

Appendix 4D

(Rule 4.2A.3)

Half year report

Name of entity

Nanoveu Limited	97 624 421 085
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1. Details of the Reporting Period and the Previous Corresponding Period

Financial period ended ("current period")	Financial period ended ("previous period")
30 June 2023	30 June 2022

2. Results for Announcement to the Market

			\$'000	%		\$'000
2.1	Revenue from ordinary activities	down	77	55%	to	34
2.2	Loss from ordinary activities after tax attributable to members	down	1,227	29%	to	867
2.3	Net loss for the period attributable to members	down	1,227	29%	to	867
2.4	Loss per share	down		59%	to	0.2 cents
2.5	Brief explanation of results					
	For further details, please refer to the interim financial report.					

3. NTA Backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$0.0026	\$0.0033

4. Control gained or lost over entities having material effect

Not applicable.

5. Dividends

There were no dividends declared or paid during the period and the do not recommend that any dividends be paid.

6. Dividend Reinvestment Plans

Not applicable.

7. Material interest in entities which are not controlled entities

Not applicable.

8. Independent Review Report

Refer to the attached Half Year Financial Report for the half-year ended 30 June 2023.

9. Compliance Statement

This report should be read in conjunction with the attached Half-year Financial Report for the half-year ended 30 June 2023.

A handwritten signature in blue ink, appearing to read 'Alfred Chong', is positioned above the printed name.

Signed here:

Date: 1 December 2023

Print name: Alfred Chong
Managing Director and CEO



Nanoveu Limited

(ACN 624 421 085)

**INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED**

30 June 2023

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COMPANY DIRECTORY

Directors

Mr Dave Pevcic
Non-executive Chairman

Mr Alfred Chong
Managing Director

Mr Steven Apedaile
Non-executive Director

Mr Michael Winlo
Non-executive Director

Company Secretary

Mrs Naomi Haydari

Share Registry

Automic Registry Services
Level 2
267 St Georges Terrace
Perth WA 6000

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ABN:

97 624 421 085

Registered Office

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Tel: +61 8 6244 9095

Web Address

www.nanoveu.com

ASX Code:

NVU

Auditors

BDO Audit (WA) Pty Ltd
Level 9
Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000
AUSTRALIA

Solicitors

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 600

REVIEW OF OPERATIONS

Highlights

- Nanoshield™ Solar, a derivative nano coating for major Solar applications, was launched.
- Further research and development was completed into anti-flammable laminates for the aviation industry.
- Nanoveu completed a \$1.35 Million Equity Placement supported by existing, new institutional and sophisticated investors ; \$100k of this amount was from Directors on the same terms.
- The board was strengthened with the appointment of Dr David Pevcic (Non-Executive Chairman) and Dr Michael Winlo (Non-Executive Director).
- Significant pipeline and interest for Solar products established worldwide, with distribution agreement executed for the Philippines.
- NanoShield™ was tested for Marine Antifouling Applications.
- NanoShield™ Solar entered US market with first trial installation.

Antimicrobial Nano Coating Developed for Solar PV Panels

The Company successfully expanded its Nanoshield™ product suite to include a proprietary antimicrobial coating targeting algae growth on photo-voltaic solar panels.

The coating was initially designed to inhibit biofilm formation and algae growth (antifouling) for photovoltaic solar panels. Nanoshield™ therefore addresses a major issue in humid climates where solar panel energy output can be significantly hindered by microbial growth.

Nanoshield™ also inhibits dirt and sand adherence, reducing cleaning frequency for climates where sand build up on panels is a major issue and creates a super hydrophilic film that reduces mineral and dirt accumulation after rainfall.

Aircraft Laminates to Incorporate Nanoshield™ Technology

The Company completed a research collaboration with A*STAR to develop a new product category in anti-flammable laminates for the aviation industry, to which the Company is now adding its Nanoshield™ Antiviral technology.

The research program was undertaken by A*STAR and Nanoveu and successfully passed all pertinent evaluations for use in commercial airlines, including OSU Heat Release, Anti-Smoke, and Anti-Flame tests.

The successful program provides the opportunity to expand Nanoshield™ treated laminates to major additional transportation markets.

