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ASX RELEASE **30 October 2020**

ASX: NVU

Quarterly Activities Report and Appendix 4C
For the Quarter Ended 30 September 2020

Highlights:

- **First antiviral product sales achieved**
- **First sales secured in the US, UK, Singapore and Australian markets**
- **International momentum continues to build with additional distribution partner agreements secured in a number of countries**
- **Recent sales activities combine for over AUD$250,000 in new orders**
- **Up to $2.4 million in funding secured through institutional investment**

Nanoveu Limited ("Nanoveu") has released its quarterly cash flow report following a September quarter which saw increased international momentum with sales of antiviral products.

Commenting on the quarter, Nanoveu Executive Chairman and CEO Alfred Chong said:

"Where the previous quarter saw Nanoveu complete the development process of its antiviral product, this quarter Nanoveu has focused on building sales momentum, with interest rapidly emerging across the globe.

"It is incredibly pleasing to see that countries as diverse as the USA, Singapore, Australia, Vietnam and the UK are all starting to use our antiviral technology, which is a testament to the universal appeal of this product.

"Through the introduction of new distribution partners, I firmly believe that the product will quickly demonstrate its utility for a wide array of tasks, which will then see our order book continue to expand.

"Meanwhile, Nanoveu has achieved these goals while prudently managing its balance sheet, having signed an agreement to fund new product lines from institutional investor support as we build our sales revenue."

Antiviral protectors:

Sales and distribution:

During the quarter, Nanoveu completed its inaugural production run and filled the first sales orders for its antiviral protection products.

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The first batch of antiviral products were despatched to AIBI Pte Ltd (AIBI), a Singapore-based fitness equipment and wellness provider to the Asia-Pacific region, which is a distributor of Nanoveu's antiviral products in Singapore.

Subsequent to the inaugural order to AIBI, Nanoveu has filled a number of other first orders to different markets, including the United States of America, the United Kingdom and Australia.

Distribution agreements secured during the quarter will see Nanoveu's antiviral technology distributed in Thailand and Malaysia with distributors looking to leverage their extensive contacts in the Asia-Pacific region to distribute products to groups including hospitals, banks, schools and shopping malls.

Nanoveu's list of distributors was further bolstered towards the end of the period with the appointments of BrightEco Pte Ltd (BrightEco), Excelsia Technologies Sdn Bhd, HITEK Electronics Material Ltd, GNT Fine Wines Pty Ltd and Keywest Technology Ltd. Through these distribution partners, Nanoveu secured sales for its B2B antiviral film and antiviral mobile phone protection products with a combined value of over AUD 250,000.

As part of these sales, a $70,000 order was arranged through BrightEco which will see the maiden shipment of Nanoveu antiviral product to Vietnam, with a focus on mobile phones. This marks the first major sales order to focus on antiviral smartphone screen protectors.

Anitiviral products were also deployed in Suntec City, one of the Singapore's largest shopping malls, where Nanoveu's film has been applied to 74 TV screens and touchscreen surfaces (see example below).



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Nanoveu secured an order from an Asia-based vehicle accessory distributor, Excelsia Technologies Sdn Bhd, with the intent of applying the antiviral film in the touchscreens of luxury cars. This order marks the first application of the technology in vehicles and demonstrates the increasingly broad potential of antiviral protection.

Discussions are ongoing for additional applications, including retrofitting self-check-in kiosks and security trays at airports. Vending, automated distribution and gaming machine manufacturers have also shown a keen interest.

Nanoveu is also pleased to note that during the period the Company was invited to test its antiviral products at leading hotels in Singapore and Hong Kong.

Subsequent to the quarter-end Nanoveu was also able to sign a partnership with leading customer experience improvement company HappyOrNot. Through this partnership, Nanoveu's antiviral film will be applied to HappyOrNot's Smiley Touch terminals, which allow customers to rate their shopping experience by pressing a series of buttons – each with a cartoon face reflecting a particular emotion. HappyOrNot is a Finnish company assisting customer feedback to over 4,000 clients in 135 countries.

Regulatory matters:

Nanoveu has successfully passed the Restriction of Hazardous Substances (RoHS) and Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) tests, which are two compliance tests required as part of the European CE Mark regulations.

The antiviral product passed both tests, demonstrating an absence of any harsh compounds or other hazardous materials which are restricted under European regulations.

The completion of these tests permits Nanoveu to increase its focus on an overall CE Mark application, which will permit the Company to vend its products as antiviral solutions throughout Europe.

Eyefyx:

EyeFyx product development continued and a patent application was lodged for the new knowledge generated. In conjunction with its Technology partner, Nanyang Technology University in Singapore, Nanoveu is now progressing to deploy prototypes for larger screen digital devices.

