

ASX RELEASE

31 January 2022

ASX: NVU

Quarterly Activities Report and Appendix 4C for the Quarter Ended 31 December 2021

Highlights

- **Strategic License and Supply Agreement with Cupron, Inc., with proprietary Cupron materials to be supplied Nanoveu for production of the Nanoshield™ range of self-disinfecting products, which are to be sold under Cupron's Environmental Protection Authority ("EPA") registration.**
- **Licensing and Research Collaboration Agreement with NTU Singapore, following the successful development of a new spray formulation for enterprise scale antiviral and antibacterial textile treatment.**
- **Patent Cooperation Treaty approval for EyeFyx, with the patent securing intellectual property rights in 18 countries, representing Nanoveu's first exclusive patent in vision-based films.**
- **Non renounceable rights issue raising \$473k at an issue price at \$0.045 per share.**
- **\$400k advance against the future issue of shares was received under a funding facility following approval by shareholders on 8 November 2021**
- **Exclusive agreement for the commercial and marketing rights of all antiviral products developed by Innox Limited, for a term of 20 years. Accordingly, the Tranche M Performance Rights vested with 500,000 ordinary shares being issued.**

Nanoveu Limited ("**Nanoveu**" or the "**Company**") is pleased to provide an overview of activities to accompany the Appendix 4C for the quarter ended 31 December 2021 ("Quarter", "Reporting Period").

Commenting on the Quarter, Nanoveu Founder & CEO, Alfred Chong, said:

"The December 2021 Quarter was another key period for the Company, as we continued to lay the groundwork for our next stage of growth. During the Quarter, Nanoveu entered a strategic License and Supply Agreement with Cupron, Inc., with proprietary Cupron materials to be supplied Nanoveu for production of the Nanoshield™ range of self-disinfecting products, which are to be sold under Cupron's Environmental Protection Authority ("EPA") registration. This represents a significant and key development for the Company, by further increasing Nanoveu's value proposition.

"During the Reporting Period, Nanoveu also entered a Licensing and Research Collaboration Agreement with Nanyang Technological University Singapore, following the successful development of a new spray formulation for enterprise scale antiviral and antibacterial textile treatment. With a strong product development pipeline, Nanoveu and NTU will also develop new

products incorporating the spray, including facemasks to be sold into the Singaporean market, as well as other textiles products.

“Nanoveu also continued to advance its intellectual property portfolio during the Reporting Period, with Patent Cooperation Treaty approval received for EyeFyx, representing the next stage in the commercialisation process, with the patent securing intellectual property rights in 18 countries. Presbyopia is the gradual loss of the ability for a human eye to focus on objects and now affects over one in four people¹. EyeFyx provides a solution for sufferers who are increasingly dependent on digital screens and dual screen environments, and normally resort to bifocal spectacles, or constantly look through and around their spectacles.

“During the Reporting Period, Nanoveu also completed a non-renounceable rights issue raising \$473,253.

“I would like to thank shareholders for their support to date and look forward to an exciting 2022 Calendar Year.”

Strategic License and Supply Agreement with Cupron, Inc

During the Reporting Period, Nanoveu entered a non-exclusive License and Supply Agreement (“Agreement”) with Cupron, Inc. (“Cupron”), a company incorporated in the United States focused on copper-based antimicrobial technology that harnesses the unique properties of copper for healthcare, consumer, industrial, and military applications.

Under the Agreement, Cupron will non-exclusively supply Nanoveu with proprietary Cupron materials, including copper iodide metal powder (“Cupron Enhanced Product” or “CEP”) for use in the Nanoshield™ antiviral and antimicrobial products.

The Nanoshield™ product can use Cupron’s CEP without affecting efficacy or product profile and importantly, the CEP material is registered under the United States Environmental Protection Agency (EPA), with the Agreement allowing Nanoveu to sell its Nanoshield™ product (using CEP) under Cupron’s EPA Registration.

The Agreement will also enable Nanoveu to introduce complementary products to its Nanoshield™ film portfolio, with its antiviral technology independently demonstrated to be a highly effective agent for the inactivation of viruses and bacteria and referenced in peer reviewed reports in the American Journal of Microbiology². The technology has been proven to eliminate 99.99% of SARS-CoV-2 (COVID-19) and HCoV-299E, OC43 (another coronavirus affecting humans) in 30 minutes³.

