%                               | 31 December 2022         |
| M       | The Company securing exclusive commercial and marketing rights of all antiviral products developed by Innox Limited by 31 December 2021 as validated by an exclusive licencing agreement (Class M Milestone) | 500,000   | 100%                               | 31 December 2021         |
| N       | A\$1m of EyeFyx product sales revenue by 31 December 2021 as validated from audited / reviewed financial reports                                                                                             | 250,000   | 0%                                 | 31 December 2021         |
| O       | A\$2.7m of EyeFyx product sales revenue by 31 December 2022 as validated from audited / reviewed financial reports                                                                                           | 250,000   | 100%                               | 31 December 2022         |
| P       | A\$5m of EyeFyx product sales revenue by 31 December 2023 as validated from audited / reviewed financial reports                                                                                             | 250,000   | 100%                               | 31 December 2023         |
| Total   |                                                                                                                                                                                                              | 8,930,000 |                                    |                          |

50% of each tranche of Performance Rights vest on achievement of the respective performance hurdle and 50% vest 12 months after achievement of the respective hurdle as long as the respective staff member continuously remains employed by the Company 12 months after achievement of the respective hurdle.

The shares to be issued in the event of vesting of the Performance Rights shall rank pari-passu in all respects with other fully paid ordinary shares in the Company.

Any unvested Performance Rights will lapse 7 years after their date of issue or if the respective performance hurdle is not achieved by the date specified, where applicable.

*Performance rights vested but not converted:*

During the 2021 year, the following performance rights have vested but not been converted to fully paid ordinary shares:

| Tranche | Performance Rights Hurdle                                                                           | Number Vested, Not Converted |
|---------|-----------------------------------------------------------------------------------------------------|------------------------------|
| E       | Completion of gaming software development kit or launch of first five 3D games introduced to market | 217,500                      |
| Total   |                                                                                                     | 217,500                      |

*Performance rights vested and were converted:*

During the 2021 year, the following performance rights have vested and been converted to fully paid ordinary shares:

| Tranche | Performance Rights Hurdle                                                            | Number Vested, Not Converted |
|---------|--------------------------------------------------------------------------------------|------------------------------|
| D       | Completion of production of the first three Android models of at least 100,000 units | 221,500                      |
| Total   |                                                                                      | 221,500                      |

During 2020, the following performance rights have been converted to fully paid ordinary shares:

| Tranche | Performance Rights Hurdle                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Number Converted |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| A       | The successful listing of the Company's Shares on the official list of the ASX (Listing) simultaneous with completion of the Company's acquisition of 100% of the issued share capital of Nanoveu Pte Ltd (Singapore Registration No. 201228747G); and continuous service of the Holder in their capacity as a Director or Executive of the Company, or in a role as otherwise agreed by the Board of the Company, for a period of two (2) years following the date of Listing. | 1,100,000        |
| E       | Completion of gaming software development kit or launch of first five 3D games introduced to market                                                                                                                                                                                                                                                                                                                                                                             | 221,000          |
| Total   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 1,321,000        |

*Performance rights forfeited:*

The following performance rights were forfeited due to either the holder no longer being employed by the Company or the hurdle not being achieved:

2021:

| Tranche | Performance Rights Hurdle                                                                                        | Number Forfeited |
|---------|------------------------------------------------------------------------------------------------------------------|------------------|
| B       | First sales of EyeFyx products achieved by 31 March 2021                                                         | 850,000          |
| J       | A\$3m of sales revenue across all by 31 December 2021 as validated from audited / reviewed financial reports     | 2,710,000        |
| N       | A\$1m of EyeFyx product sales revenue by 31 December 2021 as validated from audited / reviewed financial reports | 250,000          |
| Total   |                                                                                                                  | 3,810,000        |

2020:

| Tranche | Performance Rights Hurdle                                                                                            | Number Forfeited |
|---------|----------------------------------------------------------------------------------------------------------------------|------------------|
| B       | First sales of EyeFyx products achieved by 31 March 2021                                                             | 15,000           |
| C       | Completion of iPhone Series X production of at least 100,000 units                                                   | 9,000            |
| D       | Completion of production of the first three Android models of at least 100,000 units                                 | 8,000            |
| E       | Completion of gaming software development kit or launch of first five 3D games introduced to market                  | 8,000            |
| F       | Securing distribution in China with sales of at least 100,000 units                                                  | 10,000           |
| H       | \$5m of sales revenue across all products by 31 December 2020 as validated from audited / reviewed financial reports | 1,155,000        |
| Total   |                                                                                                                      | 1,205,000        |

