

APPENDIX 4D

Consolidated Interim Financial Report for the half-year ended 31 December 2019

1. Name of Entity

Clearvue Technologies Limited (ABN 45 071 397 487)

| | |
|---|----------------------------------|
| Reporting Period | Half-year ended 31 December 2019 |
| Previous Corresponding Reporting Period | Half-year ended 31 December 2018 |

2. Results for Announcement to Market

| Financial results | Up / Down | % Change | 2019 | 2018 |
|---|---|-----------------|-------------|-------------|
| Revenue from ordinary activities | Down | 47.95 | 378,949 | 727,997 |
| Loss after tax from ordinary activities attributable to members | Down | 54.33 | (1,218,441) | (2,667,754) |
| Loss attributable to members | Down | 54.33 | (1,218,441) | (2,667,754) |
| Final and interim dividends | It is not proposed that either a final or interim dividend be paid. | | | |
| Record date for determining entitlements to the dividend | N/A | | | |
| Brief explanation of any of the figures reported above | During the period, the Company entered into collaboration, distribution and supply agreements to further the development and distribution of the ClearVue products in its existing markets. | | | |

3. Net Tangible Asset Backing per Ordinary Share

Cents

| | |
|---|------|
| Net tangible asset backing per ordinary share – current reporting period | 1.68 |
| Net tangible asset backing per ordinary share – previous reporting period | 2.99 |

4. Control Gained Over Entities

| | |
|--|---|
| Details of entities over which control has been gained or lost | The Company created a Singapore-based entity, ClearVue Asia Pte Ltd as a 100% owned private subsidiary of ClearVue, to support its expansion and market entry into the South East Asian region. |
|--|---|

5. Dividends Paid and Payable

| | |
|---|--|
| Details of dividends or distribution payments | No dividends or distributions are payable. |
|---|--|

6. Dividend Reinvestment Plans

| | |
|--|---|
| Details of dividend or distribution reinvestment plans | There is no dividend reinvestment program in operation for Clearvue Technologies Limited. |
|--|---|

For personal use only

7. Details of Associates

| | |
|--|-----|
| Details of associates and joint venture entities | N/A |
|--|-----|

8. Foreign Entities

| | |
|--|-----|
| Foreign entities to disclose which accounting standards are used in compiling the report | N/A |
|--|-----|

9. Review Opinion

| | |
|---|--|
| Details of any audit dispute or qualification | There are no audit disputes or qualifications to the review opinion. |
|---|--|



Victor Rosenberg
Executive Chairman

Perth WA
28 February 2020

For personal use only



CLEARVUE TECHNOLOGIES LIMITED AND ITS CONTROLLED ENTITIES

ABN 45 071 397 487

Consolidated Interim Financial Report

For the half-year ended 31 December 2019

For personal use only

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

COMPANY INFORMATION

DIRECTORS

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

AUDITORS

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

COMPANY SECRETARY

Brett Tucker
Deborah Ho

SOLICITORS

Steinepreis Paganin
16 Milligan Street
Perth WA 6000

REGISTERED OFFICE

Ground Floor
16 Ord Street
West Perth WA 6005

SHARE REGISTRY

Automic Group
Level 2, 267 St Georges Terrace
Perth WA 6000

PRINCIPAL BANKERS

National Australia Bank Limited
Level 12, 100 St Georges Terrace
Perth WA 6000

STOCK EXCHANGE LISTING

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

For personal use only

CONTENT

| | <u>PAGE</u> |
|--|----------------|
| Directors' Report | 1 – 2 |
| Auditor's Independence Declaration | 3 |
| Consolidated Statement of Profit or Loss and Other Comprehensive Income | 4 |
| Consolidated Statement of Financial Position | 5 |
| Consolidated Statement of Changes in Equity | 6 |
| Consolidated Statement of Cash Flows | 7 |
| Notes to the Financial Statements | 8 – 19 |
| Directors' Declaration | 20 |
| Independent Auditor's Report | 21 – 22 |

For personal use only

DIRECTORS' REPORT

The Directors are pleased to present their report together with the consolidated financial statements of Clearvue Technologies Limited ("the Company") and its controlled entities ("the Group") at the end of, or during, the half-year ended 31 December 2019.