Corporate:

During the period, the Company entered into a placement agreement with Antiviral Technologies Portfolio LLC, a US-based specialist institutional investor ("the Investor"), for up to $2,400,000 of funding. $600,000 of this funding was advanced during the quarter.

A general meeting of shareholders on 28 October 2020, approved the drawing of the second tranche under the facility of $600,000 and, subject to the approval of the Investor, the third tranche of $400,000.

The agreement provides additional working capital to the Company and strengthens Nanoveu's balance sheet while sales revenue from its antiviral products can be further accelerated.

Terms of the agreement have been released to the market (please see ASX Announcement dated 14/8/20).

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Expenditure:

An Appendix 4C detailing expenditure for the quarter is appended. Payments to related parties totalling $114k were paid during the quarter for directors' fees, executive remuneration, and pension / superannuation benefits.

During the quarter, funds raised of $600,000 from an institutional investor expenditure were employed in the commercialisation of Nanoveu's antiviral products which commenced generating sales during the quarter.

Research and development expenditure was predominantly on the EyeFyx project being conducted in conjunction with the National Technology University of Singapore (NTU).

Expenditure from 30 November 2018, the date of admission to the Official List of the Australian Securities Exchange Limited ("ASX"), to 30 September 2020 is consistent with the use of funds detailed in its prospectus of 31 August 2018 and is detailed below:

('000,000s)

Use of Proceeds under Prospectus	**Funds allocated under Prospectus dated 31/08/18**	**Funds expended between admission on 30/11/18 and 30/9/20**
Expenses of the Offer	769	761
Interest on Convertible Notes	57	76
EyeFly3D™:		
production moulds	150	116
purchase of inventory	500	578
sales and marketing	840	1,011
EyeFyx:		
product development	1,100	1,224
production moulds	150	58
purchase of inventory	455	-
sales and marketing	420	-
General and administrative expenses	1,000	921
Working capital	1,603	997
Total	**7,044**	**5,742**
Receipts from interest, customers and grants		(85)
Funds received in advance of the issue of shares		(600)
Net funds expended between admission and 30 September 2020		**5,057**

Cash at date of admission	**6,013**
Net funds expended between admission and 30 September 2020	(5,057)
Cash at 30 September 2020	**956**

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The date of the prospectus and the date of admission to the Official List of the ASX differ by 3 months. Accordingly, the cash position at the date of ASX admission differs to the cash position in the prospectus.

- Ends -

This announcement has been authorised for release by Nanoveu's Executive Chairman and CEO.

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About Nanoveu:

Nanoveu's EyeFly3D™ product converts 2D digital displays into 3D without the need for 3D glasses. EyeFly3D™ has won numerous industry awards and is currently available for Apple iPhones and Google Pixel 3 phones.

Nanoveu is expanding its product range with the development of three complementary technologies:

- EyeFyx, to enable people with age-related farsightedness (presbyopia, one of the most common types of vision loss, affecting nearly one-quarter of the world's population and anyone living beyond middle age) to read smartphones and tablets without wearing reading glasses;
- Anti-reflective protectors, reducing screen reflection for smart phones and tablets; and
- Antiviral protectors, protecting digital screen users from viruses and bacteria.

Further, Nanoveu offers laminating machines for precise and bacterial free installation of its products on smart phones.

Appendix 4C

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

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Name of entity	
Nanoveu Limited	
ABN	**Quarter ended ("current quarter")**
97 624 421 085	30 September 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	150	170
1.2	Payments for		
	(a) research and development	(34)	(310)
	(b) product manufacturing and operating costs	(238)	(499)
	(c) advertising and marketing	(43)	(84)
	(d) leased assets	-	-
	(e) staff costs	(321)	(865)
	(f) administration and corporate costs	(152)	(321)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	1
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	3	80
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(635)**	**(1,828)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(11)	(11)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
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**	**(11)**	**(11)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.5	Proceeds from borrowings	-	-
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) – funds received in advance of the issue of shares as part of a facility of up to $2.4m	600	600
3.10	**Net cash from / (used in) financing activities**	**600**	**600**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,003	2,196
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(635)	(1,828)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(11)	(11)

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)	-	-
4.5	Effect of movement in exchange rates on cash held	(1)	(1)
4.6	**Cash and cash equivalents at end of period**	**956**	**956**

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	590	86
5.2	Call deposits	366	916
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**956**	**1,003**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	114
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

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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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

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)	(635)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	956
8.3	Unused finance facilities available at quarter end (Item 7.5)	1,800
8.4	Total available funding (Item 8.2 + Item 8.3)	2,756
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	4.3

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

1. 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: n/a

2. 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: n/a.

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: n/a

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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.

30 October 2020

Date: .....

Executive Chairman and CEO

Authorised by: .....
(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.

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