*Performance rights on issue:*

*The following performance rights were on issue*

| Tranche | Performance Rights Hurdle                                                                                                                                                                                    | Number on Issue at 31 Dec 2021 | Number on Issue at 31 Dec 2020 |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|
| B       | First sales of EyeFyx products achieved by 31 March 2021                                                                                                                                                     | -                              | 850,000                        |
| C       | Completion of iPhone Series X production of at least 100,000 units                                                                                                                                           | 223,000                        | 455,000                        |
| D       | Completion of production of the first three Android models of at least 100,000 units                                                                                                                         | 217,500                        | 443,000                        |
| E       | 12 months from the completion of gaming software development kit or launch of first five 3D games introduced to market                                                                                       | 434,000                        | 221,000                        |
| F       | Securing distribution in China with sales of at least 100,000 units                                                                                                                                          | 610,000                        | 620,000                        |
| K       | A\$8m of sales revenue across all by 31 December 2022 as validated from audited / reviewed financial reports                                                                                                 | 2,710,000                      | -                              |
| L       | A\$15m of sales revenue across all by 31 December 2023 as validated from audited / reviewed financial reports                                                                                                | 2,260,000                      | -                              |
| M       | The Company securing exclusive commercial and marketing rights of all antiviral products developed by Innox Limited by 31 December 2021 as validated by an exclusive licencing agreement (Class M Milestone) | 500,000                        | -                              |
| O       | A\$2.7m of EyeFyx product sales revenue by 31 December 2022 as validated from audited / reviewed financial reports                                                                                           | 250,000                        | -                              |
| P       | A\$5m of EyeFyx product sales revenue by 31 December 2023 as validated from audited / reviewed financial reports                                                                                             | 250,000                        | -                              |
| Total   |                                                                                                                                                                                                              | 7,454,500                      | 2,589,000                      |

*Valuation of Performance Rights*

Performance Rights are valued at the share price on grant date.

The fair value of Performance Rights is recognised as an expense over the period from grant to vesting date assuming the performance hurdle has been achieved.

The following table lists the assumptions to the model used to value performance rights for the year ended 31 December 2021.

| Number Issued | Grant Date | Assumed Stock Price at Grant Date (cents) | Issue Price (cents) | Value Per Performance Share (cents) |
|---------------|------------|-------------------------------------------|---------------------|-------------------------------------|
| 8,930,000     | 31/3/2021  | 5.3                                       | nil                 | 5.3                                 |

The performance rights have a 7 year expiry date. The date at which the performance hurdle is assumed to be achieved has been estimated based on the target date for the performance hurdle to be achieved. If the milestone is not satisfied on or before expected achievement dates, the Performance Rights will expire.

For remuneration and expense recognition purposes the value is the number of performance rights granted, multiplied by the share price at date of grant and the value being amortised over the period to the expected vesting date after assessing the likelihood, probability and date of achieving these milestones. These are then reassessed at each reporting date for performance rights which have not been achieved nor expired.

A share-based payments expense of \$77,836 (2020: \$92,257 expense) was recognised through profit and loss in relation to the Group's performance rights.

**(d) Performance options**

*Performance options granted:*

No performance options were issued during 2021.

*Performance options forfeited:*

The performance options issued during 2020 were forfeited during the year.

*Performance options on issue:*

| Tranche | Performance Option Hurdle                                                                                                                                                                                                                                                                                      | Number on Issue at 31 Dec 2021 | Number on Issue at 31 Dec 2020 |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|
| 1       | Nanoveu generating US\$2,500,000 in revenue from sales of Nanoveu's antiviral protectors for smart phones to customers introduced to Nanoveu by D360 by the later of 31 December 2020 and the date which is 7 months from the date on which Nanoveu announces that Products are available for commercial sale. | -                              | 500,000                        |
| 2       | Nanoveu generating US\$5,000,000 in revenue from sales of Nanoveu's antiviral protectors for smart phones to customers introduced to Nanoveu by D360 by the later of 31 December 2020 and the date which is 7 months from the date on which Nanoveu announces that Products are available for commercial sale. | -                              | 750,000                        |
| 3       | Nanoveu generating US\$20,000,000 in revenue from sales of antiviral protectors for smart phones to customers introduced to Nanoveu by D360 by the later of 31 December 2021 and the date which is 19 months from the date on which Nanoveu announces that Products are available for commercial sale.         | -                              | 1,000,000                      |
| 4       | Nanoveu generating US\$50,000,000 in revenue from sales of antiviral protectors for smart phones to customers introduced to Nanoveu by D360 by the later of 31 December 2022 or the date which is 31 months from date on which Nanoveu announces that Products are available for commercial sale.              | -                              | 1,000,000                      |
| Total   |                                                                                                                                                                                                                                                                                                                | -                              | 3,250,000                      |

