CLEARVUE TECHNOLOGIES LIMITED AND ITS CONTROLLED ENTITIES

ABN 45 071 397 487

Consolidated Annual Report

30 June 2019

COMPANY INFORMATION

DIRECTORS

Mr Victor Rosenberg, Executive Chairman
Mr Jamie Lyford, Executive Director
Mr Sean Rosenberg, Non-Executive Director
Mr Ivan Wu, Non-Executive Director
Mr Stuart Carmichael, Non-Executive Director

COMPANY SECRETARY

Mr Brett Tucker
Ms Deborah Ho (appointed 31 January 2019)

REGISTERED OFFICE

Ground Floor
16 Ord Street
West Perth WA 6005

PRINCIPAL BANKERS

National Australia Bank Limited
Level 1, 800 Bourke Street
Docklands VIC 3008

AUDITORS

Grant Thornton Audit Pty Ltd
Level 43 Central Park
152-158 St Georges Terrace
Perth WA 6000

SOLICITORS

Steinepreis Paganin
16 Milligan Street
Perth WA 6000

SHARE REGISTRY

Security Transfer Australia Pty Ltd
770 Canning Highway
Applecross WA 6153

STOCK EXCHANGE LISTING

Shares are listed on the Australian Securities Exchange (ASX code: CPV)

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EXECUTIVE CHAIRMAN'S LETTER

Dear Shareholders,

On behalf of the board I am delighted to present to you the ClearVue Technologies Limited ("***ClearVue***") Annual Report for the period ended 30 June 2019.

ClearVue is an Australian technology company that operates in the Building Integrated Photovoltaic (BPIV) sector which involves the integration of solar technology into glass and building surfaces. Specifically, ClearVue has developed advanced glass technology that preserves glass transparency to maintain building aesthetics whilst generating electricity from windows. Solar PV cells are incorporated around the edges of an Insulated Glass Unit (IGU) used in windows and the lamination interlayer between the glass in the IGU incorporates ClearVue's patented proprietary nano and micro particles, as well as its spectrally selective coating on the rear external surface of the IGU.

During the last twelve months, the company has successfully moved forward on multiple fronts including in the technical, commercial, Intellectual Property (IP) and corporate and financial aspects to its business, all being required for the successful market entry of its world leading advanced solar PV windows and glazing.

Highlights during the past 12 months:

- ClearVue signed Memorandum of Understanding (MOU) with IoTStream, Zurreal and Global Smart Cities Pty Ltd (trading as YStop);
- ClerVue signed an MOU with Glass Partners Holdings Pty Ltd in South Africa - Glass Partners to become the exclusive licensed manufacturer and distributor of ClearVue in South Africa;
- ClearVue completed the construction of its first demonstration site at Vicinity Centres' Warwick Grove Shopping Centre in Western Australia – after initial minor technical issues the site is working as expected. The site is subject to continuous performance monitoring and a study is being carried out on its performance;
- ClearVue signed MOU and then a Distribution Licence Agreement with Grafsol General Trading LLC in the United Arab Emirates ("Grafsol");
- ClearVue listed on the Frankfurt Stock Exchange; and
- ClearVue's IP and technology development portfolio has continued to expand – Clearvue now has 85 granted patents, with 40 patents pending in different countries around the world.

We finished the year in a strong position with positive momentum.

Future Developments

Post year-end, the Company announced:

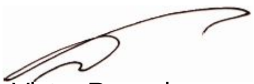
- An underwritten Share Purchase Plan (SPP) to raise A$2 million before costs and a proposed placement targeted to raise up to an additional A$2 million (Top-Up Placement);
- That it is able to produce a panel size of up to 2.3m high by 1.2m wide, or a 2.76sqm panel, nearly double the largest previous panel size. The new panel size expands the sales opportunities for ClearVue to integrate the product into projects where larger panel sizes are required including for aesthetic purposes given architects and façade engineers complete design flexibility for their projects;

EXECUTIVE CHAIRMAN'S LETTER

- That it has signed a Consultancy Agreement with the world-leading firm of planners, designers, consultants and engineers including façade engineers, Arup Australia Pty Ltd (Arup). The consultancy extends the range of work ClearVue is doing with Arup beyond the power and performance modelling to include the development of a range of smart façade modules that integrate ClearVue's electricity generating windows/IGUs with functional features such as automated blinds, electrochromic switchable glass coatings, authomated ventilation, IoT systems etc.- all at the window and powered by the window;
- Signed an MOU with BeyondPV Company Ltd of Taiwan to secure its supply chain for the small form factor solar PV modules used inside ClearVue's solar PV glazing modules;
- Signed a collaboration agreement with Attefallshus AB in Sweden where Attefallshus will integrate the ClearVue PV solar window products into its mini-homes and other construction projects;
- Signed a Collaboration Agreement with AquaGen Infrastructure Systems to collaborate on projects in the US to integrate ClearVue technology into AquaGen's planned microgrid based resilient sustainable village developments;
- Received its first small order from the UAE through Grafsol; and
- Delivered on its first small order to South Africa - which is now installed and integrated into the head office of mining group Exxaro in Pretoria.

The Company is looking forward to the year ahead and progressing its commercialisation goals – the focus on the year ahed being on securing sales.

We are excited about the year ahead and delivering on our stated objectives and sharing our continued success with you.



Victor Rosenberg
Executive Chairman

DIRECTORS' REPORT

The directors are pleased to present the audited consolidated financial report of Clearvue Technologies Limited ABN 45 071 397 487 ("the Company") and its controlled entities ("the Group") for the year ended 30 June 2019.

DIRECTORS

The name of the directors in office at any time during or since the end of the year are:

Mr Victor Rosenberg
Mr Jamie Lyford
Mr Sean Rosenberg
Mr Ivan Wu
Mr Stuart Carmichael

The qualifications, experience and special responsibilities of each director are as follows:

Mr Victor Rosenberg
Dip Pham, MPS (SA)
Executive Chairman

Mr V Rosenberg started Tropiglas Pty Ltd in 1996 and is its driving force and major shareholder. Mr V Rosenberg is a qualified pharmacist with extensive business experience in senior management and sales related positions. He has been in the industry for over 27 years having started and owned a number of private businesses, including pharmaceutical, toiletry and food manufacturing businesses. Mr V Rosenberg has previously won an international innovation award for developments in food processing technologies. He consults to a number of public and private companies in the areas of pharmaceuticals, biotechnology and health foods. Mr V Rosenberg is presently not a director of any other listed companies, nor held a directorship within the last 3 years before the end of 30 June 2019.

Mr Jamie Lyford
BCom, LLB, LLM, PGradDip IT
Executive Director

Mr Lyford has over 20 years experience working in the areas of intellectual property (IP), commercialisation and technology both as an IP and commercialisation lawyer and as a commercialisation adviser. In his work as a lawyer he has worked with a number of well-known local and interstate law and patent firms and internationally with a specialist IT law firm as well as in-house with BHP and multinational IT services provider ATOS. As a commercialisation adviser, Mr Lyford has assisted a number start-up and early stage companies both as an adviser and a director (of which he retains a number of current positions). He has also operated and managed the Western Australian government's Innovation Centre incubator under two separate outsourced consultancy terms where he was responsible for assisting innumerable innovative West Australian businesses on their path to successful commercialisation. Mr Lyford is presently not a director of any other listed companies, nor held a directorship within the last 3 years before the end of 30 June 2019.

DIRECTORS (CONTINUED)

Mr Sean Rosenberg
ICAA
Non-executive Director

Mr S Rosenberg is a member of the Institute of Chartered Accountants in Australia, with over 12 years professional experience in finance, auditing and accounting of Listed Corporations. He has 17 years experience in business as both a director and owner of a company involved in the import, export and wholesale of Optical and Sunglass products. Mr S Rosenberg's business experience includes product development and sourcing in Asia and Europe, management of national sales teams and business financing. Mr S Rosenberg is presently not a director of any other listed companies, nor held a directorship within the last 3 years before the end of 30 June 2019.

Mr Ivan Wu
BASc (ComSc)
Non-executive Director

Mr Wu is currently a director of ICW Capital, a corporate consulting business in Australia. He has more than 20 years' commercial experience in the utility, technology and resource industries. Mr Wu was previously a founding director of a private corporate management company in Australia in 2007. He previously held roles of company secretary and directorship in various Australian Securities Exchange (ASX) listed companies. He facilitated the successful listing of Legacy Iron Ore Limited (ASX: LCY), iCandy Interactive Limited (ASX: ICI) and iGlobal Holdings Limited (NSX: IGH).

In recent years, Mr Wu has been involved in corporate advisory role assisting IPO, corporate restructuring, merger and acquisitions, investor relations and equity capital market for public listed companies. He managed the successful listing of ClearVue Technologies Limited (ASX: CPV) in May 2018. He was a director of listed company iGlobal Holdings Limited up till August 2017.

Mr Stuart Carmichael
BCom, CA
Non-executive Director

Mr Carmichael is a Chartered Accountant with over 20 years of experience in the provision of corporate advisory services both within Australia and internationally. Mr Carmichael is a principal and director of Ventnor Capital Pty Ltd and Ventnor Securities Pty Ltd which specialises in the provision of corporate and financial advice to small cap ASX listed companies including capital raisings, initial public offerings, corporate restructures and mergers and acquisitions. Mr Carmichael graduated from the University of Western Australia with a Bachelor of Commerce degree, gaining experience with KPMG Corporate Finance in Perth and London before joining ASX listed property services and engineering company UGL Limited (ASX:UGL).

Mr Carmichael is Non-executive Chairman of Schrole Group Limited (ASX:SCL), Non-executive Chairman of Serpentine Technologies Limited (ASX:S3R) and Non-executive Director of De.mem Limited.

COMPANY SECRETARY

Mr. Brett Tucker
BCom, CA
Brett Tucker holds the position of Company Secretary. Mr Tucker is a qualified Chartered Accountant who has acted as Company Secretary to a number of ASX listed and private companies.

Ms. Deborah Ho
BCom, AGIA
Deborah Ho was appointed on the 31 January 2019 as Joint Company Secretary. Ms Ho has over six years of experience in company secretarial, corporate compliance and financial accounting matters. She has acted as Company Secretary to a number of ASX listed and private companies.

REMUNERATION REPORT (AUDITED)

This report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of ClearVue Technologies Limited for the financial year ended 30 June 2019. The information provided in this remuneration report has been prepared in accordance with the requirements of the Corporations Act 2001 and its Regulations, and have been audited as required by Section 308(3C) of the Corporations Act 2001.