1. DIRECTORS

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

Victor Rosenberg
Sean Rosenberg
Jamie Lyford
Ivan Wu
Stuart Carmichael

2. PRINCIPAL ACTIVITIES

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

3. REVIEW OF OPERATIONS AND FINANCIAL RESULTS

The operating result of the Group for the current half-year is a loss of \$1,218,441 (2018: \$2,667,754).

Operations

During the half-year ended 31 December 2019, the Company had entered into collaboration, distribution and supply agreements to further the development and distribution of the ClearVue products in its existing markets as well as created a Singapore-based operating entity to support its expansion and market entry into the South East Asian region.

During the half-year, the Company also received its UL 61730 certification, IEC 61730 certification and IEC 61215 certification. These certifications allow the Company to focus on sales outreach activities into the US and Europe.

Corporate

On 18 October 2019, the Company issued 13,422,744 fully paid ordinary shares at an issue price of \$0.149 each to raise \$2,000,000, pursuant to the Company's share purchase plan ('SPP') as announced in September 2019.

DIRECTORS' REPORT

4. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial half-year.

5. EVENTS ARISING SINCE THE END OF THE REPORTING PERIOD

No matters or circumstances not otherwise dealt with in this report have arisen since the end of the financial year to the date of this report which has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or state of affairs of the Group in subsequent financial years.

6. 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 on page 3.

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



Victor Rosenberg
Executive Chairman

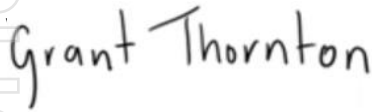
Perth WA
28 February 2020

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 review of ClearVue Technologies Limited for the year ended 31 December 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 review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L A Stella
Partner – Audit & Assurance

Perth, 28 February 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

| | <u>Note</u> | <u>Consolidated</u> <u>31 Dec 2019</u> \$ | <u>Consolidated</u> <u>31 Dec 2018</u> \$ |
|--|-------------|---|---|
| Other income | 7 | 378,949 | 727,997 |
| Expenses | | | |
| Consulting expense | | (534,644) | (286,501) |
| Depreciation and amortisation expense | | (91,953) | (44,413) |
| Employee benefits expense | | (355,857) | (438,792) |
| Finance costs | | (8,917) | (3,173) |
| Legal fees | | (30,709) | (7,145) |
| Material costs | | (146,182) | (345,507) |
| Project costs | | (98,498) | (264,688) |
| Share-based payments expense | | - | (1,380,492) |
| Travel expense | | (121,103) | (325,666) |
| Other expenses | 8 | (209,527) | (299,374) |
| | | <u>(1,597,390)</u> | <u>(3,395,751)</u> |
| Loss before income tax | | (1,218,441) | (2,667,754) |
| Income tax expense | | - | - |
| Loss for the half-year, representing total comprehensive loss for the half-year | | <u>(1,218,441)</u> | <u>(2,667,754)</u> |
| Loss per share for loss attributable to the owners of the Company (cents) | | | |
| Basic loss per share | 17 | (1.18) | (2.77) |
| Diluted loss per share | 17 | (1.18) | (2.77) |