Under the Agreement, Nanoveu will be offered a fixed price for CEP material with Cupron receiving a sales royalty on US-based Nanoshield™ sales of 8% for the first US\$1 million sales, 6% for US\$1-10 million in sales and 4% of all sales thereafter.

Licensing and Research Collaboration Agreement with NTU Singapore

In October 2021, Nanoveu announced that the Company had entered into a Licensing and Research Collaboration Agreement (“Collaboration Agreement”) with Nanyang Technological

¹ <https://www.sciencedirect.com/science/article/pii/S0161642017337971>

² See ASX Announcement of 28 July 2021 for the testing performed and the results.

³ 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



University, Singapore, (“NTU”) 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.

The parties continue to explore the deployment of the technology for enterprise scale textile treatment, with Nanoveu aiming to launch the product in February 2022. Under the Collaboration Agreement, Nanoveu will work with NTU Singapore on the development of copper-based active ingredients to create a new range of spray products.

The Collaboration Agreement is for a term of 5 years with options to extend.

Non-Renounceable Rights Issue

During the Quarter, Nanoveu announced the results from the pro-rata non-renounceable rights issue of one (1) fully paid ordinary share in the capital of the Company (Share) for every four (4) Shares held, at an issue price of \$0.045 per Share together with one (1) free attaching option for every two (2) Shares subscribed for and issued (New Option). The pro-rata non-renounceable rights issue was announced in September 2021, with the New Options having an exercise price of \$0.058 and a two (2) year term.

The Company received applications to subscribe for 10,516,730 new Shares from eligible shareholders under the Entitlement Offer to raise approximately \$473k, including participation by directors of the Company.

Advance Against the Future Issue of Shares

During the quarter, \$400k was received against the future issue of shares under a funding facility following approval by shareholders on 8 November 2021.

Marketing rights for Innox products

Nanoveu entered an exclusive agreement for the commercial and marketing rights of all antiviral products developed by Innox Limited, for a term of 20 years. Accordingly, the Tranche M Performance Rights vested with 500,000 ordinary shares being issued.

Expenditure

An Appendix 4C detailing expenditure for the quarter is appended. Payments to related parties totaling \$137k were paid during the quarter for directors’ fees, executive remuneration, and pension / superannuation benefits.

The Company’s focus has been the commercialization of its anti-viral products.

Expenditure for the quarter ended 31 December 2021 included:

- Research and development expenditure of \$75k incurred in the research and development of new products, being mainly in relation to the Company’s EyeFyx development project;
- Product manufacturing and operating expenditure of \$91k incurred in producing products for sale, specifically the Company’s anti-viral products, including the purchase and production of inventory for sale;

- Advertising and marketing expenditure of \$56k related to marketing the Company's anti-viral products;
- Costs of \$266k comprising the costs of all staff employed by the Company and directors' remuneration; and
- Administration and corporate costs of \$89k associated with running the Company, including ASX fees, audit fees, legal fees, share registry fees and rent.

- 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 several 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")

31 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	155	731
1.2 Payments for		
(a) research and development	(75)	(243)
(b) product manufacturing and operating costs	(91)	(468)
(c) advertising and marketing	(56)	(293)
(d) leased assets	-	-
(e) staff costs	(266)	(1,233)
(f) administration and corporate costs	(89)	(419)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	1	67
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(414)	(1,857)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(77)	(89)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	(77)	(89)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	531	1,881
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	(129)	(231)
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	400	1,161
3.10	Net cash from / (used in) financing activities	802	2,811

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,702	1,148
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(414)	(1,857)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(77)	(89)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	802	2,811
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,013	2,013

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	302	111
5.2	Call deposits	1,712	1,591
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)	2,013	2,013

**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
137
-

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	1,600
2,400	1,600

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

800

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 \$1,600,000 for subscription for shares with the value of \$1,756,000 to be issued.

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)

(414)

8.2 Cash and cash equivalents at quarter end (Item 4.6)

2,013

8.3 Unused finance facilities available at quarter end (Item 7.5)

800

8.4 Total available funding (Item 8.2 + Item 8.3)

2,813

8.5 **Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**

6.8

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

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.

31 January 2022

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.