Key Management Personnel
The KMP of the Company during or since the end of the financial year were as follows:

Directors	Period of Employment (to present)
Mr Victor Rosenberg, Executive Chairman	Appointed 13 November 1995
Mr Jamie Lyford, Executive Director	Appointed on 27 January 2017
Mr Sean Rosenberg, Non-Executive Director	Appointed on 14 June 2009
Mr Ivan Wu, Non-Executive Director	Appointed on 13 April 2017
Mr Stuart Carmichael, Non-Executive Director	Appointed on 19 January 2018

Executives	Period of Employment
Mr Kim Harmer, Chief Technical Officer	Appointed on 10 January 2018, Resigned on 14 February 2019

Remuneration Policy
The Company's remuneration policy for its KMP has been developed by the Board taking into account the size of the Company, the size of the management team, the nature and stage of development of the Company's current operations, and market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

In addition to considering the above general factors, the Board has also placed emphasis on the following specific issues in determining the remuneration policy for KMP:

- Sales contract awards;
- Technology development milestones; and
- The performance of the Company's shares as quoted on the Australian Securities Exchange.

REMUNERATION REPORT (AUDITED) (CONTINUED)

Remuneration Committee

Due to the current size of the Company, the Board did not implement a Remuneration Committee during the year, as such the Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the Directors and the 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 Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the aggregate remuneration of non-executive Directors shall be determined from time to time by a general meeting. The Constitution states that the Company may pay to the Non-Executive Directors a maximum total amount of director's fees, determined by the Company in general meeting, or until so determined, as the Directors resolve. Fees for the Non-Executive Directors' are presently set at $350,000 per annum including superannuation. These fees cover main board activities only. Non-Executive Directors may receive additional remuneration for other services provided to the Company.

The Non-Executive salary remuneration became effective from the date of the appointment of the Company to the Official List of the Australian Securities Exchange.

Executive Remuneration

The Company's remuneration policy is to provide a fixed remuneration component and a short and long term performance based component. The Board believes that this remuneration policy is appropriate given the considerations discussed in the section above and is appropriate in aligning executives' objectives with shareholder and business objectives.

Fixed Remuneration

Fixed remuneration consists of base salaries, as well as employer contributions to superannuation funds and other non-cash benefits. Fixed remuneration is reviewed annually by the Board. The process consists of a review of company and individual performance, relevant comparative remuneration externally and internally and, where appropriate, external advice on policies and practices.

Performance Based Remuneration – Short Term Incentive

The Board has not implemented a system where Executives are entitled to annual cash bonuses. The Company may provide pay performance bonuses to Executives as determined by the Board from time to time. No bonuses were paid or are payable in relation to the 2019 financial year.

REMUNERATION REPORT (AUDITED) (CONTINUED)

Performance Based Remuneration – Long Term Incentive

Company Performance Shares and Options

The Board has previously chosen to issue Performance Shares (where appropriate) to some executives as a key component of the incentive portion of their remuneration, in order to attract and retain the services of the executives and to provide an incentive linked to the performance of the Company.

In the future the Board may grant Options to executives and key consultants to provide incentive based remuneration, with exercise prices at and/or above market share price (at the time of agreement). As such, Incentive Options granted to executives will generally only be of benefit if the executives perform to the level whereby the value of the Company increases sufficiently to warrant exercising the Incentive Options granted. it is considered the performance of the executives and the performance and value of the Company are closely related.

The Company prohibits executives entering into arrangements to limit their exposure to Performance Shares or Incentive Options granted as part of their remuneration package.

Long-Term Incentive Plans

The Company has implemented an Employee Incentive Plan and a Loan Funded Share Plan.

<u>Employee Incentive Plan</u>

Under the Employee Incentive Plan, the Company may grant options to subscribe for Shares entitling the holder to be issued Shares on terms and conditions set by the Board at its discretion.

The material terms of the Employee Incentive Plan are as follows:

(a) The purpose of the Plan is to:
- assist in the reward, retention and motivation of eligible persons;
- to align the interests of eligible persons more closely with the interests of shareholders, by providing an opportunity for eligible persons receive an equity interest in the form of Awards; and
- to provide eligible persons with the opportunity to share in any future growth in value of the Company.

(b) The following persons can participate in the Plan if the Board makes them an offer to do so:
- a director;
- a full-time or part-time employee;
- a contractor; or
- a casual employee of the Company or an associated body corporate and includes a person who may become an eligible person within (i) to (iv) above subject to accepting an offer of engagement for that role.

REMUNERATION REPORT (AUDITED) (CONTINUED)

(c) Plan Options issued under the Plan are subject to the terms and conditions set out in the Rules, which include:
- Vesting Conditions – which are time-based criteria, requirements or conditions (as specified in the offer and determined by the Board) which must be met prior to Awards vesting in a participant, which the Board may throughout the course of the period between the grant of an Award and its vesting, waive or accelerate as the Board considers reasonably appropriate;
- Performance Conditions – which are conditions relating to the performance of the Group and its related bodies corporate (and the manner in which those conditions will be tested) as specified in an offer and determined by the Board; and
- Exercise Conditions – which are criteria, requirements or conditions, as determined by the Board or under the Plan, which must be met (notwithstanding the satisfaction of any Vesting Conditions and/or Performance Conditions) prior to a Participant being entitled to exercise vested Awards in accordance with clauses 8 and 9. Clause 8 prohibits the disposal of any incentive plan 12 months from the date the Plan Shares were issued to the holder, unless there is prior written approval of the Directors, or pursuant to an IPO or Takeover. Subject to the approval of the Directors, the employee may request that Plan Shares be allotted to a Related Entity of the employee under Clause 9.

(d) In accordance with ASIC Class Order 14/1000, the total Awards that may be issued under the Plan will not exceed 5% of the total number of Shares on issue. In calculating this limit, Awards issued to participants under the Plan other than in reliance upon this Class Order are discounted.
(e) The Board has the unfettered and absolute discretion to administer the Plan.
(f) Awards issued under the Plan are not transferable and will not be quoted on the ASX.

The Rules otherwise contain terms and conditions considered standard for long-term incentive plan rules of this nature.

There were no options issued under the Employee Incentive Plan during the year (2018: Nil).

<u>Loan Funded Share Plan</u>
Under the Loan Funded Share Plan, the Company may grant Shares to a participant and may provide a loan to facilliate the acquisition of the Plan Shares. The terms of the loan and price of the Shares is determined by the Board.

The material terms of the Loan Funded Share Plan are as follows:

(a) The purpose of the Plan is to:
- assist in the reward, retention and motivation of eligible persons;
- to align the interests of eligible persons more closely with the interests of shareholders, by providing an opportunity for eligible persons to increase their ownership interest in the Company; and
- to provide eligible persons with the opportunity to share in any future growth in value of the Company.

REMUNERATION REPORT (AUDITED) (CONTINUED)

(b) The following persons can participate in the Plan if the Board makes them an offer to do so:
- a director;
- a full-time or part-time employee;
- any other person who the Board determines is eligible to participate in the Plan.

(c) Loans offered under the Plan to facilitate the acquisition of Plan Shares will be interest free and end on 10 years from the Share Grant Date, or earlier in accordance with the Plan Rules.

(d) The total Shares that may be issued under the Plan in the previous five years, excluding any offers made in accordance with s708 of the Corporations Act, will not exceed 10% of the total number of Shares on issue.

(e) The Board has the unfettered and absolute discretion to administer the Plan.

(f) Shares issued under the Plan are not transferable.

The Rules otherwise contain terms and conditions considered standard for loan funded share plan rules of this nature.

There were no Shares issued under the Loan Funded Share Plan during the current financial year. During the year ended 30 June 2017, shares were issued under the Loan Funded Share Plan to the following participants:

Holder	Position	No of shares	Loan amount
Mr Victor Rosenberg	Executive Chairman	1,000,000	$150,000
Mr Jamie Lyford	Executive Director	1,950,000	$292,500
Mr Sean Rosenberg	Non-Executive Director	125,000	$18,750
Mr Ian Rosenberg	Former Non-Executive Director	125,000	$18,750

All loans are outstanding at 30 June 2019 and at the date of this report.

The remuneration report details the remuneration arrangements for 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 Company.

Executive Director Service Agreements

The Company has entered into employment agreements with both Mr V Rosenberg and Mr Lyford dated 18 January 2018 respectively, pursuant to which the Company has engaged Mr V Rosenberg as Executive Chairman and Mr Lyford as Executive Director. The material terms and conditions of the Employment Agreements are summarised below:

(a) Term:
The Employment Agreements commence on the date of the Company's admission to the Official List (on 23 May 2018) and each Employment Agreement continues until terminated in accordance with its terms.

(b) Remuneration:
Mr V Rosenberg and Mr Lyford will receive from the commencement of their respective appointments, annual salaries of approximately $200,000 and $170,000 respectively.

REMUNERATION REPORT (AUDITED) (CONTINUED)

(c) Incentive Programs:
The Executives 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 V Rosenberg and Mr Lyford by written notice for a number of standard events including, but not limited to, if at any time such Executive:

(i) commits a serious or repeated or continual breach of the obligations under their Executive Agreement;
(ii) is guilty of any serious misconduct or serious neglect or dishonesty in the discharge of their duties under their Executive Agreement; or
(iii) act 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 group into serious disrepute or prejudices the interests of the business of the Company.

The Company or the Executives may terminate the Executive Agreements for any reason by giving 6 months' written notice. The Employment Agreements contains other standard terms and conditions expected to be included in contracts of this nature.

Consultancy Agreement
The Company signed a corporate advisory mandate dated 23 January 2017 with ICW Capital (ICW), a company controlled by Mr Wu, a Director, to act as corporate adviser in relation to the Initial Public Offering and for a minimum period of 12 months upon the Company being admitted to the Official List subject to a formal agreement being agreed between the parties.

Under the terms of this engagement the Company agreed to appoint Mr Wu as a Director and agreed to:

(a) pay ICW a monthly fee of $12,000 from the Commencement Date;
(b) a fee of 6% of the total funds raised under a pre-IPO seed raising from new investors; and
(c) issue ICW with such amount of Shares which equals 5% of the total issued share capital of the Company on the date the Company is admitted to the Official List. (excluding any such Shares to be issued to ICW under the ICW Mandate). The total number of Shares offered to ICW was 4,524,776 Shares pursuant to the Advisor Offer in the Prospectus dated 26 February 2019. ICW Capital agreed to issue the Advisor Offer shares as follows:-
- 500,000 Shares to Ventnor Capital Pty Ltd, a related body corporate of the IPO Lead Manager and a company controlled by Mr Carmichael, Director, in consideration of corporate advisory services provided to the Company;
- 2,662,388 Shares to non-related party promoters of the Company; and
- 1,362,388 Shares to nominee of ICW Capital.

The ICW Mandate was revised on 31 May 2018 and the Company agreed to pay ICW a monthly fee of $6,000 for a term of 12 months from 1 June 2018. The ICW Mandate is made on terms and conditions considered standard of an agreement of its nature.

REMUNERATION REPORT (AUDITED) (CONTINUED)

Relationship between Remuneration of KMP and Shareholder Wealth and Earnings
The Board anticipates that the Company will retain earnings (if any) and other cash resources for the development of its business activities. The Company does not currently have a policy with respect to the payment of dividends and returns of capital however this will be reviewed on an annual basis. Therefore, there was no relationship between the Board's policy for determining, or in relation to, the nature and amount of remuneration of KMP and dividends paid and returns of capital by the Company during the current and previous four financial years.

The Company did not consider appreciation of the Company's shares when setting remuneration.

