

ASX RELEASE

29 October 2021

ASX: NVU

## Quarterly Activities Report and Appendix 4C for the Quarter Ended 30 September 2021

### Highlights

- Study on the efficacy of Nanoveu's Nanoshield technology conducted by Nestle Research concluded that the product is highly effective against the SARSCoV-2 virus that causes COVID-19<sup>1</sup>.
- Nanoveu's Australian and New Zealand distributor, Touch Guard Pty Ltd, entered an agreement with Linfox Armaguard Group, to introduce High Touch™ to vulnerable, high use community contact points on ATMs.
- Continued global expansion with a A\$125,000 order received for Nanoveu's recently developed antiviral, non-woven polypropylene which will be used to manufacture antiviral face masks.
- Nanoveu continued to expand its product range of antimicrobial and antiviral films as coatings, further positioning the Company as a leader in the market.
- Successful capital raise for a total of \$1,350k (before costs) via a placement to sophisticated and professional investors, well positioning the Company for FY22.
- Further capital of \$531k (before costs) raised from an entitlement issue which closed subsequent to the end of the quarter.
- Strengthened leadership team with the appointment of Scott Beeton as Non-Executive Director and Chairman of the Company, contributing a wealth of experience having held over 16 years' experience in leadership and senior management roles.

Nanoveu Limited ("**Nanoveu**" or the "**Company**") (**ASX: NVU**) a technology company that has shaped antiviral films through the power of cutting-edge nanotechnology, is pleased to provide an overview of activities to accompany the Appendix 4C for the quarter ended 30 September 2021 ("Quarter", "Reporting Period").

### Commenting on the Quarter, Nanoveu's Managing Director and CEO, Alfred Chong, said:

"The September 2021 Quarter has been an important period for the Company, as we have continued to roll out Nanoveu's product range globally. With scientific research playing an important role in the strategy of validating Nanoveu's technology, during the Quarter a study conducted by Nestle Research concluded that Nanoveu's Nanoshield™ product is highly effective

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<sup>1</sup> See ASX announcement of 28 July 2021 for the testing performed and the results.

against the SARSCoV-2 virus that causes COVID-19. This validation by a tier-1 global company is significant for Nanoveu, and testing of Nanoveu's products by Nestle's Class 3 laboratories and qualified scientists specifically against SARS-CoV-2 virus is a major achievement. Without the assistance of our flagship customer Nestlé Professional, the exercise would have been prohibitively expensive and time consuming.

"During the Quarter, the Company's Australian and New Zealand distributor, Touch Guard, entered an agreement with Linfox Armaguard Group for Nanoveu's unique antiviral, antibacterial technology being applied to a vast number of vulnerable high use community contact points, under the brand High Touch™. Working with a leading company such as Armaguard provides further validation for Nanoveu's products, and we continue discussion with interested parties globally regarding the further roll out and distribution of our product suite.

"With the Board further bolstered through the appointment of Scott Beeton as Non-Executive Director and Chairman, the Company is well positioned to capitalise on the rapidly growing market for antiviral and antibacterial products, as Nanoveu continues to expand its product suite. Having over 16 years' experience in leadership and senior management roles, Scott contributes significant strategic value to the Company, and I look forward to a long-term working relationship.

"Nanoveu continued its global expansion with a A\$125,000 order received for Nanoveu's recently developed antiviral, non-woven polypropylene which will be used to manufacture antiviral face masks, and the Company's Customskins laminating machines deployed in two high-profile locations in Singapore, representing the first revenue generating opportunity from the machines.

"During the Reporting Period, Nanoveu also completed a capital raise for \$1.35m and \$0.53m (before costs) rights issue, well positioning the Company for FY22, as we continue to focus on expansion with a solid pipeline of product development planned for this financial year and beyond.

"I would like to thank shareholders for their support to date and look forward to an exciting 2022 Financial Year."

### **Nanoshield Validation by Nestle Research**

During the Reporting Period, the five-month study on the efficacy of Nanoveu's Nanoshield technology conducted by Nestle Research concluded that the product is highly effective against the SARSCoV-2 virus that causes COVID-19<sup>2</sup>.

Nanoveu's copper-based technology demonstrated to be highly effective in a number of real world scenarios, outperforming other products including quaternary ammonium compounds which lose their efficiency in the normal course of cleaning, and reactive oxygen species, which are found not to be effective in everyday environments.

Assessment was conducted by researchers from Nestlé Research, Institute of Food Safety and Analytical Science at a BSL-3 facility under high-security conditions, with the research assessing three key criteria simulating real-world conditions: immediate antiviral activity, long-term activity/durability after repeated cleaning and the effect of frequent touching. The results from the

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<sup>2</sup> See ASX announcement of 28 July 2021 for the testing performed and the results.

clinical testing were published in the Applied and Environmental Microbiology journal, building further awareness for Nanoveu's technology amongst its academic peers.

