

ASX RELEASE**29 April 2020****ASX: NVU**

Quarterly Activities Report and Appendix 4C For the Quarter Ended 31 March 2021

Highlights:

- **Nanoshield screen protectors customised for Nestlé Professional out of home coffee machines**
- **Nestlé Professional is the global leader in branded hot and cold beverage and food solutions including Nescafé and *We Proudly Serve Starbucks®* coffee machines**
- **Nestlé Research undertook thorough performance evaluation of Nanoshield in their Switzerland laboratories, peer reviewed findings to be released**
- **Growing list of distribution partners demonstrates the Company's accelerating international reach and sales capability**
- **Distribution Agreements signed during the period with the following regions:**
 - **United Kingdom**
 - **Republic of Turkey**
 - **Hong Kong**
 - **Philippines**
 - **India (subsequent to period end)**
- **Nanoshield tape as well as thermoformed plastic for keypads developed and launched during the period**

Nanoveu Limited ("Nanoveu") has released its quarterly cash flow report for the March 2021 quarter in which the Company secured Nestlé Professional, the global leader in out-of-home branded hot and cold beverage and food solutions, as a customer¹.

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

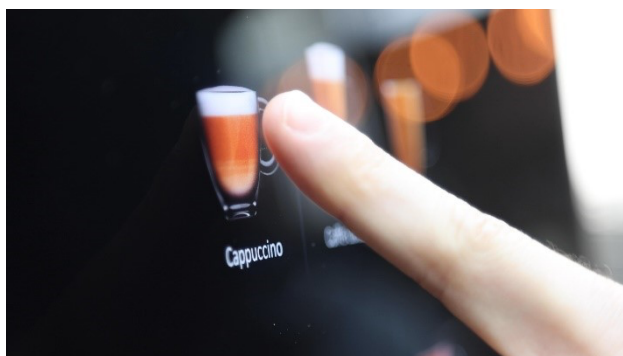
"Nanoveu has had an exceptionally strong quarter across a range of key indicators, particularly on the customer acquisition front, where the Company has secured Nestlé Professional as a flagship client.

"Aside from the benefit of enhanced sales, the landmark customer provides a major signal to our distribution partners that the Nanoshield product has internationally-recognised credentials amongst well-known brands. Sales to Nestlé Professional also boosts our reputation with retail

¹ See ASX announcement of 25 March 2021

consumers, with Nanoshield branding becoming more commonplace and users becoming more familiar with how simple, safe and practical the product is.

“This major achievement provides a strong signal that there is virtually limitless potential for our suite of advanced products and I look forward to updating our shareholders as we create value from these opportunities.”



The Nanoshield protectors are customised to precisely fit the Nescafé touch screen and touch pad coffee machines, which are available around the world. Specific Nanoshield products will also be available for *We Proudly Serve Starbucks®* coffee in selected markets.

Prior to selecting Nanoveu as a supplier, Nestlé Professional undertook its own evaluation of Nanoshield at the Nestlé Institute of Food Safety and Analytical Sciences located in Lausanne, Switzerland to scientifically validate different anti-viral solutions. Nanoveu has been advised the study results will be published in a peer reviewed journal and Nanoveu will provide an update once the study results are available.

While the Company is excited to be working with Nestlé Professional, which has ordered US\$50,000 of product to date, and the opportunity it may present to work with other divisions of Nestlé, there is no certainty as to the future quantity of Nanoshield Nestlé may purchase as the Company does not have a fixed term contract with Nestlé.

Nanoveu’s antiviral technology has been independently demonstrated to be a highly effective agent for the eradication of viruses. The technology has been proven to eliminate 99.99%² of OC43, a viral strain affecting humans that is also a surrogate for COVID-19, in 30 minutes. The antiviral protection has also been validated against other bacteria and viruses including e.Coli, Influenza A (subtype H3N2), and coronavirus MHV-A59³. Additionally, testing simulating 12 months outside weather conditions has found Nanoveu’s products retain their effectiveness against MS2 Bacteriophage, a single-strand RNA virus⁴.

Distribution Agreement Update

During the quarter, Nanoveu was able to successfully accelerate its agreements with international distribution partners, securing further partnerships with a range of reputable groups.

Nanoveu executed a 12-month exclusive distribution agreement with CuVira Limited (CuVira) for its Nanoshield antiviral products in the United Kingdom market⁵.