The Board did issue Performance Shares to Key Management Personnel and has implemented a Loan Funded Share Plan which will generally be of value if the Company's shares appreciate over time. However, it should be noted that all Director Shares granted under the Loan Funded Share Plan and all Performance Shares have been imposed in escrow (sale) restriction period of up to two years. This is in line with the Company policy that Company securities be used for long term incentive for Directors.

Amount of Remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables. The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Directors						
Mr V Rosenberg	100%	100%	-	-	-	-
Mr S Rosenberg	100%	100%	-	-	-	-
Mr Lyford	100%	100%	-	-	-	-
Mr Wu	100%	100%	-	-	-	-
Mr Carmichael	100%	100%	-	-	-	-
Key Management Personnel						
Mr Harmer (a)	100%	100%	-	-	-	-

(a) Commenced 10 January 2018, resigned 14 February 2019

REMUNERATION REPORT (AUDITED) (CONTINUED)

2019	Short-term Benefits				Post-employment Benefits		Long-term Benefits		Equity-settled Share-Based Payments		
	Salary, Fees & Leave	Profit Share & Bonus	Non-monetary	Other	Super	Other	Incentive Plans	Leave	Shares / Units	Options / Performance Rights	Total
Directors											
Mr V Rosenberg	182,649	-	-	9,999	17,352	-	-	-	-	-	210,000
Mr S Rosenberg	25,000	-	-	-	2,375	-	-	-	-	-	27,375
Mr Lyford	155,250	-	-	9,999	14,749	-	-	-	-	-	179,998
Mr Wu	25,000	-	-	-	2,375	-	-	-	-	-	27,375
Mr Carmichael	25,000	-	-	-	2,375	-	-	-	-	-	27,375
Key Management Personnel											
Mr Harmer (a)	125,481	-	-	-	9,500	-	-	-	98,000	-	232,981
	538,380	-	-	19,998	48,726	-	-	-	98,000	-	705,104

(a) Resigned 14 February 2019

REMUNERATION REPORT (AUDITED) (CONTINUED)

2018	Short-term Benefits				Post-employment Benefits		Long-term Benefits		Equity-settled Share-Based Payments		
	Salary, Fees & Leave	**Profit Share & Bonus**	**Non-monetary**	**Other**	**Super**	**Other**	**Incentive Plans**	**Leave**	**Shares / Units**	**Options / Performance Rights**	**Total**
Directors											
Mr V Rosenberg	129,300	-	-	-	16,074	-	-	-	-	1,600,000	1,745,374
Mr S Rosenberg	1,930	-	-	-	-	-	-	-	-	-	1,930
Mr Lyford	12,596	-	-	-	-	-	-	-	-	480,000	492,596
Mr Wu	138,053	-	-	29,760	-	-	-	-	-	-	167,813
Mr Carmichael (a)	1,930	-	-	-	-	-	-	-	-	-	1,930
Key Management Personnel											
Mr Harmer (b)	44,400	-	-	-	2,711	-	-	-	-	-	47,111
	328,209	-	-	29,760	18,785	-	-	-	-	2,080,000	2,456,754

(a) Appointed 19 January 2018
(b) Commenced 10 January 2018

REMUNERATION REPORT (AUDITED) (CONTINUED)

Performance Shares
No performance shares were issued as remuneration to directors and other key management personnel in this financial year. Refer to Related Party Transaction note for details of options issued to associates of Directors.

Options
No options were issued as remuneration to directors and other key management personnel in this financial year. Refer to Related Party Transaction note for details of options issued to associates of Directors.

Shareholding
The number of shares held during the financial year by each director and members of key management personnel of the Company, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals / Other	Balance at the end of the year
Ordinary shares					
Mr V Rosenberg	22,660,099	-	-	(250,000)	22,410,099
Mr S Rosenberg	800,000	-	-	(26,000)	774,000
Mr Lyford	3,550,000	-	-	-	3,550,000
Mr Wu	1,362,388	-	-	-	1,362,388
Mr Carmichael	100,000	-	-	-	100,000
Mr Harmer	-	-	1,025,472[1]	(20,000)	1,005,472[2]
	28,472,487	**-**	**1,025,472**	**(296,000)**	**29,201,959**

[1] Includes 350,000 fully paid ordinary incentive shares issued on 1 February 2019, pursuant to the Company's employee share plan.
[2] Balance at date of resignation, 14 February 2019

Other Transactions with Key Management Personnel and Their Related Parties
During the financial year, the following payments were made to director-related entities:

Consulting services from Elevation Partners Pty Ltd [1]	$ 950
Corporate advisory and promoter services from ICW Capital [2]	$ 44,000
Company secretarial services from Ventnor Capital Pty Ltd [3]	$ 77,838

[1] Director-related entity of Mr Lyford
[2] Director-related entity of Mr Wu
[3] Director-related entity of Mr Carmichael

The current trade payable balance as at 30 June 2019 included $4,125 owing to Ventnor Capital Pty Ltd (director related entity of Mr Carmichael). All transactions were made on normal commercial terms and conditions and at market rates.

REMUNERATION REPORT (AUDITED) (CONTINUED)

Convertible Security Holding

The number of convertible securities held during the financial year by each director and members of key management personnel of the Company, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired / Forfeited / Other	Balance at the end of the year
Performance Shares					
Mr V Rosenberg	10,000,000	-	-	-	10,000,000
Mr S Rosenberg	-	-	-	-	-
Mr Lyford	3,000,000	-	-	-	3,000,000
Mr Wu	-	-	-	-	-
Mr Carmichael	-	-	-	-	-
	13,000,000	-	-	-	13,000,000
Options					
Mr V Rosenberg	22,660,099	-	-	-	22,660,099
Mr S Rosenberg	750,000	-	-	-	750,000
Mr Lyford	3,550,000	-	-	-	3,550,000
Mr Wu	-	-	-	-	-
Mr Carmichael	800,000	-	-	-	800,000
	27,760,099	-	-	-	27,760,099

End of Remuneration Report

PRINCIPAL ACTIVITIES

The principal activities of the Company during the course of the year were research and development activities applied to the Company's world leading solar glass technology. There were no significant changes in the nature of the activities of the Company during the financial year.

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

The operations of the Company have been focussed on the commercialisation of the Company's technology. The operating loss of the Group for the financial year after providing for income tax amounted to $3,852,963 (2018 restated: loss of $3,685,830). During the financial year ended 30 June 2019, the Company had entered into several memorandums to further the development and distribution of the ClearVue products in Australia, Europe, Middle East and Africa.

The Company had also completed a major milestone; being the completed construction of its first demonstration site at Vicinity Centres Warwick Grove Shopping Centre in Western Australia.

REVIEW OF OPERATIONS AND FINANCIAL RESULTS (CONTINUED)

Corporate

On 31 January 2019, Ms Deborah ho was appointed as joint Company Secretary.

On 1 February 2019, 350,000 fully paid ordinary shares were issued at nil consideration, pursuant to the Company's Employee Share Plan.

On 21 February 2019, the Company announced its listing on the Frankfurt Stock Exchange.

Additional Information

	2019	**Restated 2018**	**2017**	**2015**	**2014**
Revenue	23,029	-	57,135	-	35,129
EBITDA	(3,746,706)	(3,593,690)	(1,292,044)	(368,452)	(189,633)
EBIT	(3,842,692)	(3,656,016)	(1,330,287)	(368,711)	(189,998)
Loss after income tax	(3,852,963)	(3,685,830)	(1,334,455)	(372,501)	(190,539)
Share price ($)	0.22	0.19	-	-	-
Dividend (cents per share)	-	-	-	-	-
Basic earnings per share (cents per share)	(3.97)	(7.87)	(2.85)	(0.38)	(0.20)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No significant changes in state of affairs from prior year.

DIVIDENDS

No dividend has been declared or paid since the start of financial year. The directors do not recommend the declaration of a dividend.

EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 5 September 2019, the Company announced the offer to shareholders to participate in a share purchase plan ('SPP') to raise $2,000,000 (before costs) and a Top-Up placement placement of an additional $2,000,000. The SPP entitles eligible shareholders to purchase up to $30,000 worth of shares at an issue price of $0.001 per share. The SPP is underwritten by Patersons Securities Limited to the lesser of $2,000,000 and the amount which is equal to the maximum number of shares available under the current capacity of the Company pursuant ASX Listing Rules 7.1 (6,109,545 shares) and 7.1A (9,773,030 shares) multiplied by the Issue Price. They have been mandated to act as Lead Manager and Underwriter to the SPP and Lead Manager to the Top-Up placement.

EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD (CONTINUED)

No other matter or circumstances has arisen since 30 June 2019 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

FUTURE DEVELOPMENTS

A discussion of likely developments in the Company's and the expected results of those operations is set out in the Executive Chairman's Letter.

DIRECTORS' MEETINGS

The meetings of the Company's Board of Directors held during the year ended 30 June 2019. The number of meetings attended by each director were:

	Board Meeting		Audit & Compliance Committee Meetings	
	Eligible to Attend	**Attended**	**Eligible to Attend**	**Attended**
Mr V Rosenberg	6	6	1	1
Mr Lyford	6	6	1	1
Mr S Rosenberg	6	6	1	1
Mr Wu	6	6	1	1
Mr Carmichael	6	6	1	1

OPTIONS

Each option entitles the holder to subscribe for one fully paid ordinary share in the capital of the Company upon exercise of the option. The options have an exercise price of $0.25 per option and an expiry date on the 21 June 2021. Shares issued on exercise of the options will rank equally with the shares on issue of the Company.

Issued ordinary shares of Clearvue Technologies Limited under option at the date of this report are:

Date options granted	Expiry date	Exercise price of shares (AUD)	Number under option
21 Jun 2017	21 Jun 2021	0.25	52,098,024
16 May 2018	21 Jun 2021	0.25	2,500,000 *
21 Dec 2018	21 Jun 2021	0.25	8,550,000

** Options are subject to escrow for 24 months from the date of official quotation*

ENVIRONMENTAL REGULATIONS

The Group's operations are not regulated by any significant environmental regulation under a law of the commonwealth or of a State or Territory of Australia.

INDEMNIFYING OFFICER OR AUDITOR

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial year, to any person who is or has been an officer or auditor of the Company.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any proceedings during the year.

NON-AUDIT SERVICES

The Directors are satisfied that any provision of non-audit services to the Company , is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. No non-audit services were provided during the financial year, by the auditor.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 has been included.

Signed in accordance with a resolution of the Board of Directors.