## 16. RELATED PARTIES

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

### (a) Subsidiaries

The consolidated financial statements include the financial statements of Nanoveu Limited and the subsidiaries listed in the following table:

| Name                     | Country of Incorporation | % Equity interest 2021 | % Equity interest 2020 |
|--------------------------|--------------------------|------------------------|------------------------|
| Nanoveu Pte Ltd          | Singapore                | 100%                   | 100%                   |
| Nanoveu Distribution Inc | USA                      | 100%                   | 100%                   |

### The Group's related parties are as follows:

#### (i) Key management personnel ('KMP'):

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of that Group are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 17: Key Management Personnel Disclosures.

Other transactions with KMP and their related entities are shown below.

#### (ii) Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

- (iii) Apart from reimbursements for expenses paid on behalf of the Group, director and fees paid directly or indirectly to director related entities, there were no transactions or balances with KMP during the years ended 31 December 2021 and 2020.

## **17. KEY MANAGEMENT PERSONNEL**

|                                                            | <b>2021</b>    | <b>2020</b>    |
|------------------------------------------------------------|----------------|----------------|
|                                                            | <b>\$</b>      | <b>\$</b>      |
| <i>Remuneration paid:</i>                                  |                |                |
| Short-term employee benefits                               | 465,204        | 453,541        |
| Post-employment benefits                                   | 30,466         | 28,180         |
| Share-based payments                                       | (150,994)      | 132,831        |
| Non-monetary benefits – directors’ and officers’ insurance | 20,440         | 17,499         |
|                                                            | <u>365,116</u> | <u>632,051</u> |

Please see the Remuneration Report for further details.

## **18. PARENT ENTITY INFORMATION**

### **(a) Information relating to Nanoveu Limited**

|                                                 | <b>2021</b>        | <b>2020</b>        |
|-------------------------------------------------|--------------------|--------------------|
|                                                 | <b>\$</b>          | <b>\$</b>          |
| Current assets                                  | 1,810,851          | 990,618            |
| Non-current assets                              | -                  | -                  |
| Total assets                                    | <u>1,810,851</u>   | <u>990,618</u>     |
| Current liabilities                             | 1,037,476          | 641,687            |
| Non-current liabilities                         | -                  | -                  |
| Total liabilities                               | <u>1,037,476</u>   | <u>641,687</u>     |
| Net assets                                      | <u>773,375</u>     | <u>348,931</u>     |
| Contributed equity                              | 16,605,178         | 13,908,906         |
| Reserves                                        | 565,353            | 557,136            |
| Accumulated losses                              | (16,397,156)       | (14,117,111)       |
| Total shareholders’ equity                      | <u>773,375</u>     | <u>348,931</u>     |
| Loss for the parent entity                      | <u>(2,280,045)</u> | <u>(2,126,830)</u> |
| Total comprehensive income of the parent entity | <u>(2,280,045)</u> | <u>(2,126,830)</u> |

### **(b) Guarantees**

No guarantees have been entered into by the Company in relation to the debts of its subsidiaries. As at 31 December 2021 the parent entity had no contingent liabilities.

### **(c) Commitments**

Commitments of the Company as at reporting date are disclosed in note 19 to the financial statements.

## **19. COMMITMENTS**

The Group does not have any commitments not disclosed elsewhere in these financial statements.

**20. FINANCIAL RISK MANAGEMENT**

The Group's financial situation is not complex. Its activities may expose it to a variety of financial risks in the future: market risk (including currency risk and fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. At that stage the Group's overall risk management program will focus on the unpredictability of the financial markets and seek to minimise potential adverse effects on the financial performance of the Group.