NanoShield™ Successfully Completed \$1.35 Million Equity Placement to Support Company Growth

The Company completed a placement of 48,076,923 fully paid ordinary shares at \$0.026 per share to sophisticated investors to raise \$1.25 million together with one free attaching unquoted option (exercisable at \$0.04 on or before 2 years from date of issue) for every two Shares issued and that Directors had subscribed for an additional \$100,000 on the same terms.

REVIEW OF OPERATIONS

NanoShield™ Solar Distribution Agreement for the Philippines

The Company entered into an exclusive marketing and distribution agreement with One Renewable Energy Enterprise Inc to exclusively distribute NanoShield™ Solar, the Company's proprietary antimicrobial coating products for photo-voltaic (PV) panels in the Philippines.

The agreement is for an initial term of 3 years, with target sales of US\$0.75m in the first 12 months and US\$13m within the first 24 months. Meeting these targets will result in the distribution agreement being renewed, failing which the agreement will expire. The Company notes that there is no certainty that these revenue targets will be met.

Across the Philippines, One Renewable is actively providing innovative off- and on-grid sustainable solutions for on-grid solar rooftops in 40 locations and 11 solar / hydro hybrid micro-grid installations with storage and back-up generators covering 21.5 MW of energy generation.

One Renewable's current solar project pipeline covers 1,100 MW throughout the Philippines. These projects are expected to materialize over the next few years and utilise Nanoveu's products.

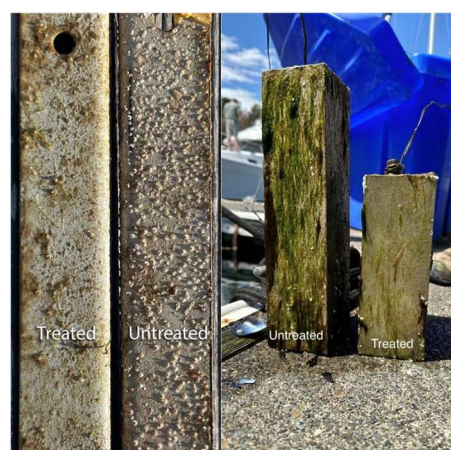


NanoShield™ W Series Successfully Tested for Marine Antifouling Applications

The Company successfully tested its W-series Solar Coating for marine antifouling applications.

Antifouling refers to measures or substances used to prevent the growth of aquatic organisms such as algae, barnacles, and mussels on the hulls of ships, boats and other structures that are submerged in water.

Nanoveu concluded the 30-day preliminary test to determine the effectiveness of NanoShield™ Marine coating for preventing algae and oxidation on aluminium surfaces in salt water in the United States. It shares the same chemical structure as the NanoShield™ Solar product range.



NanoShield™ Solar enters US market with first trial installation

The Company commenced its first trial installation of NanoShield™ Solar in the USA at a farm in McMinnville, Tennessee, USA.

The Company established at least two identical but independent solar installations as "Test" and "Control" strings for testing NanoShield™ Solar over a section of the Daylily Nursery Farm.

The site will enable Nanoveu to showcase its products to potential US-based customers invited to inspect the facility and installations. Similar demonstration NanoShield™ Solar installations have been established in the Philippines and Malaysia, following the exclusive marketing and distribution agreement signed with One Renewable Energy Enterprise Inc.



DIRECTOR'S REPORT

Your Directors submit the financial report of the Company, being Nanoveu Limited, and the entities it controlled ("the Group"), for the half-year ended 30 June 2023. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Review of operations Information on the operations and financial position of the Group and its business strategies and prospects are set out in the Review of Operations on pages 2 to 3 of this report.

Directors

The names of Directors who held office during or since the end of the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Alfred Chong	Managing Director and CEO
Steven Apedaile	Independent Non-executive Director
Dave Pevcic	Chairman, Independent Non-executive Director (effective 3 rd February 2023)
Michael Winlo	Independent Non-executive Director (effective 28 March 2023)
Michael van Uffelen	Executive Director (resigned effective 30 th June 2023)

Company Changes

Nanoveu Distribution Inc. USA was dissolved on 9th December 2022. The Company had decided to cease operations in the USA and focus its resources in its homebase in Asia.