....
Victor Rosenberg
Chairman

Perth WA,

Date: 27 September 2019

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Perth WA 6000

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Auditor's Independence Declaration

To the Directors of Clearvue Technologies Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Clearvue Technologies Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

L A Stella
Partner – Audit & Assurance

Perth, 27 September 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Note	Consolidated 30 Jun 2019 $	Restated Consolidated 30 Jun 2018 $
Revenue from contracts with customers		23,029	-
Other income	13	1,584,087	751,373
		1,607,116	751,373
Expenses			
Consulting expense		(607,631)	(298,075)
Deprecation and amortisation expense		(95,986)	(62,326)
Employee benefits expense		(835,127)	(318,271)
Finance costs	15	(10,271)	(29,814)
Legal fees		(38,030)	(16,375)
Material costs		(596,226)	(6,009)
Project costs		(650,614)	(756,689)
Share-based payments expense	17	(1,478,492)	(2,305,635)
Travel expenses		(600,907)	(131,450)
Other expenses	14	(546,795)	(512,559)
		(5,460,079)	(4,437,203)
Loss before income tax		**(3,852,963)**	**(3,685,830)**
Income tax expense	26	-	-
Loss for the year		**(3,852,963)**	**(3,685,830)**
Other comprehensive income / (loss)		-	-
Total comprehensive loss for the year		**(3,852,963)**	**(3,685,830)**
Loss per share attributable to the owners of the Company (cents)			
Basic earnings per share	27	(3.97)	(7.87)
Diluted earnings per share	27	(3.97)	(7.87)

See accompanying notes to the consolidated financial statements

CLEARVUE TECHNOLOGIES LIMITED AND ITS CONTROLLED ENTITIES
ABN 45 071 397 487

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	Consolidated 30 Jun 2019 $	Restated Consolidated 30 Jun 2018 $
ASSETS			
Current Assets			
Cash and cash equivalents	4	1,376,936	3,818,763
Trade and other receivables	5	623,426	18,797
Other assets	6	90,208	99,791
		2,090,570	3,937,351
Non-Current Assets			
Plant and equipment	7	128,022	108,376
Intangible assets	8	1,877,072	1,493,159
Other assets	6	55,354	-
		2,060,448	1,601,535
Total Assets		4,151,018	5,538,886
LIABILITIES			
Current Liabilities			
Trade and other payables	9	625,855	316,952
Provisions	10	81,148	-
		707,003	316,952
Non-Current Liabilities			
Provisions	10	6,552	-
		6,552	-
Total Liabilities		713,555	316,952
Net Assets		**3,437,463**	**5,221,934**
EQUITY			
Share capital	11	10,681,302	9,993,302
Share-based payments reserve	12	4,223,027	2,842,535
Accumulated losses		(11,466,866)	(7,613,903)
Total Equity		**3,437,463**	**5,221,934**

See accompanying notes to the consolidated financial statements

CLEARVUE TECHNOLOGIES LIMITED AND ITS CONTROLLED ENTITIES
ABN 45 071 397 487

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Share Capital	Share Application Monies	Share-Based Payments Reserve	Accumulated Losses	Total
	$	$	$	$	$
Balance at 1 July 2017	4,880,646	98,000	536,900	(3,928,073)	1,587,473
Loss for the year	-	-	-	(3,441,590)	(3,441,590)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(3,441,590)	(3,441,590)
Issue of ordinary shares	6,530,955	(98,000)	-	-	6,432,955
Share issue costs	(1,418,299)	-	-	-	(1,418,299)
Issue of listed options	-	-	225,635	-	225,635
Share-based payments	-	-	2,080,000	-	2,080,000
Balance at 30 June 2018	9,993,302	-	2,842,535	(7,369,663)	5,466,174
Prior period adjustment (Note 3)	-	-	-	(244,240)	(244,240)
Balance at 30 June 2018 - Restated	9,993,302	-	2,842,535	(7,613,903)	5,221,934
Balance at 1 July 2018	9,993,302	-	2,842,535	(7,613,903)	5,221,934
Loss for the year	-	-	-	(3,852,963)	(3,852,963)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(3,852,963)	(3,852,963)
Options exercised	590,000	-	-	-	590,000
Shares issued	98,000	-	-	-	98,000
Share-based payments	-	-	1,380,492	-	1,380,492
Balance at 30 June 2019	10,681,302	-	4,223,027	(11,466,866)	3,437,463

See accompanying notes to the consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	Consolidated 30 Jun 2019 $	Restated Consolidated 30 Jun 2018 $
Cash flows from operating activities			
Loss before income tax		(3,852,963)	(3,685,830)
Adjustment for:			
Depreciation of plant and equipment		34,592	14,035
Amortisation of intangible assets		61,394	48,291
Research and development net rebate		(923,711)	-
Share-based payments		1,478,492	2,305,635
Operating loss before working capital		(3,202,196)	(1,317,869)
Changes in working capital:			
(Increase) in trade and other receivables		(2,276)	(91,983)
Decrease in other assets		9,583	-
Increase in trade and other payables		108,994	59,365
Increase in provisions		87,700	-
Net cash (used in) operating activities		(2,998,195)	(1,350,487)
Cash flows from investing activities			
Patents and trademarks expenditure		(280,207)	(233,539)
Research and development expenditure		(615,803)	(729,983)
Research and development rebate		493,195	225,064
Research and development grant received		478,777	504,918
Purchase of plant and equipment		(54,238)	(121,655)
Payments for deposits		(55,354)	-
Net cash (used in) investing activities		(33,632)	(355,195)
Cash flows from financing activities			
Options exercised		590,000	-
Proceeds from issuance of ordinary shares		-	5,528,000
Share issuance cost		-	(513,344)
Net cash from financing activities		590,000	5,014,656
Net (decrease) / increase in bank balances		(2,441,827)	3,308,974
Bank balances at beginning of year		3,818,763	509,789
Bank balances at end of year	4	1,376,936	3,818,763

See accompanying notes to the consolidated financial statements

These notes form an integral part of and should be read in conjunction with the accompanying financial report:

1. CORPORATE INFORMATION AND CONSOLIDATED STATEMENT OF COMPLIANCE

The consolidated financial report covers Clearvue Technologies Limited ("the Company") and its controlled entities ("the Group"). The Company is a Company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Stock Exchange. The address of its registered office and its principal place of business is 16 Ord Street, West Perth, WA 6005, Australia.

The consolidated annual report for the year ended 30 June 2019 were authorised for issue, in accordance with a resolution of Directors, on 27 September 2019. The Directors have the power to amend and reissue the financial statements.

The consolidated annual report is a general purpose financial report that have been prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Nature of Operations
The principal activities of the Group during the course of the year were research and development activities applied to the Company's world leading solar glass technology.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the consolidated annual report. The accounting policies have been consistently applied, unless otherwise stated.

2.1 BASIS OF PREPARATION

Except for cash flow information, the consolidated annual report is prepared on an accruals basis and is based on historical costs. The consolidated annual report has been prepared under the assumption that the Group operates on a going concern basis. The financial statements have been presented in Australian dollars (AUD), which is the Group's functional and presentation currency.

2.2 GOING CONCERN

The Group incurred an operating loss after income tax for the year ended 30 June 2019 of $3,852,963 and reported net cash outflows from operating activities of $2,998,195 and investing activities of $33,632. As at 30 June 2019, the Group had available cash and cash equivalents of $1,376,936. The Company has the ability to defer or reduce its operating expenditure. However, based on its current projected work program, it is anticipated that it is necessary for the Company to raise additional equity during the next 12 months.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 GOING CONCERN (CONTINUED)

Subsequent to 30 June 2019, the Company announced on the 5 September 2019 an offer to shareholders to participate in a share purchase plan ('SPP') to raise $2,000,000 (before costs) and a Top-Up placement placement of an additional $2,000,000. The SPP entitles eligible shareholders to purchase up to $30,000 worth of shares at an issue price of $0.001 per share.

The SPP is underwritten by Patersons Securities Limited to the lesser of $2,000,000 and the amount which is equal to the maximum number of shares available under the current capacity of the Company pursuant ASX Listing Rules 7.1 (6,109,545 shares) and 7.1A (9,773,030 shares) multiplied by the Issue Price. They have been mandated to act as Lead Manager and Underwriter to the SPP and Lead Manager to the Top-Up placement. In addition, the R&D rebate receivable of $602,353 was received in September 2019.

As at date of report, the Directors have reviewed the Company's financial position and are of the opinion that the going concern basis of accounting is appropriate having regard to the matters outlines above. If the Company is unable to continue as a going concern, it may be required to realise its assets and or settle its liabilities other than in the ordinary course of business and at amounts different from those stated in the financial report.

2.3 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

2.4 PLANT AND EQUIPMENT

Plant and equipment is initially recorded at the cost of acquisition or fair value less, if applicable, any accumulated depreciation and impairment losses. Plant and equipment that has been contributed at no cost, or for nominal cost, is valued and recognised at the fair value of the asset at the date it is acquired. The plant and equipment is reviewed annually by directors to ensure that the carrying amount is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the utilisation of the assets and the subsequent disposal. The expected net cash flows have been discounted to their present values in estimating recoverable amounts.

Depreciation is computed on a diminishing value basis over the estimated useful lives of the assets as follows:

Furniture	10% - 15%
Office equipment	28% - 33.3%
Machinery	13% - 15%

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The residual value, useful life and depreciation method are reviewed at the end of each financial year to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 PLANT AND EQUIPMENT (CONTINUED)

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.5 INTANGIBLE ASSETS

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following intimal acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure us incurred.

The useful lives of intangible assets are assesses as either finite or indefinite. Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least as each financial year end. Changes in the expected useful life or the expected pattern of consumption of future amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

a) Patents and Trademarks
The accounting policy on patents and trademarks is finite useful lives. Patents and trademark would be amortised over 20 years from the date of purchase. The change in accounting policy has been applied restrospectively in accordance with the Australian Accounting Standards Board 101 (AASB) presentation of financial statements.

b) Research and Development
Research costs are expensed as incurred. Deferred development costs arising from development expenditures on individual projects are recognised as an intangible asset 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 benefits, the availability of resources to complete and the ability to measure reliably the expenditures during the development.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 INTANGIBLE ASSETS (CONTINUED)

Following initial recognition of the deferred development costs as an intangible asset, it is carried at cost less any accumulated impairment losses. Amortisation of the intangible asset begins when development is complete and the asset is available for use.

2.6 TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

2.7 PROVISIONS

Provisions are recognised when the entity has a legal or constructive obligation resulting from past events, for which it is probable that there will be an outflow of economic benefits and that outflow can be reliably measured. Provisions are measured using the best estimate available of the amounts required to settle the obligation at the end of the reporting period.

2.8 FINANCIAL INSTRUMENTS

Recognition, initial measurement and derecognition
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets
Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- Amortised cost
- Fair value through profit or loss (FVPL)
- Equity instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 FINANCIAL INSTRUMENTS (CONTINUED)

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

Financial assets at amortised cost
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as government bonds that were previously classified as held-to-maturity under AASB 139.

There are no FVPL and FVOCI instruments for the group.

Impairment of Financial assets
AASB 9's impairment requirements use more forward-looking information to recognize expected credit losses – the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.
In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 FINANCIAL INSTRUMENTS (CONTINUED)

Trade and other receivables and contract assets
The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Classification and measurement of financial liabilities
As the accounting for financial liabilities remains largely unchanged from AASB 139, the Group's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below. The Group's financial liabilities include trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

2.9 IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, the directors review the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the assets fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the assets carrying value over its recoverable amount is recognised in profit or loss.