The Group holds the following financial assets and liabilities:

|                              | <b>2021</b>      | <b>2020</b>      |
|------------------------------|------------------|------------------|
|                              | <b>\$</b>        | <b>\$</b>        |
| <b>Financial Assets</b>      |                  |                  |
| Cash and cash equivalents    | 2,013,375        | 1,147,917        |
| Trade and other receivables  | 205,961          | 161,074          |
|                              | <u>2,219,336</u> | <u>1,308,991</u> |
| <b>Financial Liabilities</b> |                  |                  |
| Trade and other payables     | 161,409          | 231,322          |
| Lease liability              | -                | 14,985           |
| Financial liability          | 986,682          | 318,792          |
|                              | <u>1,148,091</u> | <u>565,099</u>   |

**(a) Market risk**

*Cash flow and fair value interest rate risk*

The Group's main interest rate risk arises from cash and cash deposits. Deposits at variable rates expose the Group to cash flow interest rate risk. Deposits at fixed rates expose the Group to fair value interest rate risk. During the period, the Group's deposits at variable rates were denominated in Australian and Singaporean Dollars. The Group does not use derivatives to mitigate these exposures.

As at the reporting date, the Group had the following variable rate deposits and there were no interest rate swap contracts outstanding:

|                                              | <b>2021<br/>weighted<br/>average<br/>interest rate<br/>%</b> | <b>2021<br/>Balance<br/>\$</b> | <b>2020<br/>weighted<br/>average<br/>interest rate<br/>%</b> | <b>2020<br/>Balance<br/>\$</b> |
|----------------------------------------------|--------------------------------------------------------------|--------------------------------|--------------------------------------------------------------|--------------------------------|
| Cash and cash equivalents                    | 0.01%                                                        | 2,013,375                      | 0.02%                                                        | 1,147,917                      |
| Trade receivables                            | -                                                            | 65,671                         | -                                                            | 40,078                         |
| Net exposure to cash flow interest rate risk |                                                              | <u>2,079,046</u>               |                                                              | <u>1,187,995</u>               |

The Group adopts a policy of ensuring that as far as possible it maintains excess cash and cash equivalents in high bearing accounts.

*Sensitivity*

During the period, if interest rates had been 50 basis points higher or lower than the prevailing rates realised, with all other variables held constant, there would be an immaterial change in post-tax profit for the year.

*Foreign currency risk*

The Group is exposed to currency risk primarily through having operations in Singapore and the United States which incur expenses denominated in a currency other than the reporting currency. The currency giving rise to this risk is United States Dollars.

The following table details the Group's exposure at the reporting date to currency risk arising from recognised liabilities denominated in United States Dollars.

|                          | 2021           | 2020           |
|--------------------------|----------------|----------------|
|                          | \$             | \$             |
| Trade and other payables | 161,409        | 488,977        |
|                          | <u>161,409</u> | <u>488,977</u> |

*Foreign currency sensitivity*

The following tables demonstrate the sensitivity to a reasonably possible change in United States Dollars exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including embedded derivatives.

|      | Change in<br>SGD and USD<br>Exchange<br>Rates | Effect on<br>Profit Before<br>Tax | Effect on<br>Equity |
|------|-----------------------------------------------|-----------------------------------|---------------------|
| 2021 | +10%                                          | (12,354)                          | -                   |
|      | -10%                                          | 12,354                            | -                   |
| 2020 | +10%                                          | (20,152)                          | -                   |
|      | -10%                                          | 20,152                            | -                   |

The movement in the pre-tax effect is a result of a change in the fair value of monetary assets and liabilities denominated in USD.

**(b) Credit risk**

The Group has no significant concentrations of credit risk. Cash transactions are limited to high credit quality financial institutions, being major banks in Australia and Singapore with credit ratings of AA-.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures on outstanding receivables and committed transactions. In relation to other credit risk areas management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

At the reporting date, there are no impaired trade receivables, and no trade receivables past due but not impaired.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised at the beginning of this note.

**(c) Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group will aim at maintaining flexibility in funding by accessing appropriate committed credit lines available from different counterparties where appropriate and possible. Surplus funds when available are generally only invested in high credit quality financial institutions in highly liquid markets.

The carrying value of trade and other payables is deemed to represent contractual cashflows due to their short term maturity.

**(d) Capital Risk Management**

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders. The capital structure of the Group consists of equity attributable to equity holders, comprising issued capital and accumulated losses.

The Board reviews the capital structure on a regular basis and considers the cost of capital and the risks

associated with each class of capital. The Group will balance its overall capital structure through new share issues as well as the issue of debt, if the need arises.

**21. AUDITORS' REMUNERATION**

|                                                             | <b>2021</b>   | <b>2020</b>   |
|-------------------------------------------------------------|---------------|---------------|
|                                                             | <b>\$</b>     | <b>\$</b>     |
| Amounts received or due and receivable by the auditors for: |               |               |
| - Auditing or reviewing the financial report                |               |               |
| o BDO Audit (WA) Pty Ltd                                    | 33,000        | 32,000        |
| o Other auditors                                            | 4,314         | 7,339         |
|                                                             | <u>37,314</u> | <u>39,339</u> |

**22. EVENTS AFTER THE REPORTING DATE**

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future.

## DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in blue ink, appearing to read 'Alfred Chong', with a stylized, cursive script.

**Alfred Chong**

**Managing Director and CEO**

28 February 2022

## INDEPENDENT AUDITOR'S REPORT

To the members of Nanoveu Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Nanoveu Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

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

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

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

#### Material uncertainty related to going concern

We draw attention to Note 2.3 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

## Key audit matters

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

### Accounting for Share Purchase Subscription Agreement

| <i>Key audit matter</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <i>How the matter was addressed in our audit</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>During the year Nanoveu Limited received additional funding through its share purchase subscription agreement with Antiviral Technologies Portfolio, LLC (“the Investor”). Refer Note 14 in the financial report for further details.</p> <p>We have identified the accounting and measurement of the share purchase subscription agreement as a key audit matter due to the quantum of the facility in addition to the complexity and judgements involved in determining the various conversion features which can have a significant effect on the appropriate classification of the components of this instrument together with complexities as to the initial and subsequent valuations of the identified components.</p> | <p>Our audit procedures in this area included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• Holding discussions with management and reviewing the Share Placement Term Sheet to understand the key terms and conditions of the transaction;</li> <li>• Inspecting Board minutes and other appropriate documentation to assess whether the transactions were appropriately authorised;</li> <li>• Assessing whether management’s assessment of the classification of the components contained within the instrument was in accordance with accounting standards;</li> <li>• Checking management’s calculations carried out in respect of the measurement of the debt and equity components of instrument; and</li> <li>• Assessing the adequacy of the related disclosures in the financial report.</li> </ul> |

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 31 December 2021, but does not include the financial report and the auditor's report thereon.

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

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

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

### **Responsibilities of the directors for the Financial Report**

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

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

### **Auditor's responsibilities for the audit of the Financial Report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf)

This description forms part of our auditor's report.

## **Report on the Remuneration Report**

### **Opinion on the Remuneration Report**

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2021.

In our opinion, the Remuneration Report of Nanoveu Limited, for the year ended 31 December 2021, complies with section 300A of the *Corporations Act 2001*.

### **Responsibilities**

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

**BDO (WA) Pty Ltd**

A handwritten signature in black ink, appearing to be 'P. Murdoch', is written over a horizontal line. Above the signature, the letters 'BDO' are handwritten in a smaller, lighter script.

**Phillip Murdoch**

Director

Perth, 28 February 2022

## ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 2 February 2022.

### (a) Distribution of equity securities

The number of security holders by size of holding in each class are:

|                  | Quoted Fully Paid Ordinary Shares | Unquoted Options 22/12/22 Expiry, \$0.10 Exercise | Unquoted Options 28/10/23 Expiry, \$0.1018 Exercise | Unquoted Options 6/9/23 Expiry, \$0.058 Exercise | Unquoted Options 5/10/23 Expiry, \$0.058 Exercise | Unquoted Options 1/2/24 Expiry, \$0.058 Exercise |
|------------------|-----------------------------------|---------------------------------------------------|-----------------------------------------------------|--------------------------------------------------|---------------------------------------------------|--------------------------------------------------|
| 1 - 1,000        | 17                                | -                                                 | -                                                   | -                                                | 6                                                 | -                                                |
| 1,001 - 5,000    | 39                                | -                                                 | -                                                   | -                                                | 28                                                | -                                                |
| 5,001 - 10,000   | 168                               | -                                                 | -                                                   | -                                                | 12                                                | -                                                |
| 10,001 - 100,000 | 452                               | -                                                 | -                                                   | -                                                | 18                                                | 10                                               |
| > 100,000        | 207                               | 1                                                 | 1                                                   | 1                                                | 14                                                | 26                                               |
| <b>Totals</b>    | <b>883</b>                        | <b>1</b>                                          | <b>1</b>                                            | <b>1</b>                                         | <b>78</b>                                         | <b>36</b>                                        |

### (b) Substantial shareholders

The names of the substantial shareholders disclosed to the Company as substantial shareholders are:

#### Ordinary shareholders

| Holder Name    | Number     | %      |
|----------------|------------|--------|
| CHONG TECK ENG | 42,507,558 | 32.21% |

### (c) Unmarketable parcels

There were 317 holders, with a total share holding of 2,852,374 ordinary shares, of less than a marketable parcel of ordinary shares.