See accompanying notes to the financial statements

For personal use only

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2019

| | <u>Note</u> | <u>Consolidated</u> <u>31 Dec 2019</u> \$ | <u>Consolidated</u> <u>30 Jun 2019</u> \$ |
|--------------------------------|-------------|---|---|
| <u>ASSETS</u> | | | |
| Current Assets | | | |
| Cash and cash equivalents | | 1,730,396 | 1,376,936 |
| Trade and other receivables | 9 | 866,764 | 623,426 |
| Other assets | | 129,455 | 90,208 |
| | | 2,726,615 | 2,090,570 |
| Non-Current Assets | | | |
| Plant and equipment | 10 | 116,105 | 128,022 |
| Right-of-use asset | 11 | 192,852 | - |
| Intangible assets | 12 | 2,003,772 | 1,877,072 |
| Other assets | | 56,683 | 55,354 |
| | | 2,369,412 | 2,060,448 |
| Total Assets | | 5,096,027 | 4,151,018 |
| <u>LIABILITIES</u> | | | |
| Current Liabilities | | | |
| Trade and other payables | | 755,437 | 625,855 |
| Lease liabilities | 13 | 44,469 | - |
| Provisions | 14 | 76,631 | 81,148 |
| | | 876,537 | 707,003 |
| Non-Current Liabilities | | | |
| Lease liabilities | 13 | 150,546 | - |
| Provisions | 14 | 10,043 | 6,552 |
| | | 160,589 | 6,552 |
| Total Liabilities | | 1,037,126 | 713,555 |
| Net Assets | | 4,058,901 | 3,437,463 |
| <u>EQUITY</u> | | | |
| Share capital | 15 | 12,521,181 | 10,681,302 |
| Share-based payments reserve | 16 | 4,223,027 | 4,223,027 |
| Accumulated losses | | (12,685,307) | (11,466,866) |
| Total Equity | | 4,058,901 | 3,437,463 |

See accompanying notes to the financial statements

For personal use only

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

| | Share Capital | Share-Based Payments Reserve | Accumulated Losses | Total |
|--|-------------------|------------------------------------|-----------------------|------------------|
| | \$ | \$ | \$ | \$ |
| Balance at 1 July 2018 | 9,993,302 | 2,842,535 | (7,613,903) | 5,221,934 |
| Options exercised | 590,000 | - | - | 590,000 |
| Share-based payments | - | 1,380,492 | - | 1,380,492 |
| Loss after income tax expense for the half-year | - | - | (2,667,754) | (2,667,754) |
| Other comprehensive income for the half-year | - | - | - | - |
| Total comprehensive loss for the half-year | - | - | (2,667,754) | (2,667,754) |
| Balance at 31 December 2018 | 10,583,302 | 4,223,027 | (10,281,657) | 4,524,672 |
| Balance at 1 July 2019 | 10,681,302 | 4,223,027 | (11,466,866) | 3,437,463 |
| Shares issued | 1,839,879 | - | - | 1,839,879 |
| Loss after income tax expense for the half-year | - | - | (1,218,441) | (1,218,441) |
| Other comprehensive income for the half-year | - | - | - | - |
| Total comprehensive loss for the half-year | - | - | (1,218,441) | (1,218,441) |
| Balance at 31 December 2019 | 12,521,181 | 4,223,027 | (12,685,307) | 4,058,901 |

See accompanying notes to the financial statements

For personal use only

CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

| | Consolidated 31 Dec 2019 | Consolidated 31 Dec 2018 |
|--|-------------------------------------|-------------------------------------|
| | \$ | \$ |
| Cash flows from operating activities | | |
| Loss before income tax | (1,218,441) | (2,667,754) |
| <i>Adjustment for:</i> | | |
| Depreciation of plant and equipment | 54,143 | 14,997 |
| Amortisation of intangible assets | 37,810 | 29,416 |
| Patents forfeited | 6,540 | - |
| Share-based expense | - | 1,380,492 |
| Operating loss before working capital changes | <u>(1,119,948)</u> | <u>(1,242,849)</u> |
| Changes in working capital: | | |
| (Increase) in trade and other receivables | (243,338) | (26,185) |
| (Increase) in other assets | (40,576) | - |
| Increase in trade and other payables | 247,816 | 26,711 |
| (Decrease) / increase in provisions | (1,026) | 70,605 |
| Net cash (used in) operating activities | <u>(1,157,072)</u> | <u>(1,171,718)</u> |
| Cash flows from investing activities | | |
| Patents and trademarks expenditure | (267,121) | (150,562) |
| Research and development expenditure | (29,334) | (126,570) |
| Purchase of plant & equipment | (11,750) | (47,279) |
| Net cash (used in) investing activities | <u>(308,205)</u> | <u>(324,411)</u> |
| Cash flows from financing activities | | |
| Issuance of ordinary shares | 2,000,000 | 590,000 |
| Share issuance cost | (160,121) | - |
| Lease payments | (21,142) | - |
| Net cash from financing activities | <u>1,818,737</u> | <u>590,000</u> |
| Net increase / (decrease) in bank balances | 353,460 | (906,129) |
| Bank balances at beginning of half-year | 1,376,936 | 3,818,763 |
| Bank balances at end of half-year | <u>1,730,396</u> | <u>2,912,634</u> |

