

ASX Release | ClearVue Technologies Limited (ASX: CPV)

Appendix 4C & Quarterly Activities Report

30 April 2020: Smart building materials company ClearVue Technologies Limited (ASX:CPV) (**ClearVue** or the **Company**) provides its quarterly cash flow and activities summary for the period ending 31 March 2020.

Quarterly Activities

Since the Company's December Quarterly update, the Company has seen the global business environment rapidly impacted by the COVID-19 coronavirus pandemic. The Company has responded to the impact of the pandemic by progressively reviewing and implementing several measures including:

- Reducing the employee cost base, while preserving our valued talent pool, including reduced expenses relating to non-focused sales, marketing and investor relations activities;
- Cutting all non-essential operating expenses and re-negotiating with current suppliers on supply terms to conserve cash;
- Applying where applicable for relevant initiatives and support programmes announced by both Federal and State governments; and
- Focussing R&D activities onto product development directly related to sales activities and reducing pure research activities.

Notwithstanding that COVID-19 has significantly changed the operating landscape for all businesses in the near-term, the Company is pleased with its progress made in the March quarter despite a slowdown during this period delaying production for various projects.

We are fortunate to report that at this stage our operations have, apart from delays, remained largely unaffected as we continue to execute on our various activities - in particular our focus on targeted sales activities in key markets and the delivery and completion of our various trials and demonstration projects.

Additionally, our OEM suppliers in China and Taiwan have all reopened and are operational again after relatively short periods of downtime.

During this period, we also continued negotiations on two key milestones that were later signed and announced after the quarter end in April - being a Letter of Intent with Jinmao Green Building Technology Co. Ltd in China and a Collaboration Agreement with eLstar Dynamics BV in the Netherlands.

The Company is also very pleased with the progress made in our key markets of the US and Europe and we will continue to focus on responding to increasing interest and enquiry coming from these large target markets.

Commercially and in relation to its key markets, the Company is pleased to report that its sales pipeline is building. The assessment phase from the Architect to Façade Engineer and Developer takes many months on a large development. Through concentrating on regions that present a sound return on investment, higher electricity prices, government incentives and a greater environmental stewardship mentality, the Company is confident of its sales success. Whilst keeping headcount to a minimum is particularly important at present, the Company is embarking on an exciting digital marketing campaign to raise market (sales) awareness in key geographies, targeted at potential clients.

Market Update

Letter of Intent with Jinmao Green Building Technology Co. Ltd

ClearVue announced signing a Letter of Intent with Jinmao Green Building Technology Co. Ltd (a part of the Sinochem Group) of China on 23 April 2020. The Letter of Intent provides for the Parties to complete a trial building project that deploys the ClearVue IGUs at Hebei Province in China. Subject to a successful trial the parties are to negotiate terms of a Distribution Agreement for Jinmao Green Building Technology to potentially become the exclusive distributor for the ClearVue PV IGUs for sale in Mainland China.

Since the announcement was made work on the collaboration has commenced including an exchange of information on requirements for construction and installation in the trial project in Hebei Province.

Collaboration Agreement with eLstar Dynamics BV

Since announcing that ClearVue had signed a Collaboration Agreement with eLstar Dynamics BV of the Netherlands on 14 April 2020 the parties have commenced working towards development of a trial product that combines both the ClearVue PV technology with eLstar's electrophoretic dynamic glazing technology and completion of testing on the same.

To this end ClearVue has already arranged to supply its IGU's to be shipped to eLstar to commence work on the trial. Shipping is expected to occur by the end of this week.

Subject to a successful trial the Parties are then to explore joint venture, other arrangements or combined licensing or sales opportunities.

eLstar's technology is a world-leading dynamic/switchable glazing technology that combines electrophoretic responsive inks, transparent electrophoretic interlayer substrates, and proprietary control software and hardware to offer unprecedented contrast ratio's (removing the need for blinding systems), fast switching, dimmability and low-power demands compared against other switchable glazing solutions that are on the market.

OEM Manufacturers - YY Windows & Rocky Windows

Since the announcement of the Company's appointment of Jiangsu YY Windows and Curtain Wall System Co. Ltd (**YY Windows**) as an OEM Manufacturer for ClearVue on 19 December 2019, the Company had been working with YY Windows on fabrication of IGUs for a number of ClearVue's demonstration or trial projects including Mirreco's hemp-based mini-home (announced November 2019) – this was delayed during January to March due to Chinese New Year celebrations and then the COVID-19 coronavirus but has recommenced during April 2020.

Additionally, ClearVue and YY Windows were in the process of preparing YY Windows for production process and quality control inspections to be conducted by both UL (formerly known as Underwriters Laboratories) and IEC (the International Electrotechnical Commission). These inspections had been delayed during China's shutdown but, subject to travel re-opening in China and any other impacts from COVID-19, are now expected to proceed in the second half of 2020.