Impairment testing is performed annually for intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs.

2.10 CURRENT AND NON-CURRENT CLASSIFICATION

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 CURRENT AND NON-CURRENT CLASSIFICATION (CONTINUED)

A liability is classified as current when: it is either expected to be settled in the entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

2.11 ISSUED CAPITAL

Ordinary shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Basic loss per share
Basic loss per share is determined by dividing the operating profit/(loss) after income tax attributable to members of De.mem Limited by the weighted average number of ordinary shares outstanding during the financial year

Diluted loss per share
Diluted loss per share adjusts the amounts used in the determination of basic loss per share by taking into account unpaid amounts on ordinary shares and any reduction in loss per share that will probably arise from the exercise of options outstanding during the financial year.

2.12 REVENUE RECOGNITION

Grant revenue
Grant revenue is recognised in the income statement, when it is probable that the entity will receive the economic benefits of the grant and the amount can be reliably measured. If the grant has conditions attached which must be satisfied before the entity is eligible to receive the grant, the recognition of the revenue will be deferred until those conditions are satisfied.

Where the entity incurs an obligation to deliver economic value back to the grant contributor, the transaction is considered a reciprocal transaction and the revenue is recognised as a liability in the Consolidated Statement of financial position until the required service has been completed, otherwise the income is recognised on receipt.

The Group receives non-reciprocal contributions of assets from the government and other parties for a nominal of zero value. These assets are recognised at their fair value on the date of acquisition in the Consolidated Statement of financial position, with an equivalent amount of income recognised in the income statement.

Government grants received are recognised as revenue on a basis to match the recognition of revenue with costs incurred in the project. The design, development and trials extend over a 5 year period and revenue from the government grant has been recognised when it is received or when the right to receive payment is established.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 REVENUE RECOGNITION (CONTINUED)

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

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

2.13 EMPLOYEE BENEFITS

Short-term employee benefits
Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, non-monetary benefits and accumulating sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The Group’s liabilities for annual leave and long service leave are included in other long term benefits as they are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Group presents employee benefit obligations as current liabilities in the statement of financial position if the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period, irrespective of when the actual settlement is expected to take place.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

2.14 SHARE-BASED PAYMENTS

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 SHARE-BASED PAYMENTS (CONTINUED)

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognized as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- During the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired option of the vesting period.
- From the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 INCOME TAX

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the end of each financial year.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in profit and loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

2.16 GOODS AND SERVICE TAX (GST)

Transactions are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Consolidated Statement of financial position.

2.17 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

When preparing the financial report, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The management is of the opinion that there are no significant judgments made (other than those involving estimates) in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Impairment of intangible assets
Intangible assets are reviewed for impairment whenever there is an indication that these assets may be impaired. The Group considers the guidance of AASB 136 in assessing whether there is any indication that an item of the above assets may be impaired. This assessment requires management's judgement. If any such indication exists, the recoverable amount of the assets is estimated to ascertain the amount of impairment loss. The recoverable amount is defined as the higher of the fair value less cost to sell and value in use.

In determining the value in use of assets, The Group applies a discounted cash flow model where the future cash flows derived from such assets are discounted at an appropriate rate. Forecasts of future cash flow are estimated based on financial budgets and forecasts approved by the management. Based on management's assessment, there is no indication of impairment as at the end of the reporting period.

Useful lives of intangible assets
The Group reviews the appropriateness of the useful lives and residual values of intangible assets at the end of each reporting period. Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of these assets. Where there is a material change in the useful lives and residual values of intangible assets, such a change may impact the future amortisation charge in the financial year in which the change arises.

Deferred tax
The Company expects to have carried forward tax losses which have not been recognised as deferred tax assets as it is not considered sufficiently probable that these losses will be recouped by means of future profits taxable in the relevant jurisdictions.

2.18 PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of ClearVue Technologies Limited ('company') as at 30 June 2019 and the results of all subsidiaries for the year then ended. The Group and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 PRINCIPLES OF CONSOLIDATION (CONTINUED)

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

2.19 OPERATING SEGMENTS

Operating segments are presented using the 'management approach, where the information presented is on the same basis as the internal reports provided to the Board of Directors. They are responsible for the allocation of resources to operating segments and assessing their performance.

2.20 NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

AASB 9 Financial Instruments
The Group has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value.

All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available. Applying AASB 9 did not have any impact on the classification or valuation of financial assets, impairment bookings on trade receivables and other financial assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED (CONTINUED)

AASB 15 Revenue from Contracts with Customers

The Group has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price.

Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period. Applying AASB 15 using the modified retrospectively approach has had no impact on timing of revenue recognition or on the presentation of the statement of financial position.

2.21 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET MANDATORY

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

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117.

The estimated impact of this impending change as at 30 June 2019 can be summarised as follows: introduction of a right-of-use asset of $217,150, an increase in lease liabilities of $224,943, and an increase in expense of $7,793. As the standard is only mandatory to annual reporting periods beginning on or after 1 January 2019, the Group will only adopt this standard from the 1 July 2019.

3. RESTATEMENT

During the year ended 30 June 2019, it was agreed to restate prior deferred development costs, project revenue and costs associated with the Greenhouse project year (as stated below). The restatement is to ensure that the relevant project revenue and costs are treated appropriately according to AASB 120 Government Grants and Disclosure of Government Assistance. Extracts (being only those line items affected) are disclosed below.

Consolidated Statement of Profit or Loss and Other Comprehensive Income (Extract)

	Reported Consolidated 30 Jun 2018 $	Adjustment $	Restated Consolidated 30 Jun 2018 $
Revenue	75,143	(75,143)	-
Other income	432,368	319,005	751,373
Total revenue	507,511	243,862	751,373
Project costs	(268,587)	(488,102)	(756,689)
Loss before income tax	(3,441,590)	(244,240)	(3,685,830)
Loss for the year, representing total comprehensive loss of the half-year	(3,441,590)	(244,240)	(3,685,830)
	Cents	**Cents**	**Cents**
Basic loss per share	(7.35)	(0.52)	(7.87)
Diluted loss per share	(7.35)	(0.52)	(7.87)

Consolidated Statement of Financial Position (Extract)

	Reported Consolidated 30 Jun 2018 $	Adjustment $	Restated Consolidated 30 Jun 2018 $
Trade and other receivables	-	18,797	18,797
Total current assets	3,918,554	18,797	3,937,351
Intangible assets	1,756,196	(263,037)	1,493,159
Total non-current assets	1,864,572	(263,037)	1,601,535
Total assets	5,783,126	(244,240)	5,538,886
Net assets	5,466,174	(244,240)	5,221,934
Retained earnings	(7,369,663)	(244,240)	(7,613,903)
Total equity	5,466,174	(244,240)	5,221,934

3. RESTATEMENT (CONTINUED)

Consolidated Statement of Cash Flows (Extract)

	Reported Consolidated 30 Jun 2018 $	Adjustment $	Restated Consolidated 30 Jun 2018 $
Cash flows from operating activities			
Loss before income tax	(3,441,590)	(244,240)	(3,685,830)
Operating loss before working capital	(1,073,629)	(244,240)	(1,317,869)
(Increase) / decrease in other receivables	(73,186)	(18,797)	(91,983)
Net cash used in operating activities	(1,087,450)	(263,037)	(1,350,487)
Cash flows from investing activities			
Research and development expenditure	(263,038)	(466,945)	(729,983)
Research and development rebate	-	225,064	225,064
Research and development grant received	-	504,918	504,918
Net cash used in investing activities	(618,232)	263,037	(355,195)

Notes to the Consolidated Financial Statements (Extract)

	Reported Consolidated 30 Jun 2018 $	Adjustment $	Restated Consolidated 30 Jun 2018 $
Trade and other receivables			
Grants receivable	-	18,797	18,797
Total	-	18,797	18,797
Intangible assets			
Development assets	844,057	(263,037)	581,020
Total	1,756,196	(263,037)	1,493,159
Other income			
Other grants	-	93,941	93,941
Rebates and refunds	-	225,064	225,064
Total	432,368	319,005	751,373

4. CASH AND CASH EQUIVALENTS

	Consolidated 30 Jun 2019 $	Consolidated 30 Jun 2018 $
Cash and cash equivalents	1,376,936	3,818,763

5. TRADE AND OTHER RECEIVABLES

	Consolidated 30 Jun 2019 $	Restated Consolidated 30 Jun 2018 $
Trade receivable	21,073	-
R&D rebate receivable	602,353	-
Grants receivable	-	18,797
	623,426	18,797

6. OTHER ASSETS

	Consolidated 30 Jun 2019 $	Restated Consolidated 30 Jun 2018 $
Current		
Goods and service tax (GST)	61,192	95,738
Prepayments	29,016	4,053
	90,208	99,791
Non-Current		
Deposits	55,354	-

7. PLANT AND EQUIPMENT

	Consolidated 30 Jun 2019 $	Consolidated 30 Jun 2018 $
Office Equipment		
Cost	182,205	127,967
Less accumulated depreciation	(54,183)	(19,591)
Carrying amount	128,022	108,376
Cost		
Balance at 1 July	127,967	6,312
Additions	54,238	121,655
Balance at 30 June	182,205	127,967
Accumulated depreciation		
Balance at 1 July	19,591	5,556
Depreciation for the year	34,592	14,035
Balance at 30 June	54,183	19,591
Carrying amount at 30 June	128,022	108,376

8. INTANGIBLE ASSETS

	Consolidated 30 Jun 2019 $	Restated Consolidated 30 Jun 2018 $
Patents and trademarks	1,182,431	912,139
Development asset	694,641	581,020
	1,877,072	1,493,159
Patents and trademarks		
Cost	1,433,641	1,101,955
Less accumulated amortisation	(251,210)	(189,816)
Carrying amount	1,182,431	912,139
Cost		
Balance at 1 July	1,101,955	868,416
Additions	331,686	233,539
Balance at 30 June	1,433,641	1,101,955
Accumulated amortisation		
Balance at 1 July	189,816	141,525
Amortisation for the year	61,394	48,291
Balance at 30 June	251,210	189,816
Carrying amount at 30 June	1,182,431	912,139
Development asset		
Cost		
Balance at 1 July	581,020	581,020
Additions	113,621	-
Balance at 30 June	694,641	581,020
Accumulated amortisation		
Balance at 1 July	-	-
Amortisation for the year	-	-
Balance at 30 June	-	-
Carrying amount at 30 June	694,641	581,020
Net carrying amount	1,877,072	1,493,159

Intangible assets are stated at cost. As explained in Note 2, the useful life of these patents and trademarks is estimated to be finite.