See accompanying notes to the financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

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

1. GENERAL INFORMATION

Nature of Operations

The principal activities of the Group include research and development activities applied to the Company's world leading solar glass technology.

Basis of Preparation and Statement of Compliance

This general purpose consolidated interim financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

They do not include all of the information required in an annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the Annual Report of the Group for the year ended 30 June 2019 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and Corporations Act 2001.

The consolidated interim financial report has been approved and authorised for issue, in accordance with a resolution of Directors, on the 28 February 2020.

Going Concern

The Group incurred an operating loss after income tax for the half-year ended 31 December 2019 of \$1,218,441 and reported net cash outflows from operating activities of \$1,119,948 and investing activities of \$308,205. As at 31 December 2019, the Group had available cash and cash equivalents of \$1,730,396.

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 of an additional \$2,000,000. The SPP entitled eligible shareholders to purchase up to \$30,000 worth of shares at an issue price of \$0.149 per share. The SPP was 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. On 18 October 2019, the Company issued 13,422,744 fully paid ordinary shares at an issue price of \$0.149 each to raise \$2,000,000, pursuant to the Company's SPP.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

2. NEW 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 that are mandatory for the current reporting period. Accounting Standards and Interpretations adopted by the Group that are mandatory for the current reporting period:

AASB 16 Leases

AASB 16 replaces AASB 117 *Leases* and introduces a single lessee accounting model that requires a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Right-of-use assets are initially measured at cost and lease liabilities are initially measured on a present value basis. Subsequent to initial recognition:

- (a) Right-of-use assets are accounted for on a similar basis to non-financial assets, whereby the right-of-use asset is accounted for on a cost basis unless the underlying asset is accounted for on a revaluation basis, in which case if the underlying asset is:
 - i. Investment property, the lessee applies the fair value model in AASB 140 *Investment Property* to the right-of-use asset; or
 - ii. Property, plant or equipment, the applies the revaluation model in AASB 116 *Property, Plant and Equipment* to all of the right-of-use assets that relate to that class of property, plant and equipment; and
- (b) Lease liabilities are accounted for on a similar basis to other financial liabilities, whereby interest expense is recognised in respect of the lease liability and the carrying amount of the lease liability is reduced to reflect the principal portion of lease payments made.

AASB 16 substantially carries forward the lessor accounting requirements of the predecessor standard, AASB 117. Accordingly, under AASB 16 a lessor continues to classify its leases as operating leases or finance leases subject to whether the lease transfers to the lessee substantially all of the risks and rewards incidental to ownership of the underlying asset, and accounts for each type of lease in a manner consistent with the current approach under AASB 117.

The Group applied the practical expedient for short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application.