In addition to the above, the Company's first OEM Manufacturer Rocky Windows in Qingdao continues to work with ClearVue and has been working on fabrication of IGUs for a number of ClearVue's projects including the CRC-P partially funded greenhouse – production was delayed January through March but production has now recommenced slowly during April.

OEM Supplier - BeyondPV of Taiwan

Since the Company announced that it had formalised an earlier signed MOU into a formal signed OEM Supply Agreement with BeyondPV of Taiwan on 18 November 2019 BeyondPV has been supplying a key component of ClearVue's PV IGU, the mini solar PV strip modules to ClearVue.

In February of 2020 representatives from the Company were due to travel to Taiwan to inspect the dedicated production line that BeyondPV had established to manufacture ClearVue's solar PV strip modules. This visit was cancelled due to the COVID-19 virus. Notwithstanding this, BeyondPV have not stopped production during the crisis and have continued to supply the mini solar strip PV modules and have continued to work on product improvement for ClearVue in the component designs.

ARUP collaboration on Smart Façade Products

Since the Company's December 2019 Quarterly update the Company is pleased to confirm delivery at the end of March to its headquarters in Western Australia of all the finished and fully functional prototype smart façade modules.

The Company will now undertake in-house testing and demonstration of the modules over the coming months and looks forward to updating the market on the outcomes of this.

Aquagen – Waste Treatment Greenhouse, Cape Cod MT, USA

Since the Company's December 2019 Quarterly update the Company had supplied its IGU panels to Aquagen for integration into its algae-based waste treatment greenhouse. Installation steps could not be completed immediately in January due to snow and weather conditions generally, planning approvals and has since been further delayed due to the COVID-19 coronavirus. We look forward to updating the market as soon as this work commences and this demonstration is operational. We expect now that works will be completed by the end of June 2020.

CRC-P Funded Greenhouse – Murdoch University

Further to the Company's December 2019 Quarterly update orders for the glass IGU panels had been placed with OEM manufacturer Rocky for the greenhouse with the first batches of IGU's expecting to be delivered in mid-February 2020 with the intent that construction was to commence shortly thereafter. The COVID-19 coronavirus has delayed fabrication of the IGUs for the project with manufacturing only having recently recommenced slowly – it is now hoped that delivery can be completed before the end of June with construction to commence shortly thereafter.

Due to the delays with this project the CRC Projects Section of Industry, Research and Investment at AusIndustry agreed an extension and signed a Variation to the CRC-P Funding Agreement to extend the delivery of the milestones under the CRC-P grant until the end of March 2021.

Mirreco – Hemp based Mini-home – Knutsford Precinct, Western Australia

Further to the Company's December 2019 Quarterly update orders for the glass IGU panels had been placed with YY Windows for fabrication of the IGUs for the Mirreco mini-home project. Production of the IGUs has been delayed as mentioned earlier but has recently recommenced. It is anticipated that delivery will occur in the second half 2020.

ROOTS Israel – Trial Greenhouse

Further to the Company's December 2019 Quarterly update ClearVue and ROOTS Sustainable Agriculture (ASX: ROO) have continued discussions on designing a greenhouse that combines the two companies' technologies. This project is progressing within the constraints of COVID-19. The parties both hope to commence construction in the second half of 2020.

Corporate & Financial

As at 31 March 2020 the Company had a cash balance of approximately AUD \$1.04 million. Please refer to the quarterly cashflow report (Appendix 4C attached) for further information.

Pursuant to Listing Rule 4.7C.2 the Company notes that since the Company's admission to ASX's official list in 2018, the Company had increased spends on marketing and promotion including costs in relation to trials and associated activities, additional patent family filings and trademark registrations in key jurisdictions, as well as increased staffing requirements including a US-based engineer. The Company had also secured additional funding not included in the Company's Prospectus, through a share purchase plan in 2019.

In the quarter ending 31 March 2020 payments totalling approximately AUD \$101,000 were paid in respect of executive directors salaries, directors' fees and fees paid to related parties, or associates of a related party, of the Company. Such payments comprised of: corporate advisory fees paid to ICW Capital (a related entity of director, Mr Ivan Wu); company secretarial service fees paid to Ventnor Capital Pty Ltd (a related entity of director, Mr Stuart Carmichael). All such payments to associates of directors were made on arms-length terms.

Chairman's Comments

Commenting on the March quarter, Executive Chairman Mr Victor Rosenberg said:

"The March quarter has probably been the most trying for the Company to date as a number of the initiatives and projects that we are currently involved with and are trying to progress have been unexpectedly delayed following the isolation measures implemented globally to stop the spread of the COVID-19 coronavirus pandemic.