² See announcements of 5 and 25 May 2020

³ See announcement of 15 April 2020

⁴ See ASX announcement of 18 February 2021

⁵ See ASX announcement of 15 February 2021

The Agreement establishes a purchase order target of US\$4,000,000 within 12 months to maintain exclusivity. While the Company confirms that there are no guarantees of product sales, the purchase order targets have been established for the distributor to maintain exclusivity.

CuVira is a venture between respected business partners Crerar Adams and Mike Tierney. Mr Adams is a former British Skiing Olympian and founder of Fibre Optic Lighting International Limited, which supplies lighting solutions to major construction projects across the UK and Europe. Mr Tierney founded management consultancy, Fulcrum Development & Consulting Ltd in 2002, providing process improvement and organisational development solutions to organisations across the UK, North America, Europe, Middle East and Africa. Fulcrum was acquired by independent management consultancy group Pragmatique Ltd in 2007 and he has been an executive board member since this time. The well-established track-record between Messrs Adams and Tierney strongly positions CuVira in the UK.

Nanoveu was also able to execute an exclusive distribution agreement covering the market of the Philippines with Avolution Inc ("Avolution"), one of the nation's most prominent advertising organisations⁶.

The Agreement, which will see Avolution distribute the Company's range of antiviral protective products, is for a term of 12-months with the ability to extend the agreement should all relevant sales targets be met.

While the Company confirms that there are no guarantees of product sales, an annual US\$700,000 purchase target has been agreed for Avolution to maintain exclusivity for the Philippines. Avolution will embark on an aggressive marketing campaign in this territory.

Avolution is one of the Philippines most prominent suppliers of digital screens for outdoor and indoor advertising, servicing a number of shopping malls and other prominent locations across the country.

Avolution has recently altered its offering to include COVID-safe products, such as its AVO safe-to-touch touchscreens. The touchscreen is built into a soap dispenser, delivering advertising while the user washes their hands.

The group has installed products at more than 180 sites across its 13-year history and boasts a client list which includes major auto companies such as Toyota and Honda as well as energy producer Shell.

During the period, Nanoveu was also able to arrange an exclusive distribution agreement with Vital Medikal Konfeksiyon Tekstil San ve Tic Ltd Sti (Vital Medikal) for distribution in the Republic of Turkey (Turkey)⁷.

The agreement with Vital Medikal is for a term of 12-months, with the ability to extend the agreement should all sales targets be met. While the Company confirms that there are no guarantees of product sales, an annual US\$575,000 purchase target has been agreed for Vital Medikal to maintain exclusivity for Turkey.

Vital Medikal is a specialist medical equipment distributor with more than 25 years' experience supplying Turkish hospitals, clinics and other medical facilities with high-quality devices, including respirators, cathodes and pre-filled syringes. The distributor holds a particular focus on equipment for procedures involving anaesthesia and intensive care units.

⁶ See ASX announcement of 23 March 2021

⁷ See ASX announcement of 11 March 2021

The distributor has an established track record throughout Turkey, already distributing a number of major brands including US-based multinational medical device company Teleflex and MedXL a supplier of prefilled syringes to more than 50 countries.

Further, the Company was able to arrange a distribution agreement for Hong Kong with Asia Pro Lab Limited (Asia Pro Lab)⁸.

The agreement includes an initial, non-material purchase of Nanoshield product and is effective for a period of 12 months with an automatic renewal process, unless either party provides written notice 30 days prior to the rollover date.

Founded in 2009, Asia Pro Lab is a supplier of detailing and customisation for the enthusiast automotive industry, typically using vinyl wrapping. Asia Pro Lab offers customisation for both the interior and exterior of vehicles and through this agreement is able to utilise Nanoshield deliver enhanced antiviral and antibacterial protection.

Subsequent to period end, Nanoveu executed an exclusive distribution agreement covering the market of India with Mumbai-based group Verstech⁹ and includes prepaid purchase orders totalling US\$100,000 within 90 days of executing the agreement.

The agreement, which will see Verstech distribute the Company's range of antiviral protective products, is for a term of 12-months with the ability to extend the agreement should all relevant sales targets be met.

While the Company confirms that there are no guarantees of product sales outside of the initial 90-day prepaid purchase orders, a Minimum Annual Target (MAT) will be developed between 90 and 120 days of executing the agreement. Periodic targets based on the MAT will be developed, which Verstech will be required to meet to maintain exclusivity.