The results from Nestle's testing are a major achievement and Nanoveu are pleased to play an active role in helping to alleviate the spread of COVID-19 across the globe.

### **Australia & New Zealand Distributor Agreement with Linfox**

During the Quarter, Nanoveu announced that its exclusive Australian and New Zealand distributor, Touch Guard Pty Ltd ("Touch Guard"), entered an agreement with Linfox Armaguard Group ("Armaguard")<sup>3</sup>.

Touch Guard, which has an exclusive agreement with Nanoveu, incorporated Nanoveu's unique antiviral, antibacterial technology into its own "shield" product called High Touch™.

Under the agreement Touch Guard and Armaguard plan to introduce High Touch™ to a vast number of vulnerable high use community contact points like ATMs, self-service kiosks, and devices. The product has also been implemented across Linfox Armaguard owned devices including atm's by Armaguard ATMs.

Armaguard was established in 1938 to provide safe, secure cash transportation. Over the past 80 years, Armaguard has evolved to become a complete end-to-end currency management and technology solutions provider.

Linfox acquired Armaguard from Mayne Nickless 2003, and since the expertise of the company has seen it expand across the region, through investments in acquisitions and people, to create modern end-to-end currency management solutions for its customers.

Nanoveu is proud to be working with Armaguard via its Australian and New Zealand distributor, Touch Guard, and continues discussions with interested parties globally in relation to further distribution agreements for its range of antiviral and antibacterial products.



Image 1 - High Touch™ is being applied to high use community contact points including ATM's

### **Continued Global Expansion with Antiviral Face Mask**

During the Reporting Period, Nanoveu announced the expansion of its antiviral product applications with an order of A\$125,000 received from Singapore Sanyo Trading Pte Ltd, for a

<sup>3</sup> See the ASX Announcement of 11 August 2021 for details.

newly developed antiviral, non-woven polypropylene material which will be used to manufacture antiviral face masks<sup>4</sup>.

Singapore Sanyo Trading is the Company's distributor for Thailand and Malaysia, with the masks manufactured in Thailand and intended to be sold in multiple regions under various labels including Nanoveu's Nanoshield brand.

The non-woven fabric contains the same active antiviral compound as Nanoveu's Nanoshield™ films, which have shown excellent efficacy against viruses and bacteria. The continued global support for the masks validates the superiority and efficacy of Nanoveu's Nanoshield™.



Image 2: Nanoshield™ Surgical mask packaging

### Licensing Agreement with NTU Singapore

Subsequent to period end, Nanoveu entered into a Licensing and Research Collaboration Agreement with Nanyang Technological University Singapore ("NTU"), marking further progress in Nanoveu's strategy to create a full range of effective self-disinfecting solutions and expand the Nanoshield™ range of products, specifically for the development of a new range of antiviral and antibacterial spray solutions.

The Collaboration Agreement follows the successful development of a new spray formulation, which allows the Company to coat textiles, fabrics and irregular shapes which cannot be coated with Nanoveu's existing Nanoshield™ film.

<sup>4</sup> See the ASX Announcement of 23 August 2021 for details.

### Efficacy Testing:

Laboratory testing demonstrated a 95.49% reduction of Staphylococcus aureus (bacteria) within 45 seconds<sup>5</sup>.

The copper-based spray has also demonstrated the ability to withstand 120 machine washes and is suitable for coating a range of textiles and surfaces.

These products will sit alongside the existing Nanoshield™ film portfolio. Its antiviral technology has been independently demonstrated to be a highly effective agent for the inactivation of viruses and bacteria and has been referenced in peer reviewed reports in the American Journal of Microbiology. The technology has been proven to eliminate 99.99% of SARS-CoV-2 (COVID-19), HCoV-299E and OC43, within 15 minutes<sup>6</sup>.

The Collaboration Agreement with NTU marks Nanoveu's continues Nanoveu's history of working with Singapore's leading academic and research institutions.

### **Successful Capital Raisings**

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

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

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

Subsequent to the end of the quarter, \$531k (before costs) was raised from an entitlement issue on the same terms as the placement. This allowed existing shareholders the opportunity to participate on the same terms as the new investors and was supported by Nanoveu's directors who participated in the rights issue.

### **Scott Beeton Appointed as Non-Executive Director and Chairman**

During the Quarter, Nanoveu announced the appointment of Mr Scott Beeton as a Non-executive Director and Chairman of the Company. Mr Beeton holds over 16 years' experience in leadership and senior management roles across financial services, technology and fintech ASX-listed companies. He has been a director on a number of ASX-listed companies, as well as holding directorships and management positions with various entities holding Australian Financial Services Licenses.