Nanoveu Malaysia was formed in December 2022, as the Company wanted to have a manufacturing base/partner for its new suite of products.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial half-year.

Events After Reporting Date

On 21 July 2023, the securities of the Company were suspended from quotation pending the release of an announcement regarding the outcome of the Company's intended application to the Supreme Court of Western Australia seeking orders in relation to the Company's inadvertent error to lodge a cleansing notice under section 708A(5)(e) of the Corporations Act 2001 (Cth) in relation to the issue of 58,500,000 Shares on 27 January 2023.

The Company's securities remain suspended from trading at the date of report.

Apart from the item above, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future financial years.



Mr Alfred Chong
Managing Director and CEO

Dated this day of 1 December 2023

AUDITOR'S INDEPENDENCE DECLARATION

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, BDO Audit (WA) Pty Ltd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 5 and forms part of this Directors' report for the half-year ended 30 June 2023.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3)(a) of the Corporations Act 2001.



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DECLARATION OF INDEPENDENCE BY JACKSON WHEELER TO THE DIRECTORS OF NANOVEU LIMITED

As lead auditor for the review of Nanoveu Limited for the half-year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Nanoveu Limited and the entities it controlled during the period.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'J. Wheeler', is written over a horizontal line.

Jackson Wheeler

Director

BDO Audit (WA) Pty Ltd

Perth

1 December 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

HALF-YEAR ENDED 30 JUNE 2023

	Note	Half-Year Ended 30/06/2023 \$	Half-Year Ended 30/06/2022 \$
Revenue from contracts with customers		34,588	77,187
Revenue		34,588	77,187
Cost of sale of goods		(24,950)	(17,568)
Gross profit		9,638	59,619
Other operating income		12,498	19,369
Selling and distribution expenses		(91,351)	(195,325)
Administration expenses		(748,552)	(721,296)
Research and development costs		(972)	(199,366)
Share based payment expense	8	(51,545)	(16,977)
Impairment expense	11	-	(100,724)
Other operating expenses		872	-
Operating loss		(869,412)	(1,154,699)
Finance income		2,855	76
Finance costs		(147)	(72,377)
Loss before income tax		(866,704)	(1,227,001)
Income tax expense		-	-
Loss for the period		(866,704)	(1,227,001)
Other comprehensive income / (loss)			
<i>Items that may be reclassified to profit or loss:</i>			
- Currency translation differences arising from consolidation		(4,795)	1,737
		(4,795)	1,737
Total comprehensive loss for the period		(871,499)	(1,225,264)
Loss per share – basic and diluted	3	(0.2)	(0.6)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

HALF-YEAR ENDED 30 JUNE 2023

	Note	30 June 2023 \$	31 Dec 2022 \$
CURRENT ASSETS			
Cash and cash equivalents		1,065,944	248,142
Trade and other receivables		236,146	125,574
Inventories		-	-
Total Current Assets		1,302,090	373,716
NON-CURRENT ASSETS			
Plant and equipment		70,786	62,598
Intangible Asset		33,247	-
Right of Use Asset	6	105,713	-
Total Non-current Assets		209,246	62,598
TOTAL ASSETS		1,511,836	436,314
CURRENT LIABILITIES			
Trade and other payables		313,848	257,860
Financial liability	5	-	300,000
Lease Liability	6	67,829	-
Provisions		12,930	12,930
Total Current Liabilities		394,607	570,790
NON CURRENT LIABILITIES			
Lease Liability	6	41,158	-
Total Non Current Liabilities		41,158	-
TOTAL LIABILITIES		435,765	570,790
NET ASSETS		1,076,071	(134,476)
EQUITY			
Issued capital	7	19,718,290	17,737,687
Accumulated losses		(17,325,586)	(16,942,483)
Reserves		(1,316,633)	(929,680)
TOTAL EQUITY		1,076,071	(134,476)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