Verstech is a privately held firm which has been established to bring unique technologies to India to improve and simplify everyday activities. The distributor, which has been incorporated by a group of four partners from a variety of different industries, holds deep connections within the Indian market.

Distribution Partner Onboarding Process

Nanoveu's distribution partner process entails a number of steps prior to establishing full-scale commercial operations. In the first instance Nanoveu filters distribution partners based on a number of factors, including the opportunity and capacity to increase scale, the strength and efficiency of a distributor's supply chain, the distributor's industry focus, and reputation.

Following a successful distribution agreement, the distributor will agree to minimum order hurdles to maintain exclusivity and make an initial purchase order. This initial purchase order allows the distributor to approach a number of initial customers with new products and may involve in-country testing for a number of varied use-cases.

Following a period of initial sales, the distributor is able to leverage customer experience and expanded marketing activities to build a larger product market. While timings may vary, distributors may require up to six-months from an initial purchase order before developing a more mature market and approach full-scale sales operations.

⁸ See ASX announcement of 11 March 2021

⁹ See ASX announcement of 27 April 2021

Nanoveu intends to continue its strategy of establishing distribution partnerships in major markets, which enhance sales capabilities without having to deploy significant amounts of capital. In addition, Nanoveu continues to promote direct-to-consumer sales through its online sales portal (<https://www.nanoshield.co/shop>) and is pursuing additional B2B opportunities with a number of prospective organisations.

Outdoor Testing and New Products Update

Following the launch of the Nanoshield product in 2020, Nanoveu has received numerous inquiries about the utility of the product in an outdoor setting. In response, the Company commissioned a study under ISO standard JIS K 7350-2 to assess the product's efficacy in variable environments.

The JIS K 7350-2 standard uses a xenon weather meter to expose the product to temperature ranges from 63 +/- 3°C, humidity from 50 +/- 5%, irradiation levels of 180W/m² and water spray.

The assessment was conducted over a 472-hour period to approximate environmental exposure experienced over 12 months.

Following the simulated 12-month period, the Nanoshield product was assessed for effectiveness using MS2 Bacteriophage, a single-strand RNA virus.

Results demonstrated that the Nanoshield product performed exceptionally well, reducing the viral load by 99.98% within five minutes. The results were almost identical to the performance of product which had not undertaken the simulated 12 months of outdoor exposure (see Figure 1)¹⁰.

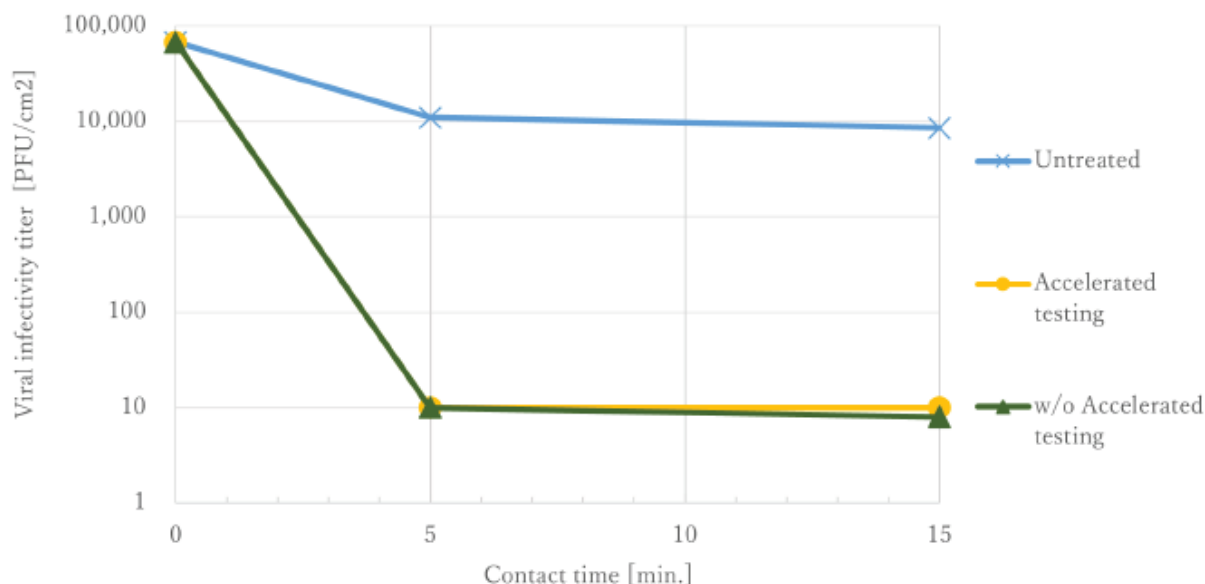


Figure 1: Viral infectivity measured in 5-minute intervals

A new Nanoshield tape product has been launched to better satisfy the market segment seeking adhesive antiviral protection for smaller surfaces.