With Mr Beeton's appointment, Mr Chong will relinquished the role as Chairman to separate the CEO and Chairman positions.

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<sup>5</sup> For testing performed and the results, please refer to the ASX announcement of 14 August 2021.

<sup>6</sup> See ASX Announcements of 15 April 2020, 5 May 2020, 25 May 2020, 18 February 2021 and 28 July 2021 for the testing performed and the results.

## Expenditure

An Appendix 4C detailing expenditure for the quarter is appended. Payments to related parties totalling \$124k were paid during the quarter for directors' fees, executive remuneration, and pension / superannuation benefits.

The Company's focus has been the commercialisation of its anti-viral products, which yielded an improvement in cash receipts.

- Ends -

*This announcement has been authorised for release by the Board of Directors*

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## About Nanoveu Limited

We are technology innovators who specialize in modern, cutting-edge nanotechnology that improve the way we live, from reducing contagious transmissions on high touch points to immersive vision-based entertainment. <https://www.nanoveu.com/>

**Nanoshield™** - is a film which uses a patented polymer of Cuprous embedded film to self-disinfect surfaces. Nanoshield™ antiviral protection which is available in a variety of shapes and forms, from mobile screen covers, to mobile phone cases and as a PVC commercial film, capable of being applied to a number of surfaces such as doorhandles and push panels. The perfectly clear plastic film contains a layer of charged copper nanoparticles which have antiviral and antimicrobial properties. This technology is also being applied to fabric applications targeting use in the personal protective equipment sector.

**EyeFly3D** - is a film applied to digital displays that allowed users to experience 3D without the need for glasses on everyday mobile handheld devices.

**Customskins** - are vending machines capable of precisely applying screen covers to mobile phones with an alignment accuracy of 150 microns.

**EyeFyx** - currently in research and development stage, EyeFyx is a vision correction solution using hardware and software to manipulate screen output addressing long-sightedness without the need to wear reading glasses.



## Appendix 4C

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

**Name of entity**

Nanoveu Limited

**ABN**

97 624 421 085

**Quarter ended ("current quarter")**

30 September 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	271	576
1.2	Payments for		
	(a) research and development	(84)	(168)
	(b) product manufacturing and operating costs	(87)	(387)
	(c) advertising and marketing	(56)	(237)
	(d) leased assets	-	-
	(e) staff costs	(261)	(967)
	(f) administration and corporate costs	(185)	(326)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	16	66
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(365)</b>	<b>(1,437)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(3)	(12)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(3)</b>	<b>(12)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,350	1,350
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	(101)	(102)
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	-	761
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,249</b>	<b>2,009</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	827	1,148
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(365)	(1,437)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(12)



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)	1,249	2,009
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>1,708</b>	<b>1,708</b>

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	117	163
5.2	Call deposits	1,591	664
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,708</b>	<b>827</b>

**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**

124

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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

**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
-	-
-	-
2,400	1,200
2,400	1,200

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

1,200

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.

The Company has received \$1,200,000 for subscription for shares with the value of \$658,500 to be issued by 3 February 2022, including \$600,000 for subscription for shares with the value of \$658,500 which was approved by shareholders on 28 October 2020.

An additional \$400,000 subscription for shares with the value of \$439,000 to be made (at the investor's election) no later than 3 August 2021 was approved by shareholders on 28 October 2020.

An additional \$800,000 subscription for shares with the value of \$878,000 may be made by mutual consent of the parties, subject to the Company obtaining shareholder approval for that subscription. Nanoveu has not agreed to issue any shares under this additional subscription and both parties may elect to mutually enter into this additional subscription at a future date. There is no obligation on Nanoveu to further enter into this additional subscription.

Each of these investments will be made by way of the Investor prepaying for Placement Shares. The Placement Shares in relation to all or part of each of the above investments will be issued upon the Investor's written request, within 18 months of the final subscription. The number of Placement Shares to be issued is to be determined by applying to the subscription amount prepaid by the Investor, with the Purchase Price equal to the average of the five daily volume-weighted average prices (rounded down to the next one tenth of a cent, or if the share price exceeds \$0.10, the next half a cent) during the 20 consecutive actual trading days immediately prior to the relevant Settlement Notice Date. Each issue of Placement Shares must be for no less than \$150,000 of the Placement Shares. The selection of the 5 days within the 20 trading days is at the discretion of the Investor.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(365)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	1,708
8.3 Unused finance facilities available at quarter end (Item 7.5)	1,200
8.4 Total available funding (Item 8.2 + Item 8.3)	2,908
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	8.0

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: 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

### 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.

29 October 2021

Date: .....

Managing Director 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.