The Group recognises right-of-use assets totalling \$216,157 representing its right to use the underlying asset and lease liabilities representing its obligations to make lease payments with exemptions for short-term leases and leases of low-value items. The recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate of 4.66%. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

2. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED (CONTINUED)

The following is a reconciliation of total operating lease commitments at 30 June 2019 to the lease liabilities recognised at 1 July 2019:

| | \$ |
|---|----------|
| Total operating lease commitments disclosed at 30 June 2019 | 108,388 |
| Recognition exemptions | |
| Leases of low value assets | - |
| Leases with remaining lease term of less than 12 months | - |
| Variable lease payments not recognised | (1,966) |
| Operating lease liabilities before discounting | 106,422 |
| Discounted using incremental borrowing rate | (17,446) |
| Operating lease liabilities | 88,976 |
| Reasonably certain extension options | 127,181 |
| Total lease liabilities recognised under AASB 16 at 1 July 2019 | 216,157 |

Other Pronouncements

Other accounting pronouncements which have become effective from 1 January 2019 and have therefore been adopted do not have a significant impact on the Group's financial results or position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Leases

As described in Note 2, the Group has applied AASB 16 using the modified retrospective approach and therefore comparative information has not been restated. This means comparative information is still reported under AASB 17 and IFRIC 4.

Accounting policy applicable from 1 January 2019

For any new contracts entered into on or after 1 January 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- The Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- The Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement and recognition of leases

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Leases

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment (except those meeting the definition of investment property) and lease liabilities have been included in trade and other payables.

Accounting policy applicable before 1 January 2019

Finance leases

Management applies judgment in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include the length of the lease term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to the asset's fair value, and whether the Group obtains ownership of the asset at the end of the lease term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For leases of land and buildings, the minimum lease payments are first allocated to each component based on the relative fair values of the respective lease interests. Each component is then evaluated separately for possible treatment as a finance lease, taking into consideration the fact that land normally has an indefinite economic life.

See the accounting policy note in the year-end financial statements for the depreciation methods and useful lives for assets held under finance leases. The interest element of lease payments is charged to profit or loss, as finance costs over the period of the lease.

Operating leases

All other leases are treated as operating leases. Where the Group is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

4. ESTIMATES

When preparing the Interim Financial Statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the Interim Financial Statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2019.

5. SIGNIFICANT EVENTS

Operations

During the half-year ended 31 December 2019, the Company had entered into collaboration, distribution and supply agreements to further the development and distribution of the ClearVue products in its existing markets as well as created a Singapore-based operating entity to support its expansion and market entry into the South East Asian region.

During the half-year, the Company also received its UL 61730 certification, IEC 61730 certification and IEC 61215 certification. These certifications allow the Company to focus on sales outreach activities into the US and Europe.

Corporate

On 18 October 2019, the Company issued 13,422,744 fully paid ordinary shares at an issue price of \$0.149 each to raise \$2,000,000, pursuant to the Company's share purchase plan ('SPP') as announced in September 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

6. SEGMENT INFORMATION

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.

7. OTHER INCOME

| | Consolidated 31 Dec 2019 | Consolidated 31 Dec 2018 |
|---------------------|---|---|
| | \$ | \$ |
| Rebates and refunds | 323,108 | 683,195 |
| Other grants | 51,485 | 36,695 |
| Interest received | 2,021 | 6,107 |
| Other | 2,335 | 2,000 |
| | <u>378,949</u> | <u>727,997</u> |

8. OTHER EXPENSES

| | Consolidated 31 Dec 2019 | Consolidated 31 Dec 2018 |
|---------------------------|---|---|
| | \$ | \$ |
| Advertising and promotion | 67,602 | 17,628 |
| Courier fees | 41,224 | 130,821 |
| Patents forfeited | 6,540 | - |
| Insurance expense | 19,090 | 1,170 |
| Listing fees | 31,717 | 59,553 |
| Office expenses | 26,134 | 37,244 |
| Rental expenses* | 162 | 32,674 |
| General expenses | 17,058 | 20,284 |
| | <u>209,527</u> | <u>299,374</u> |

* From 1 July 2019, the Group has recognised all rental expenses relation to operating lease commitments as leased assets.