HALF-YEAR ENDED 30 JUNE 2023

	Issued Capital	Accumulated Losses	Option Reserve	Common Control Reserve	Share Based Payment Reserve	Foreign Currency Translation Reserve	Total
	\$		\$	\$	\$	\$	\$
Balance at 1 January 2022	16,769,439	(14,269,349)	363,380	(1,710,087)	317,493	113,727	1,584,603
Loss for the half-year	-	(1,227,000)	-	-	-	-	(1,227,000)
OCI – FX Translation	-	-	-	-	-	1,737	1,737
Transfer	-	-	(20,760)	-	-	20,760	-
Total comprehensive loss for the half-year	-	(1,227,000)	(20,760)	-	-	22,497	(1,225,263)
<i>Transactions with owners in their capacity as owners:</i>							
Share based payments	-	-	-	-	16,977	-	16,977
Shares issued under an equity facility	350,000	-	-	-	-	-	350,000
Share issue expenses	(1,813)	-	-	-	-	-	(1,813)
Balance at 30 June 2022	17,117,626	(15,496,349)	342,620	(1,710,087)	334,470	136,224	724,504
	Issued Capital	Accumulated Losses	Option Reserve	Common Control Reserve	Share Based Payment Reserve	Foreign Currency Translation Reserve	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 January 2023	17,737,689	(16,942,433)	400,229	(1,710,087)	216,501	163,642	(134,476)
Loss for the half-year	-	(866,704)	-	-	-	-	(866,704)
OCI – FX Translation	-	-	-	-	-	(4,795)	(4,795)
Total comprehensive loss for the half-year	-	(866,704)	-	-	-	(4,795)	(871,499)
<i>Transactions with owners in their capacity as owners:</i>							
Adjustment to Prior Year	13,329	-	(20,760)	-	14,471	39	7,079
Transfer to Retained Earnings-Option Reserve	-	146,464	(146,464)	-	-	-	-
Transfer to Retained Earnings-SBPR	-	336,989	-	-	(336,989)	-	-
Share Placement	1,874,958	-	-	-	-	-	1,874,958
Share based payments	135,000	-	-	-	51,545	-	186,545
Shares issued on conversion of options	150,000	-	-	-	-	-	150,000
Share issue expenses	(136,536)	-	-	-	-	-	(136,536)
Share Issue expenses Options	(56,000)	-	56,000	-	-	-	-
Write Off NVU USA	(148)	148	-	-	-	-	-
Balance at 30 June 2023	19,718,290	(17,325,586)	289,005	(1,710,087)	(54,472)	158,921	1,076,071

The above Consolidated Statement of Statement of Changes in Equity should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS

HALF-YEAR ENDED 30 JUNE 2023

	Half-Year Ended 30/06/2023 \$	Half-Year Ended 30/06/2022 \$
Cash flows from Operating Activities		
Receipts from customers	47,086	61,957
Government grant received	-	19,369
Payments to suppliers and employees	(904,554)	(1,130,102)
Interest received	2,855	76
Net cash (used in) operating activities	(854,613)	(1,048,700)
Cash Flows from Investing Activities		
Payment of Plant and Equipment	(8,188)	-
Net cash provided by/(used in) investing activities	(8,188)	-
Cash Flows from Financing Activities		
Proceeds from Issuance of Shares	1,980,603	-
Repayment of Financial Liability	(300,000)	(1,813)
Net cash provided by/(used in) financing activities	1,680,603	(1,813)
Net increase (decrease) in cash held	817,802	(1,050,513)
Cash at the beginning of the financial period	248,142	2,013,365
Cash at the end of the financial period	1,065,944	962,862

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 30 June 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

It is recommended that the financial statements are read in conjunction with the annual financial report for the year ended 31 December 2022 and any public announcements made by the Company during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The interim financial statements have been approved and authorised for issue by the Board on 1 December 2023.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated. The comparative statement of financial position has been adjusted to correct calculations from December 2022 reporting period.

Going concern

The interim financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Group incurred a loss for the half year ended 30 June 2023 of (\$871,499) (2022: \$1,225,264) and net cash outflows from operating activities of \$854,613 (2022: \$1,048,700).