Whilst the company's progress on its trial and demonstration projects has been delayed, ClearVue has however continued to build on its momentum. The pandemic has not prevented the company on progressing a number of the other initiatives it has been working on over the last 6 to 12 months - including the recent signings after the end of the quarter of a Letter of Intent with Jinmao Green Building Technology Co. (part of the Sinochem Group) in China to install ClearVue's PV IGUs into a project in

Hebei Province and then to explore Jinmao becoming a distributor for sale of the ClearVue project in mainland China, as well as the announcement of a collaboration with eLstar Dynamics BV in the Netherlands to integrate eLstar's world-leading electrophoretic switchable glass technology with ClearVue's products.

We are also very pleased to have received delivery to our office/showroom of all the finished and fully functional prototype smart façade modules developed in conjunction with Arup and the University of Sydney. The company will now complete internal testing on these products over the coming months.

The Company was also very pleased to be interviewed by Jamie Durie's online publication Groundswell¹ and has also been invited to provide information on the ClearVue technology and products to be included into a new "BIPV Handbook" to be published online by the International Energy Agency² with the purpose of consolidating existing BIPV industry knowledge and to support the implementation of best BIPV practices for new and retrofit construction projects.

ClearVue remains laser-focused on its commercialisation strategy and on securing sales globally. Our supply chain and manufacturing partners are open and operational, and the ClearVue team remain excited by what the coming months will hold for the business as it continues to grow."

This announcement was approved for release by the Board of ClearVue Technologies Limited.

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About ClearVue Technologies Limited

ClearVue Technologies Limited (ASX: CPV) is an Australian technology company that operates in the Building Integrated Photovoltaic (BIPV) sector which involves the integration of solar technology into building surfaces, specifically glass and building façades, to provide renewable energy. ClearVue has developed advanced glass technology that aims to preserve glass transparency to maintain building aesthetics whilst generating electricity.

ClearVue's electricity generating glazing technology is strategically positioned to compliment and make more compelling, the increased use of energy-efficient windows now being regulated in response to global climate change and energy efficiency goals.

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.

¹ <https://jamieduriesgroundswell.com/clearvue-australias-solar-glass-innovation/>

² https://iea-pvps.org/research-tasks/enabling-framework-for-the-development-of-bipv/contacts_t15/

ClearVue's window technology has application for use in the building and construction and agricultural industries (amongst others).

ClearVue has worked closely with leading experts from the Electron Science Research Institute, Edith Cowan University (ECU) in Perth, Western Australia to develop the technology.

To learn more please visit: www.clearvuepv.com

Forward Looking Statements

Statements contained in this release, particularly those regarding possible or assumed future performance, revenue, costs, dividends, production levels or rates, prices or potential growth of ClearVue Technologies Limited, are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

ClearVue Technologies Limited

ABN

45 071 397 487

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	22
1.2 Payments for		
(a) research and development	(362)	(696)
(b) product manufacturing and operating costs	(171)	(633)
(c) advertising and marketing	(68)	(289)
(d) leased assets	-	-
(e) staff costs	(197)	(515)
(f) administration and corporate costs	(129)	(601)
(g) intellectual property costs	(87)	(363)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	20
1.8 Other - Research & Development Tax Offset	-	602
1.9 Net cash from / (used in) operating activities	(1,014)	(2,451)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment		(33)
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(33)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(183)
3.5	Proceeds from borrowings	278	278
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	278	2,095

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,779	1,432
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,014)	(2,451)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(33)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	278	2,095
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,043	1,043

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	986	1,722
5.2	Call deposits	57	57
5.3	Bank overdrafts	-	-
5.4	Other (credit cards)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,043	1,779

6. Payments to related parties of the entity and their associates

6.1 Aggregate amount of payments to related parties and their associates included in item 1

6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

101

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Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Payments comprised:-

- Corporate advisory fees paid to ICW Capital , a related entity of director, Mr Ivan Wu
- Fees paid to Ventnor Capital Pty Ltd, a related entity of director, Mr Stuart Carmichael, for company secretarial services
- Executive director salaries
- Non-executive director fees

All payments to associates of directors were on arms-length terms.

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other (please specify)

7.4 **Total financing facilities**

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-
-	-

7.5 **Unused financing facilities available at quarter end**

-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

N/A

8. Estimated cash available for future operating activities

\$A'000

8.1	Net cash from / (used in) operating activities (Item 1.9)	(1,014)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	1,043
8.3	Unused finance facilities available at quarter end (Item 7.5)	0
8.4	Total available funding (Item 8.2 + Item 8.3)	1,043
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	1.0

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

No, the Company has received receipts from customers in April 2020, is cutting all non-essential operating expenses, reducing expenses in relation to non-focused sales, marketing and investor relation activities and reducing the employee cost base, as outlined in the quarterly activities report.

- Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

The entity has been and will continue to consider raising further capital to fund its operations and has confidence that, should the Board form a view that it is appropriate, a capital raising would be supported."

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Yes, based on the answers provided above.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2020

Authorised by: By the Board

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(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.