9. TRADE AND OTHER RECEIVABLES

| | | |
|--|----------------|----------------|
| Trade receivables | 18,226 | 21,073 |
| Research & development rebate receivable | 323,108 | 602,353 |
| Prepaid research & development expenditure | 505,111 | - |
| Grants receivable | 16,569 | - |
| Other receivables | 3,750 | - |
| | <u>866,764</u> | <u>623,426</u> |

For personal use only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

10. PLANT AND EQUIPMENT

| | <u>Consolidated</u> <u>31 Dec 2019</u> \$ | <u>Consolidated</u> <u>30 Jun 2019</u> \$ |
|-------------------------------------|---|---|
| Office equipment | 116,105 | 128,022 |
| <i>Movements for the half-year</i> | | \$ |
| Cost: | | |
| Balance at 1 July 2019 | | 182,205 |
| Additions | | 18,921 |
| Adjustment on transition to AASB 16 | | - |
| Balance at 31 December 2019 | | <u>201,126</u> |
| Accumulated depreciation: | | |
| Balance at 1 July 2019 | | 54,183 |
| Depreciation for the period | | 30,838 |
| Balance at 31 December 2019 | | <u>85,021</u> |
| Carrying amount: | | |
| Balance at 31 December 2019 | | <u><u>116,105</u></u> |

11. RIGHT-OF-USE ASSET

| | <u>Consolidated</u> <u>31 Dec 2019</u> \$ | <u>Consolidated</u> <u>30 Jun 2019</u> \$ |
|-------------------------------------|---|---|
| Leased assets | 192,852 | - |
| <i>Movements for the half-year</i> | | \$ |
| Cost: | | |
| Balance at 1 July 2019 | | - |
| Adjustment on transition to AASB 16 | | 216,157 |
| Additions | | - |
| Balance at 31 December 2019 | | <u>216,157</u> |
| Accumulated depreciation: | | |
| Balance at 1 July 2019 | | - |
| Depreciation for the period | | 23,305 |
| Balance at 31 December 2019 | | <u>23,305</u> |
| Carrying amount: | | |
| Balance at 31 December 2019 | | <u><u>192,852</u></u> |

For personal use only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

12. INTANGIBLE ASSETS

| | Consolidated 31 Dec 2019 | Consolidated 30 Jun 2019 |
|--|-------------------------------------|-------------------------------------|
| | \$ | \$ |
| Patents and trademarks | 1,274,804 | 1,182,431 |
| Development asset | 728,968 | 694,641 |
| | <u>2,003,772</u> | <u>1,877,072</u> |
| <i>Movements in patents and trademarks for the half-year</i> | | \$ |
| Cost: | | |
| Balance at 1 July 2019 | | 1,433,641 |
| Additions | | 136,723 |
| Disposals | | (7,694) |
| Balance at 31 December 2019 | | <u>1,562,670</u> |
| Accumulated amortisation: | | |
| Balance at 1 July 2019 | | 251,210 |
| Amortisation for the period | | 37,810 |
| Disposals | | (1,154) |
| Balance at 31 December 2019 | | <u>287,866</u> |
| Carrying amount: | | |
| Balance at 31 December 2019 | | <u>1,274,804</u> |
| <i>Movements in development asset for the half-year</i> | | \$ |
| Cost: | | |
| Balance at 1 July 2019 | | 694,641 |
| Additions | | 34,327 |
| Balance at 31 December 2019 | | <u>728,968</u> |
| Accumulated amortisation: | | |
| Balance at 1 July 2019 | | - |
| Amortisation for the period | | - |
| Balance at 31 December 2019 | | <u>-</u> |
| Carrying amount: | | |
| Balance at 31 December 2019 | | <u>728,968</u> |

For personal use only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

13. LEASE LIABILITIES

| | <u>Consolidated</u> <u>31 Dec 2019</u> | <u>Consolidated</u> <u>30 Jun 2019</u> |
|-------------|---|---|
| | \$ | \$ |
| Current | 44,469 | - |
| Non-Current | 150,546 | - |