9. TRADE AND OTHER PAYABLES

	Consolidated 30 Jun 2019 $	Consolidated 30 Jun 2018 $
Trade payables	578,333	287,203
Other payables	47,522	27,379
Accruals	-	2,370
	625,855	316,952

10. PROVISIONS

	Consolidated 30 Jun 2019 $	Consolidated 30 Jun 2018 $
Current		
Anunal leave provision	43,778	-
Long service leave provision	37,370	-
	81,148	-
Non-Current		
Long service leave provision	6,552	-
	6,552	-

11. SHARE CAPITAL

	30 Jun 2019 NO. OF SHARES	30 Jun 2018 NO. OF SHARES	30 Jun 2019 $	30 Jun 2018 $
Share issued and fully paid				
Balance at 1 July	95,020,300	61,433,023	9,993,302	4,880,646
Options exercised [1]	2,360,000	-	590,000	-
Issue of shares to KMP [2]	350,000	-	98,000	-
Issue of shares pre-IPO	-	4,062,501	-	626,000
Issue of shares IPO	-	25,000,000	-	5,000,000
Issue of shares to corporate advisors	-	4,524,776	-	904,955
Share issue costs	-	-	-	(1,418,299)
Balance at 30 June	**97,730,300**	**95,020,300**	**10,681,302**	**9,993,302**

[1] On the 21 September 2018, 1,860,000 unlisted options were exercised at an exercise price of $0.25 per option. Subsequently, on the 5 October 2018, 500,000 unlisted options were exercised at an exercise price of $0.25 per option.

[2] On 1 February 2019, 350,000 fully paid ordinary shares were issued at nil consideration to Mr Harmer pursuant to the Company's Employee Share Plan. The shares were valued at a fair value of $0.28 per share.

11. SHARE CAPITAL (CONTINUED)

The share capital of the Company consists only of fully paid ordinary shares, the shares do not have a par value. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting of the Company. The balance includes 39,026,956 fully paid ordinary shares that are held in escrow for 24 months from the date of official quotation.

12. SHARE-BASED PAYMENTS RESERVE

	Consolidated 30 Jun 2019 $	Consolidated 30 Jun 2018 $
Share plan for Directors *	536,900	536,900
Options issued to Lead Manager Offer	225,635	225,635
Options issued to Consultants	1,380,492	-
Performance shares to Directors	2,080,000	2,080,000
	4,223,027	2,842,535

* The share plan arises on the grant of loan for a term of 10 years to Directors and related parties for the purchase of the Company's ordinary shares under the Clearvue Loan Funded Share Plan in 2017. Amounts are transferred out of the reserve and into share capital when the loans are settled.

Movement in Options	NO. OF OPTIONS	$
Balance at 1 July 2017	54,458,024	536,900
Options issued to Lead Managers (Note 17)	2,500,000	225,635
Balance at 1 July 2018	56,958,024	762,535
Options exercised (Note 17)	(2,360,000)	-
Options issued to Consultants (Note 17)	8,550,000	1,380,492
Balance at 30 June 2019	63,148,024	2,143,027

13. OTHER INCOME

	Consolidated 30 Jun 2019 $	Restated Consolidated 30 Jun 2018 $
Government grant	423,735	429,776
Other grants	55,042	93,941
Rebates and refunds	1,095,548	225,064
Interest received	9,761	2,592
	1,584,087	751,373

14. OTHER EXPENSES

	Consolidated 30 Jun 2019 $	Consolidated 30 Jun 2018 $
Advertising and promotion	58,226	27,033
Courier fees	203,059	10,854
Insurance expense	14,725	36,933
Listing fees	104,126	369,481
Office expenses	55,562	8,297
Rental expenses	63,010	-
General expense	48,087	59,961
	546,795	512,559

15. FINANCE COSTS

	Consolidated 30 Jun 2019 $	Consolidated 30 Jun 2018 $
Bank charges	7,952	1,924
Interest expenses	2,319	27,890
	10,271	29,814

16. AUDITOR'S REMUNERATION

	Consolidated 30 Jun 2019 $	Consolidated 30 Jun 2018 $
Audit / review of the financial report	50,584	8,850

17. SHARE-BASED PAYMENTS EXPENSE

Shares Issued

On 1 February 2019, 350,000 fully paid ordinary shares were issued at nil consideration to an employee pursuant to the Company's Employee Share Plan. Shares were valued at grant date at $0.28 per share for a total value of $98,000.

Performance Shares

On 16 January 2018, 13,000,000 performance shares were issued to two of the Directors on achievement of certain milestones. Mr V Rosenberg was issued 1,000,000 Class A Performance Shares, 3,000,000 Class B Performance Shares and 6,000,000 Class C Performance Shares. Mr Lyford was issued 1,000,000 Class D Performance Shares, 1,000,000 Class E Performance Shares and 1,000,000 Class F Performance Shares. Performance shares are subject to escrow for 24 months from the date of official quotation.

17. SHARE-BASED PAYMENTS EXPENSE (CONTINUED)

Each Class A Performance Share, Class B Performance Share, Class C Performance Share, Class D Performance Share, Class E Performance Share and Class F Performance Share (together and each being a Performance Share) is a share in the capital of the Company.

The conversion of shares are dependent on the following:

Class A Performance Shares

(A) In the event that the aggregate of the value of the ClearVue Orders and the ClearVue Payments is equal to or greater than $2,000,000 within a period of 24 months commencing on the date the Company is admitted to the Official List (Listing Date) (Class A Milestone 1), each Class A Performance Share will convert into one Share; or

(B) In the event that Class A Milestone 1 is not satisfied but the aggregate of the value of the ClearVue Orders and the ClearVue Payments is equal to or greater than $7,000,000 within a period of 36 months from the Listing Date (Class A Milestone 2), each Class A Performance Share will convert into one Share; or

(C) In the event that neither Class A Milestone 1 or Class A Milestone 2 is satisfied but the aggregate of the value of the ClearVue Orders and the ClearVue Payments is equal to or greater than $17,000,000 within a period of 48 months from the Listing Date, each Class A Performance Share will convert into one Share.

Class B Performance Shares

(A) In the event that the aggregate of the value of the ClearVue Orders and the ClearVue Payments is equal to or greater than $5,000,000 within a period of 24-36 months from the Listing Date (Class B Milestone 1), each Class B Performance Share will convert into one Share; or

(B) In the event that Class B Milestone 1 is not satisfied but the aggregate of the value of the ClearVue Orders and the ClearVue Payments is equal to or greater than $7,000,000 within a period of 36 months from the Listing Date (Class B Milestone 2), each Class B Performance Share will convert into one Share; or

(C) In the event that neither Class B Milestone 1 or Class B Milestone 2 is satisfied but the aggregate of the value of the ClearVue Orders and the ClearVue Payments is equal to or greater than $17,000,000 within a period of 48 months from the Listing Date, each Class B Performance Share will convert into one Share.

Class C Performance Shares

(A) In the event that the aggregate of the value of the ClearVue Orders and the ClearVue Payments is equal to or greater than $10,000,000 within a period of 36-48 months from the Listing Date (Class C Milestone 1), each Class C Performance Share will convert into one Share; or

(B) In the event that Class C Milestone 1 is not satisfied but the aggregate of the value of the ClearVue Orders and the ClearVue Payments is equal to or greater than $17,000,000 within a period of 48 months from the Listing Date, each Class C Performance Share will convert into one Share.

17. SHARE-BASED PAYMENTS EXPENSE (CONTINUED)

Class D Performance Shares

(A) In the event the Company executes two Agreements within a period of 12 months from the Listing Date (Class D Milestone 1), each Class D Performance Share will convert into one Share; or

(B) In the event that the Class D Milestone 1 is not satisfied but the Company executes four Agreements within a period of 24 months from the Listing Date, each Class D Performance Share will convert into one Share (Class D Milestone 2); or

(C) In the event that neither Class D Milestone 1 or Class D Milestone 2 is satisfied but the Company executes six Agreements within a period of 36 months from the Listing Date, each Class D Performance Share will convert into one Share.

Class E Performance Shares

(A) In the event the Company executes two Agreements within a period of 12-24 months from the Listing Date (Class E Milestone 1), each Class E Performance Share will convert into one Share; or

(B) In the event that Class E Milestone 1 is not satisfied but the Company executes four Agreements within a period of 24 months from the Listing Date, each Class E Performance Share will convert into one Share (Class E Milestone 2); or

(C) In the event that neither Class E Milestone 1 or Class E Milestone 2 are satisfied but the Company executes six Agreements within a period of 36 months from the Listing Date, each Class E Performance Share will convert into one Share.

Class F Performance Shares

(A) In the event the Company executes two Agreements within a period of 24-36 months from the Listing Date (Class F Milestone 1), each Class F Performance Share will convert into one Share; or

(B) In the event that Class F Milestone 1 is not satisfied but the Company executes six Agreements within a period of 36 months from the Listing Date, each Class F Performance Share will convert into one Share.

At 30 June 2019 and at the date of lodgement of this report the conversion milestones for the Performance Shares have not been met and therefore no Performance Shares have been converted into fully paid ordinary shares.

Grant Date	Performance Shares	Issue Price	$
16 January 2018	13,000,000	$0.16	2,080,000

Options

On 16 May 2018, 2,500,000 options to the value of $225,635 were were issued to Ventnor Capital Pty Ltd as the Lead Manager on completion of the IPO. Each option entitles the holder to subscribe for one fully paid ordinary share in the capital of the Company upon exercise of the option.

On the 21 December 2018, 8,550,000 unlisted options exercisable at $0.25 per option, with a total fair value of $1,380,492, were issued to consultants of the Company for services provided. All the options vested on grant date.

17. SHARE-BASED PAYMENTS EXPENSE (CONTINUED)

The Company has measured the fair value of the options granted during the current financial year by adapting a Black-Scholes option pricing model using the following inputs:

Grant Date	Expiry Date	Exercise Price	Share Price	Volatility	Risk Free Rate
21 Dec 2018	21 Jun 2021	$0.25	$0.28	96.65%	1.97%

2019

Grant Date	Expiry Date	Exercise Price	Balance at the start of the year	Granted	Exercised	Expired / Forfeited / Other	Balance at the end of the year
21/06/2017	21/06/2021	$0.25	54,458,024	-	(2,360,000)	-	52,098,024
16/05/2018	21/06/2021	$0.25	2,500,000	-	-	-	2,500,000
21/12/2018	21/06/2021	$0.25	-	8,550,000	-	-	8,550,000
			56,958,024	8,550,000	(2,360,000)	-	63,148,024

2018

Grant Date	Expiry Date	Exercise Price	Balance at the start of the year	Granted	Exercised	Expired / Forfeited / Other	Balance at the end of the year
21/06/2017	21/06/2021	$0.25	54,458,024	-	-	-	54,458,024
16/05/2018	21/06/2021	$0.25	-	2,500,000	-	-	2,500,000
			54,458,024	2,500,000	-	-	56,958,024

18. RELATED PARTY TRANSACTIONS

Key management personnel

The aggregate compensation made to directors and key management personnels of the Group is set out below.