### (d) Twenty largest holders of quoted equity securities

| Position | Holder Name                                                                        | Holding    | % IC   |
|----------|------------------------------------------------------------------------------------|------------|--------|
| 1        | MR TECK ENG CHONG                                                                  | 43,007,558 | 19.94% |
| 2        | BNP PARIBAS NOMS PTY LTD <DRP>                                                     | 15,168,711 | 7.03%  |
| 3        | CITICORP NOMINEES PTY LIMITED                                                      | 8,576,581  | 3.98%  |
| 4        | MR BILAL AHMAD                                                                     | 6,353,000  | 2.94%  |
| 5        | HENDRIK ANTOON LIMITED                                                             | 5,345,438  | 2.48%  |
| 6        | DR ROSAMUND JULIAN BANYARD & MR PHILLIP STANLEY HOLTEN <R BANYARD SUPER FUND A/C>  | 4,680,555  | 2.17%  |
| 7        | PRIMARY SECURITIES LTD <ANADARA ASX SP OPP FUND A/C>                               | 4,500,000  | 2.09%  |
| 8        | MR SIAVASH KHOSROWSHAHI & MRS ZAHRA-NAHID KHOSROWSHAHI <S KHOSROWSHAHI FAMILY A/C> | 4,030,000  | 1.87%  |
| 9        | MR COREY JAY SANDERS                                                               | 3,874,466  | 1.80%  |
| 10       | TANTULA PTY LTD <EDWARDS FAMILY S/F A/C>                                           | 3,857,349  | 1.79%  |
| 11       | NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>                                  | 3,396,112  | 1.57%  |
| 12       | J P MORGAN NOMINEES AUSTRALIA PTY LIMITED                                          | 2,703,533  | 1.25%  |

## ASX ADDITIONAL INFORMATION

|    |                                                                   |                    |               |
|----|-------------------------------------------------------------------|--------------------|---------------|
| 13 | NAHGALLAC PTY LIMITED <CALLAGHAN FMLY RET FUND A/C>               | 2,625,000          | 1.22%         |
| 14 | MR CLIFFORD BEYER & MRS BEVERLEY ANN BEYER <BEYER SUPER FUND A/C> | 2,500,000          | 1.16%         |
| 15 | ANDREA CHEAH WERN LI                                              | 2,467,063          | 1.14%         |
| 16 | MR ALAN TRAVINE SYMONS                                            | 2,251,470          | 1.04%         |
| 17 | ZAHRA SIA SUPER PTY LTD <THE SIA SUPER FUND A/C>                  | 2,000,000          | 0.93%         |
| 18 | GDNC HOLDINGS PTY LTD <THE G & D AMEY SUPERFUND A/C>              | 1,974,655          | 0.92%         |
| 19 | MR MIKE KUBLINS                                                   | 1,694,000          | 0.79%         |
| 20 | MR MINGHAI LIN                                                    | 1,532,942          | 0.71%         |
|    | <b>Total</b>                                                      | <b>122,538,433</b> | <b>56.80%</b> |

### (e) Unquoted equity securities shareholdings greater than 20%

| Class and Holder Name                                              | Holding   | %       |
|--------------------------------------------------------------------|-----------|---------|
| <u>Unlisted options, \$0.10 exercise, 22 December 2022 expiry</u>  |           |         |
| BERGEN GLOBAL OPPORTUNITY FUND LP                                  | 3,900,000 | 100.00% |
| <u>Unlisted options, \$0.1018 exercise, 28 October 2023 expiry</u> |           |         |
| ATLANTIC CAPITAL HOLDINGS PTY LTD <ATLANTIC CAPITAL A/C>           | 3,300,000 | 100.00% |
| <u>Unlisted options, \$0.058 exercise, 6 September 2023 expiry</u> |           |         |
| SAR CAPITAL PTY LTD <SAR FAMILY A/C>                               | 500,000   | 50.00%  |
| CASTLEREAGH PARTNERS PTY LTD                                       | 500,000   | 50.00%  |
| <u>Unlisted options, \$0.058 exercise, 5 October 2023 expiry</u>   |           |         |
| BNP PARIBAS NOMS PTY LTD <DRP>                                     | 1,272,750 | 21.56%  |

### (f) Additional ASX Required Disclosures not Made Elsewhere

In accordance with Listing Rule 4.10, the Company confirms there is no current on-market share buy-back.