¹⁰ See ASX announcement of 18 February 2021

The Nanoshield tape is available in three roll length options: 10m, 20m and 50m and will be 10cm in width – similar to dimensions of standard packing tape (see Figure 2).



Figure 2: Nanoshield Tape

The tape provides dual benefits, with distributor partners receiving pre-cut and packaged product which offers faster supply chain turn-around than commercial rolls of product, which may be required to be cut to size, dependent on customer requirements. The tape is also an ideal B2C product providing antiviral protection that is complementary to Nanoveu's existing products, supporting protection of smaller surfaces, such as handrail sections, public transport grab points, door handles, trolleys and basket handles.

In addition to the tape product, Nanoveu has also launched thermoformed plastic which permits the user to order custom-fit antiviral protection, for surfaces such as keypads on ATM machines and point of sale devices (see Figure 3).



Figure 3: Nanoshield thermoformed plastic products

In order to create the product, Nanoveu exposes its Nanoshield antiviral material to heat and allows the product to set on a mould. The moulded product retains its antiviral protection with no loss in efficacy.

The Company believes the thermoformed product is well positioned to better protect financial transactions using keypads (ATMs and EFTPOS machines). The replicable nature of the thermoformed plastic makes it an ideal solution for improving antiviral protection on these uniquely shaped, high-touchpoint surfaces

Corporate

During the quarter, the Company announced that the second share subscription under a placement agreement with Antiviral Technologies Portfolio LLC (the Investor) was executed (see ASX Announcement of 14 August 2020 and ASX Announcement of 29 January 2021). A \$600,000 subscription for shares was made with a value of \$658,500 bringing the total investment to date to \$1,200,000 for shares with a value of \$1,317,000, of which shares with a value of \$200,000 (4,000,000 shares) were issued on 6 January 2021 and shares with a value of \$230,000 (5,000,000 shares) were issued on 6 April 2021.

Further, following the successful commercialisation of its anti-viral business and increasing engagement of international distributors, the Company has taken the opportunity to incentivise and align the interests of directors and employees with shareholders via the issue of up to 8,480,000 performance rights under the Company's performance rights and option plan. The Company issued up to 3,780,000 performance rights to employees and is proposing to issue up to 4,700,000 performance rights to directors. The issue of performance rights to directors is subject to shareholder approval at a meeting to be held on or around 31 May 2021.

In addition, the Company is taking the opportunity to incentivise a scientist working on the EyeFyx project. Subject to shareholder approval, the Company is proposing to issue up to 750,000 performance rights to a scientist working on the EyeFyx project.

Expenditure:

An Appendix 4C detailing expenditure for the quarter is appended. Payments to related parties totalling \$127k were paid during the quarter for directors' fees, executive remuneration, and pension / superannuation benefits.

Advertising and marketing costs of \$109k and production costs of \$161k were paid in relation to the Company's anti-viral products.

- Ends -

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

For further information, please contact:

Alfred Chong
Executive Chairman and CEO

t: +65 6557 0155
e: info@nanoveu.com

For media / investor enquiries, please contact:

David Tasker / Alex Baker
Chapter One Advisors

t: + 61 433 112 936 / +61 432 801 745
e: dtasker@chapteroneadvisors.com.au

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

Name of entity

Nanoveu Limited

ABN

97 624 421 085

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	99	99
1.2 Payments for		
(a) research and development	(39)	(39)
(b) product manufacturing and operating costs	(161)	(161)
(c) advertising and marketing	(109)	(109)
(d) leased assets	-	-
(e) staff costs	(352)	(352)
(f) administration and corporate costs	(41)	(41)
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	28	28
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(575)	(575)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(7)	(21)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	(7)	(7)

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	1,148	1,148
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(575)	(575)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7)	(7)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	600	600
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,166	1,166

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	143	181
5.2	Call deposits	1,024	968
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)	1,166	1,149

**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**

127

-

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)	(575)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	1,166
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)	2,366
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	4.1

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 April 2021

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.