	Consolidated 30 Jun 2019 $	Consolidated 30 Jun 2018 $
Short-term employee benefits	558,378	357,969
Post-employment benefits	48,726	18,785
Long-term employee benefits	-	-
Share-based payments	98,000	2,080,000
	705,104	2,456,754

18. RELATED PARTY TRANSACTIONS (CONTINUED)

Transactions with related parties
During the financial year, the following payments were made to director-related entities:

	Consolidated 30 Jun 2019 $	Consolidated 30 Jun 2018 $
Consulting services from Elevation Partners Pty Ltd [1]	950	22,206
Corporate advisory services from ICW Capital [2]	44,000	273,632
Company secretarial services from Ventnor Capital Pty Ltd [3]	77,838	36,368
Lead manager services from Ventnor Securities Pty Ltd [3]	-	729,135

[1] Director-related entity of Mr Lyford
[2] Director-related entity of Mr Wu
[3] Director-related entity of Mr Carmichael

Receivable from and payable to related parties
All transactions were made on normal commercial terms and conditions and at market rates.

	Consolidated 30 Jun 2019 $	Consolidated 30 Jun 2018 $
Trade payable to Ventnor Capital Pty Ltd[1]	4,125	6,143
Share plan reserve to Mr V Rosenberg[2]	150,000	150,000
Share plan reserve to Mr S Rosenberg[3]	18,750	18,750
Share plan reserve to Mr Lyford[4]	292,500	292,500

[1] Director-related entity of Mr Carmichael
[2] For the purchase of 1,000,000 shares at an issue price of $0.15
[3] For the purchase of 125,000 shares at an issue price of $0.15
[4] For the purchase of 1,950,000 shares at an issue price of $0.15

19. CONTINGENT ASSETS & LIABILITIES

There were no contingent assets or liabilities as at 30 June 2019 (2018: nil).

20. EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 5 September 2019, the Company announced the offer to shareholders to participate in a share purchase plan (‘SPP’) to raise $2,000,000 (before costs) and a Top-Up placement placement of an additional $2,000,000. The SPP entitles eligible shareholders to purchase up to $30,000 worth of shares at an issue price of $0.001 per share. The SPP is underwritten by Patersons Securities Limited to the lesser of $2,000,000 and the amount which is equal to the maximum number of shares available under the current capacity of the Company pursuant ASX Listing Rules 7.1 (6,109,545 shares) and 7.1A (9,773,030 shares) multiplied by the Issue Price. They have been mandated to act as Lead Manager and Underwriter to the SPP and Lead Manager to the Top-Up placement.

No other matter matter or circumstances has arisen since 30 June 2019 that has significantly affected, or may significantly affect the Company’s operations, the results of those operations, or the Company’s state of affairs in future financial years.

21. COMMITMENTS

	Consolidated 30 Jun 2019 $	Consolidated 30 Jun 2018 $
Capital commitment		
Within 1 year	214,283	175,150
Within 5 years	-	143,217
	214,283	318,367
Operating lease commitment		
Within 1 year	52,253	-
Within 5 years	56,135	-
	108,388	-

Operating lease commitments includes amounts for offices and photocopier services, expiring within 2 years.

22. DIVIDENDS

No dividend has been declared or paid out in the financial year ended 30 June 2019 (2018: nil). The directors do not recommend the declaration of a dividend.

23. OPERATING SEGMENTS

Management has determined the operating segments based on reports reviewed by the Board of Directors for making strategic decisions. The current Board of Directors monitors the business based on operational and geographic factors and have determined that there is only one relevant business segment being ClearVue Technologies Limited. The Group is domiciled in Australia and all revenue and expenditure is generated from Australia, and all assets are located in Australia

24. INTEREST IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy in Note 2.

		Ownership Interest	
Name	**Country of Incorporation**	**2019**	**2018**
ClearVue International Pty Ltd	Australia	100%	100%
ClearVue USA Inc	United States of America	100%	100%

25. PARENT ENTITY INFORMATION

	30 Jun 2019 $	Restated 30 Jun 2018 $
Consolidated Statement of profit or loss and other comprehensive income		
Loss after income tax	(4,044,009)	(3,685,830)
Total comprehensive income	(4,044,009)	(3,685,830)
Consolidated Statement of financial position		
Total current assets	1,797,643	3,937,352
Total assets	3,959,972	5,538,887
Total current liabilities	707,003	316,953
Total liabilities	713,555	316,953
Share capital	10,681,302	9,993,302
Reserves	4,223,027	2,842,535
Retained earnings	(11,657,912)	(7,613,903)
	3,246,417	5,221,934

Guarantees
The parent entity had no guarantees that were entered in relation to the debts of its subsidiaries.

Contingent Liabilities
The parent entity had no contingent liabilities as at 30 June 2019 and 30 June 2018.

Capital Commitments
The parent entity had no capital commitments as at 30 June 2019 and 30 June 2018.

Significant Accouting Policies
The accounting policies for the parent entity are consistent with those of the consolidated entity, as disclosed in Note 2.

26. INCOME TAX

	Consolidated 30 Jun 2019 $	Restated Consolidated 30 Jun 2018 $
The prima facie tax expense on pre-tax accounting loss from operations reconciles to the income tax expense as follows:		
Loss before income tax	(3,852,963)	(3,685,830)
Tax at statutory rate of 27.5% (2018: 27.5%)	(1,059,565)	(1,013,603)
Non-deductible expenditure	409,416	743,842
Temporary differences and loss not recognised	(17,056)	8,178
Tax losses not brought to account as deferred tax asset	425,562	-
Tax gains not brought to account as deferred tax liabilities	-	(77,377)
Refundable research expenditure	241,643	338,960
Income tax benefit reported in income statement	-	-

As at 30 June 2019, there was $3,975,840 tax losses carried forward (2018: $2,428,343).

27. LOSS PER SHARE

	Consolidated 30 Jun 2019 $	Restated Consolidated 30 Jun 2018 $
Loss after income tax used in calculating basic and diluted earnings per share	(3,852,963)	(3,685,830)
	No.	No.
Weighted average number or ordinary shares used in calculating basic and diluted earnings per share	96,974,766	46,825,717
	Cents	Cents
Basic loss per share	(3.97)	(7.87)
Diluted loss per share	(3.97)	(7.87)

28. FINANCIAL INSTRUMENTS

Financial risk management objectives
The Company's principal financial instruments comprise cash, receivables, payables and related party loans.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified.

28. FINANCIAL INSTRUMENTS (CONTINUED)

The Company manages its exposure to key financial risks, including interest rate, credit and liquidity risks in accordance with the Company's risk management policy. The primary objective of the policy is to reduce the volatility of cash flows and asset values arising from such movements.

The Company uses different methods to measure and manage the different types of risks to which it is exposed. These include monitoring the levels of exposure to interest rate risk, ageing analysis and monitoring of credit allowances to manage credit risk and the use of future cash flow forecasts to monitor liquidity risk.

Significant accounting policies
Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

Credit risk
The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was:

	Consolidated 30 Jun 2019 $	Restated Consolidated 30 Jun 2018 $
Cash and cash equivalents	1,376,936	3,818,763
Trade and other receivables	623,426	118,589
	2,000,362	3,937,352

The Company's maximum exposure to interest rates at the reporting date was:

		Interest Rate Exposure				
	Range of Effective Interest Rate	Carrying Amount	Variable Interest Rate	Non Interest Bearing	Floating Interest Rate	Total
2019	(%)	$	$	$	$	$
Financial Assets - Current						
Cash and cash equivalents	0.36	1,376,936	1,376,936	-	-	1,376,936
2018						
Financial Assets - Current						
Cash and cash equivalents	0.07	3,818,763	3,818,763	-	-	3,818,763

28. FINANCIAL INSTRUMENTS (CONTINUED)

The Company's maximum exposure to credit risk for trade and other receivables at the reporting date was:

			Past due but not impaired			
	Carrying Amount	Not past due and not impaired	1-3 Months	3 Months to 1 Year	1 Year to 5 Years	Impaired Financial Assets
2019	**$**	**$**	**$**	**$**	**$**	**$**
Financial Assets - Current						
Trade and other receivables	623,426	623,426	623,426	-	-	-
2018						
Financial Assets - Current						
Trade and other receivables	118,589	118,589	118,589	-	-	-

Liquidity risk

The carrying amount of the Company's financial liabilities represents the maximum liquidity risk. The Company's maximum exposure to liquidity risk at the reporting date was:

	Consolidated 30 Jun 2019 $	Consolidated 30 Jun 2018 $
Trade and other payables	625,855	316,953
	625,855	316,953

The following table discloses the contractual maturity analysis at the reporting date:

			Maturity Dates			
	Carrying Amount	Less than 1 month	1-3 months	3 months to 1 year	1 Year to 5 years	Over 5 years
2019	**$**	**$**	**$**	**$**	**$**	**$**
Financial Liabilities - Current						
Trade and other payables	625,855	625,855	-	-	-	-
2018						
Financial Liabilities - Current						
Trade and other payables	316,953	316,953	-	-	-	-

Market risk

The Company is not exposed to any foreign currency risk or other price risk at the report date. The Company's only exposure to interest rate risk is cash as disclosed below.

Sensitivity disclosure analysis

Taking into account past performance, future expectations and economic forecasts, the Company believes the following movements are 'reasonably possible' over the next 12 months (base rates are sourced from the Reserve Bank of Australia).

28. FINANCIAL INSTRUMENTS (CONTINUED)

It is considered that 100 basis points is a ‘reasonably possible’ estimate of potential variations in the interest rate.

The following table discloses the impact on net operating result and equity for each category of financial instrument held by the Company at year end as presented to key management personnel, if changes in the relevant risk occur.

		Interest Rate Risk			
	Carrying	+1%		-1%	
	Amount	Profit	Equity	Profit	Equity
2019	**$**	**$**	**$**	**$**	**$**
Financial Assets - Current					
Cash and cash equivalents	1,376,936	13,769	13,769	(13,769)	(13,769)
2018					
Financial Assets - Current					
Cash and cash equivalents	3,818,763	38,188	38,188	(38,188)	(38,188)

DIRECTORS' DECLARATION

1. In the opinion of the directors of Clearvue Technologies Limited:

   (a) the consolidated financial report and notes set out on pages 20 to 53 are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of its financial position as at 30 June 2019 and of their performance for the period from 1 July 2018 to 30 June 2019; and

      (ii) complying with Australian Accounting Standards (including the Australian Interpretations) and the Corporations Regulations 2001; and

   (b) at the date of this declaration, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

2. The financial report comply with International Financial Reporting Standards (IFRS) as described in Note 2.

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

The declaration is made in accordance with a resolution of the Board of Directors required by section 295(5)(a) of the Corporations Act 2001.

....
Victor Rosenberg

Perth WA,

Date: 27 September 2019

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Independent Auditor's Report

To the Members of Clearvue Technologies Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Clearvue Technologies Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, 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:

a giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the year ended on that date; and

b 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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We 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 2.1 in the financial statements, which indicates that the Group incurred a net loss of $3,852,963 during the year ended 30 June 2019, and as of that date, the Group reported cash outflows from operating activities totalling $2,998,195. As stated in Note 2.2, these events or conditions, along with other matters as set forth in Note 2.2, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Grant Thornton

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.