The Group has leases for the office and photocopier. The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 31 December 2019 were as follows:

| | <u>Minimum Lease Payments</u> | | | <u>Total</u> |
|-------------------|--------------------------------|------------------|--------------------------------|----------------|
| | <u>Within 1</u> <u>Year</u> | <u>1-5 Years</u> | <u>After 5</u> <u>Years</u> | |
| | \$ | \$ | \$ | \$ |
| Lease payments | 53,211 | 181,226 | - | 234,437 |
| Finance charges | (8,742) | (30,680) | - | (39,422) |
| Net present value | <u>44,469</u> | <u>150,546</u> | <u>-</u> | <u>195,015</u> |

Lease payments not recognised as a liability

Certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred. The expense relating to payments not included in the measurement of a lease liability is as follows:

| | <u>Consolidated</u> <u>31 Dec 2019</u> | <u>Consolidated</u> <u>30 Jun 2019</u> |
|--------------------------------|---|---|
| | \$ | \$ |
| Depreciation expense (Note 11) | 23,305 | - |
| Interest expense | 8,917 | - |

14. PROVISIONS

| | <u>Consolidated</u> <u>31 Dec 2019</u> | <u>Consolidated</u> <u>30 Jun 2019</u> |
|------------------------------|---|---|
| | \$ | \$ |
| <i>Current</i> | | |
| Annual leave provision | 37,562 | 43,778 |
| Long service leave provision | 39,069 | 37,370 |
| | <u>76,631</u> | <u>81,148</u> |
| <i>Non-Current</i> | | |
| Long service leave provision | 10,043 | 6,552 |
| | <u>10,043</u> | <u>6,552</u> |

For personal use only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

15. SHARE CAPITAL

| | <u>31 Dec 2019</u> | <u>30 Jun 2019</u> | <u>31 Dec 2019</u> | <u>30 Jun 2019</u> |
|---|--------------------|--------------------|--------------------|--------------------|
| | NO. OF SHARES | NO. OF SHARES | \$ | \$ |
| Ordinary shares – fully paid | 111,153,044 | 97,730,300 | 12,521,181 | 10,681,302 |
| | | | NO. OF SHARES | \$ |
| <i>Movements in share capital for the half-year</i> | | | | |
| Balance at 1 July 2019 | | | 97,730,300 | 10,681,302 |
| Issue of shares SPP ¹ | | | 13,422,744 | 2,000,000 |
| Share issue costs | | | - | (160,121) |
| Balance at 31 December 2019 | | | <u>111,153,044</u> | <u>12,521,181</u> |

¹ On 18 October 2019, 13,422,744 fully paid ordinary shares were issued at \$0.149 per share pursuant to the Company's Share Purchase Plan, as announced in September 2019.

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 until 25 May 2020.

16. SHARE-BASED PAYMENTS RESERVE

| | <u>31 Dec 2019</u> | <u>30 Jun 2019</u> |
|--------------------------------------|--------------------|--------------------|
| | \$ | \$ |
| 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 | 1,380,492 |
| Performance shares to Directors | 2,080,000 | 2,080,000 |
| | <u>4,223,027</u> | <u>4,223,027</u> |

* 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.

| | NO. OF OPTIONS | \$ |
|---|-------------------|------------------|
| <i>Movement in Share-Based Payments Reserve</i> | | |
| Balance at 1 July 2019 | 63,148,024 | 2,143,027 |
| No movement during period | - | - |
| Balance at 31 December 2019 | <u>63,148,024</u> | <u>2,143,027</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

17. LOSS PER SHARE

| | <u>31 Dec 2019</u> | <u>31 Dec 2018</u> |
|---|--------------------|--------------------|
| | \$ | \$ |
| Loss after income tax attributable to owners of Company | (1,218,441) | (2,667,754) |
| | # | # |
| Weighted average number of shares | 103,201,527 | 96,277,691 |
| | Cents | Cents |
| Basic loss per share | (1.18) | (2.77) |
| Diluted loss per share | (1.18) | (2.77) |

18. DIVIDENDS

No dividend has been declared or paid out in the half-year ended 31 December 2019 (2018: nil). The directors do not recommend the declaration of a dividend.