Key audit matter	How our audit addressed the key audit matter
Intangible asset Note 8	
The Group has recorded intangible assets totalling $1,877,072 (2018: $1,493,159) at 30 June 2019 for patent and research and development assets relating to the Group's advance glass technology. The process to measure the amount of costs to recognise as capitalised development costs uses management judgment for commercial and technical feasibility of the project, including the assessment of future economic benefits. This area is a key audit matter due to the subjectivity involved in assessing the recognition criteria for capitalised development costs and the level of management judgement involved in assessing impairment on the costs capitalised in accordance with AASB 136 *Impairment*	Our procedures included, amongst others: • assessing the appropriateness of management's policy for capitalising development costs pursuant to AASB 138 *Intangible Assets*; • understanding and documenting management's process of determining the carrying value of the intangible assets, by obtaining and assessing their position paper and assessment against recoverable amount, and evaluating the group's compliance with the requirements of AASB 136; • critically assessed management's methodology and evaluated the assumptions supporting the recoverable amount; • examining contractual agreements entered into to confirm the existing patents held by the Group that support project activities; • assessing the appropriateness of the amortisation expense recorded against management's assessment of the assets estimated useful life; and • assessing the adequacy of disclosures in the financial statements.
Accounting for Research and Development tax incentives Note 13	
The Group received Research and Development (R&D) tax incentive payments under the research and development tax incentive scheme from the Australian Government. The recognition of R&D incentives reduces the costs for R&D activities of the Group. The company recorded $1,095,548 in R&D incentives relating to the R&D activities for the financial year ended 30 June 2019. This was a key audit matter because of the level of judgement required in determining the value of eligible costs to be included as R&D costs in accordance with the relevant tax legalisation for R&D incentives.	Our procedures included, amongst others: • making enquiries with management and management's expert to obtain and document our understanding of their process to calculate the R&D tax incentive; • comparing the nature of the R&D expenditure included in the current year estimate to the prior year claim; • evaluation of management's processes and controls to determine if it appropriately addresses the risks; • testing a sample of expenses to underlying supporting data to ensure their inclusion as eligible expenditure was appropriate; • engaging auditor's R&D taxation experts to obtain an understanding of the Group's compliance with the relevant R&D tax incentives; • reviewing historical reliability of estimates and budgets and changes in legislation to support the reliability of the estimate; and • assessing the adequacy of the Group's disclosures in the financial statements.

Grant Thornton

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our 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 Group's ability 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 have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.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 pages 5 to 15 of the Directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Clearvue Technologies Limited, for the year ended 30 June 2019 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.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

L A Stella
Partner – Audit & Assurance

Perth, 27 September 2019

ASX ADDITIONAL INFORMATION

Additional information required by the ASX Limited Listing Rules not disclosed elsewhere in this Annual Report is set out below.

SHAREHOLDINGS

The issued capital of the Company at 27 September 2019 is 97,730,300 ordinary fully paid shares. All ordinary shares carry one vote per share.

TOP 20 SHAREHOLDERS AS AT 27 SEPTEMBER 2019

		No. of Shares Held	% Held
1	LUMINATE PTY LTD	19,263,593	19.71%
2	MR IAN ROSENBERG	6,455,000	6.60%
3	ELEVATION VENTURES PL <J3 TRUST ACCOUNT>	3,550,000	3.63%
4	ROSENBERG VICTOR	3,146,506	3.22%
5	I ROSENBERG FAM PL	3,100,081	3.17%
6	HAWERA PL	2,500,000	2.56%
7	DEV NOM PL	2,031,451	2.08%
8	RUSSELL PETER DARREN	1,569,910	1.61%
9	ROSENBERG IAN	1,411,152	1.44%
10	IEWU PL	1,362,388	1.39%
11	MUSKI NATALIE	1,125,162	1.15%
12	GRAZFAM PL	984,400	1.01%
13	VALENTINE STEPHEN JOHN	941,000	0.96%
14	ROSENBERG SEAN	750,000	0.77%
15	GREER DAVID GREGORY	675,000	0.69%
16	HUGOPEGGY PL	662,500	0.68%
17	OLIVER OCEAN PL <ESSADAN FAM A/C>	649,076	0.66%
18	MOSS ADRIAN RICHARD	600,000	0.61%
19	SUMARRIA MEENA + CHANDRA	500,000	0.51%
20	ALLEN DAVID PHILIP	444,990	0.46%
	TOTAL	**51,722,209**	**52.91%**

Shares Range	**No. of Holders**	**No. of Shares**
1 - 1,000	89	48,790
1,001 - 5,000	696	2,026,551
5,001 - 10,000	380	3,070,309
10,001 - 100,000	653	22,243,057
Over 100,000	118	70,341,593
	1,936	**97,730,300**

453 shareholders holding less than a marketable parcel

Shareholders by Location	**No. of Holders**	**No. of Shares**
Australian holders	1,895	95,490,744
Overseas holders	41	2,239,556
	1,936	**97,730,300**

VOTING RIGHTS

The holders of ordinary shares are entitled to one vote per share at meetings of the Group.

SUBSTANTIAL SHAREHOLDERS AS AT 27 SEPTEMBER 2019

	No. of Shares Held	% Held
LUMINATE PTY LTD	19,263,593	19.71%
MR IAN ROSENBERG	6,455,000	6.60%

OPTION HOLDINGS

Class	Terms	No. of Options
A	Exercisable at $0.25 each, expiring 21 June 2021	56,958,024

Options Range	Unlisted Options	
	No. of Holders	No. of Options
1 – 1,000	-	-
1,001 – 5,000	1	1,850
5,001 – 10,000	-	-
10,001 – 100,000	39	2,390,249
100,001 and over	45	54,565,925
	85	**56,958,024**

The following Option holders hold more than 20% of the single class of the Company's Unlisted Options.

Holder	No. of options	%
Luminate	19,513,593	34.26%

PERFORMANCE SHARES

Class	Terms	No. of Perf Shares
A	Converting 1:1 into fully paid ordinary shares on satisfaction of milestone/s*	1,000,000
B	Converting 1:1 into fully paid ordinary shares on satisfaction of milestone/s*	3,000,000
C	Converting 1:1 into fully paid ordinary shares on satisfaction of milestone/s*	6,000,000
D	Converting 1:1 into fully paid ordinary shares on satisfaction of milestone/s*	1,000,000
E	Converting 1:1 into fully paid ordinary shares on satisfaction of milestone/s*	1,000,000
F	Converting 1:1 into fully paid ordinary shares on satisfaction of milestone/s*	1,000,000
		13,000,000

*The Performance Shares in the relevant class will convert into Shares upon satisfaction of the milestones as follows:
Class A Performance Shares:

- In the event that the aggregate of the value of the ClearVue Orders and the ClearVue Payments is equal to or greater than $2,000,000 within a period of 24 months commencing on the date the Company is admitted to the Official List (**Listing Date**) (**Class A Milestone 1**), each Class A Performance Share will convert into one fully paid ordinary share in the Company (**Share**); or

- In the event that Class A Milestone 1 is not satisfied but the aggregate of the value of the ClearVue Orders and the ClearVue Payments is equal to or greater than $7,000,000 within a period of 36 months from the Listing Date (**Class A Milestone 2**), each Class A Performance Share will convert into one Share; or
- In the event that neither Class A Milestone 1 or Class A Milestone 2 is satisfied but the aggregate of the value of the ClearVue Orders and the ClearVue Payments is equal to or greater than $17,000,000 within a period of 48 months from the Listing Date, each Class A Performance Share will convert into one Share.

Class B Performance Shares:
- In the event that the aggregate of the value of the ClearVue Orders and the ClearVue Payments is equal to or greater than $5,000,000 within a period of 24-36 months from the Listing Date (**Class B Milestone 1**), each Class B Performance Share will convert into one Share; or
- In the event that Class B Milestone 1 is not satisfied but the aggregate of the value of the ClearVue Orders and the ClearVue Payments is equal to or greater than $7,000,000 within a period of 36 months from the Listing Date (**Class B Milestone 2**), each Class B Performance Share will convert into one Share; or
- In the event that neither Class B Milestone 1 or Class B Milestone 2 is satisfied but the aggregate of the value of the ClearVue Orders and the ClearVue Payments is equal to or greater than $17,000,000 within a period of 48 months from the Listing Date, each Class B Performance Share will convert into one Share.

Class C Performance Shares:
- In the event that the aggregate of the value of the ClearVue Orders and the ClearVue Payments is equal to or greater than $10,000,000 within a period of 36-48 months from the Listing Date (**Class C Milestone 1**), each Class C Performance Share will convert into one Share; or
- In the event that Class C Milestone 1 is not satisfied but the aggregate of the value of the ClearVue Orders and the ClearVue Payments is equal to or greater than $17,000,000 within a period of 48 months from the Listing Date, each Class C Performance Share will convert into one Share.

Class D Performance Shares:
- In the event the Company executes two Agreements within a period of 12 months from the Listing Date (**Class D Milestone 1**), each Class D Performance Share will convert into one Share; or
- In the event that the Class D Milestone 1 is not satisfied but the Company executes four Agreements within a period of 24 months from the Listing Date, each Class D Performance Share will convert into one Share (**Class D Milestone 2**); or
- In the event that the Class D Milestone 1 or the Class D Milestone 2 are not satisfied but the Company executes six Agreements within a period of 36 months from the Listing Date, each Class D Performance Share will convert into one Share.

Class E Performance Shares:
- In the event the Company executes two Agreements within a period of 12-24 months from the Listing Date (**Class E Milestone 1**), each Class E Performance Share will convert into one Share; or
- In the event that Class E Milestone 1 is not satisfied but the Company executes four Agreements within a period of 24 months from the Listing Date, each Class E Performance Share will convert into one Share (**Class E Milestone 2**); or
- In the event that the Class E Milestone 1 or the Class E Milestone 2 are not satisfied but the Company executes six Agreements within a period of 36 months from the Listing Date, each Class E Performance Share will convert into one Share.

Class F Performance Shares:
- In the event the Company executes two Agreements within a period of 24-36 months from the Listing Date (**Class F Milestone 1**), each Class F Performance Share will convert into one Share; or
- In the event that Class F Milestone 1 is not satisfied but the Company executes six Agreements within a period of 36 months from the Listing Date, each Class F Performance Share will convert into one Share.

ClearVue Technologies Limited
Shareholder information
30 June 2019

The following holders hold all of the Company’s Performance Shares on issue.

Holder	No. of Perf Shares Class A	Class B	Class C	Class D	Class E	Class F
MR VICTOR ROSENBERG	1,000,000	3,000,000	6,000,000	-	-	-
ELEVATION VENTURES PTY LTD <THE J3 TRUST ACCOUNT>	-	-	-	1,000,000	1,000,000	1,000,000
TOTAL	**1,000,000**	**3,000,000**	**6,000,000**	**1,000,000**	**1,000,000**	**1,000,000**

None of the Performance Shares conversion milestones were met during the year, or subsequently to date.

REQUIREMENT LISTING RULE 4.10.18

In accordance with the listing rule 4.10.18 the Company confirms that it is not currently subject to an on-market buyback.

REQUIREMENT LISTING RULE 4.10.19

In accordance with the listing rule 4.10.19 the Company confirms that it has used cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its stated business objectives.