19. FINANCIAL ASSETS

All financial assets are classified and recognised under amortised cost. There is none classified as fair value through profit or loss, nor fair value through other comprehensive income.

| | <u>Consolidated</u> <u>31 Dec 2019</u> | <u>Consolidated</u> <u>30 Jun 2019</u> |
|---|---|---|
| | \$ | \$ |
| <i>Financial Asset – Amortised Cost</i> | | |
| Cash and cash equivalents | 1,730,396 | 1,376,936 |
| Trade and other receivables | 866,764 | 623,426 |
| | <u>2,597,160</u> | <u>2,000,362</u> |

21. CONTINGENT ASSETS & LIABILITIES

There were no contingent assets or liabilities as at 31 December 2019 (2018: nil).

For personal use only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

22. COMMITMENTS

| | Consolidated 31 Dec 2019 | Consolidated 31 Dec 2018 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| | \$ | \$ |
| <i>Capital commitment</i> | | |
| Within 1 year | 185,522 | 65,816 |
| Within 5 years | - | 71,609 |
| | <u>185,522</u> | <u>137,425</u> |
| <i>Operating lease commitment</i> | | |
| Within 1 year | - | 45,694 |
| Within 5 years | - | 66,932 |
| | <u>-</u> | <u>112,626</u> |

From 1 July 2019, the Group has recognised all operating lease commitments as leased assets. Capital commitments relates to research and development, and software development costs to be incurred.

23. INTEREST IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries.

| Name | Country of Incorporation | Ownership Interest | |
|--------------------------------|--------------------------|--------------------|--------------------|
| | | <u>31 Dec 2019</u> | <u>31 Dec 2018</u> |
| ClearVue International Pty Ltd | Australia | 100% | 100% |
| ClearVue USA Inc | United States of America | 100% | 100% |
| ClearVue (Asia) Pte Ltd | Singapore | 100% | - |

24. EVENTS ARISING SINCE THE END OF THE REPORTING PERIOD

No matter or circumstances, not otherwise dealt with in this report have arisen since the end of the financial year to the date of this report which has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or state of affairs of the Group in subsequent financial years.

For personal use only

DIRECTORS' DECLARATION

In the opinion of the directors of Clearvue Technologies Limited:

- (a) the consolidated financial statements and notes set out on pages 8 to 19 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standard AASB 134 Interim Financial Reporting; and
 - (ii) giving a true and fair view of its financial position as at 31 December 2019 and of its performance for the period 1 July 2019 to 31 December 2019; and
- (b) at the date of this declaration, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The declaration is made in accordance with a resolution of the Board of Directors required by section 303(5)(a) of the Corporations Act 2001.



Victor Rosenberg
Executive Chairman

Perth WA
28 February 2020

Independent Auditor's Report

To the Members of ClearVue Technologies Limited

Report on the review of the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of ClearVue Technologies Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, and 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 half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of ClearVue Technologies Limited does not give a true and fair view of the financial position of the Group as at 31 December 2019, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

Material uncertainty related to going concern

We draw attention to the financial report note 1, which indicates that the Group incurred a net loss of \$1,218,441 during the half year ended 31 December 2019 and, as of that date, the Group had an operating cash out flow of \$1,157,072, investing cash out flow of \$308,205 and cash balance of \$1,730,396. These events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half year financial report

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

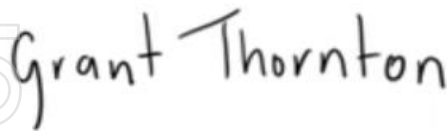
Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2019 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of ClearVue Technologies Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L A Stella
Partner – Audit & Assurance

Perth, 28 February 2020