The ability of the Group to continue as a going concern is dependent on securing additional funding through either equity, debt or receipts from customers, or a combination of all, to continue to fund its operational and technology development activities. These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors believe that there are sufficient funds available to continue to meet the Group's working capital requirements as at the date of this report and that sufficient funds will be available to finance the operations of the Group for the following reasons:

- The Directors of Nanoveu Limited have assessed the likely cash flow for the 12 month period from date of signing this half year report and its impact on the Group and believe there will be sufficient funds to meet the Group's working capital requirements as at the date of this report, based on the belief that additional funds will be receipted via product sales to finance the Company's activity and would expect funds would be needed from both debt and equity to complement financial/capital requirements.
- The Group has historically demonstrated its ability to raise funds to satisfy its immediate cash requirements. Management have considered the future capital requirements of the Group and will consider all funding options as required.
- The Directors of Nanoveu Limited have reason to believe that in addition to the cash flow currently available, additional funds from receipts are expected from the commercialisation of the Group's products.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements or raise additional capital through equity or debts raisings and that the interim financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern and meet its debts as and when they become due and payable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Basis of Measurement and Reporting Conventions

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded off to the nearest dollar unless stated otherwise.

The accounting policies adopted are consistent with the accounting policies adopted in the Group's last annual financial statements for the year ended 31 December 2022 except for the adoption of new and amended standards adopted by the Group. Comparative figures have been adjusted to conform to changes in presentation for the current financial year.

New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant or material change to the Group's accounting policies.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Functional and presentation currency

These financial statements are presented in Australian dollars, which is the functional currency of Nanoveu Limited.

Critical estimates and judgements

Performance rights

17,093,975 performance rights are on issue, at 30 June 2023, which convert into fully paid ordinary shares on the achievement of the milestones as disclosed in Note 7. If the milestone is not satisfied on or before expected achievement dates, the Performance Rights will expire.

For remuneration and expense recognition purposes the value is the number of performance rights granted, multiplied by the share price at date of grant and the value being amortised over the period to the expected vesting date after assessing the likelihood, probability and date of achieving these milestones. These are then reassessed at each reporting date for performance rights which have not been achieved nor expired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SEGMENT REPORTING

The Group predominantly deploys nanotechnology. For management purposes, the Group is organised into business units based on its services and has three reportable segments, as follows:

- Americas;
- Asia; and
- corporate and head office.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. The Group's financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Half-Year Ended 30 June 2023	Americas	Asia	Corporate and Head Office	Total Segments	Adjustments and Eliminations	Consolidated
Revenue						
External customers	-	34,588	-	34,558	-	34,588
Inter-segment		-		-	-	-
Total revenue (i)	-	34,588	-	34,588	-	34,588
Income/(expenses)						
Depreciation & Amortisation	-	(128,936)	-	(128,936)	-	(128,936)
Segment profit/(loss)	-	(758,067)	(108,637)	(866,704)	-	(866,704)
Total assets	-	551,454	960,345	1,511,799	37	1,511,836
Total liabilities	-	(335,661)	(100,105)	(435,766)	1	(435,765)

Half-Year Ended 30 June 2022	Americas	Asia	Corporate and Head Office	Total Segments	Adjustments and Eliminations	Consolidated
Revenue						
External customers	876	76,311	-	77,187	-	77,187
Inter-segment		-	-	-	-	-
Total revenue (i)	876	76,311	-	77,187	-	77,187
Income/(expenses)						
Depreciation and amortisation	-	(24,613)	-	(24,613)	-	(24,613)
Segment profit/(loss)	(1,177)	(493,635)	(576,914)	(1,227,000)	-	(1,227,000)
Total assets	4,654	818,509	783,636	1,606,799	-	1,606,799
Total liabilities	(6,475)	(109,086)	(770,904)	(882,295)	-	(882,295)

- (i) Revenue is recognised at a point in time.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Adjustments and eliminations

Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis. Current taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis. Inter-segment revenues are eliminated on consolidation.

3. LOSS PER SHARE

	Half-year Ended 30/06/2023	Half-year Ended 30/06/2022
(Loss) for the period	(\$866,704)	(\$1,227,000)
Weighted average number of ordinary shares used in the (loss) per share calculations	348,654,253	217,516,645
Basic and diluted (loss) per share (cents)	(0.2)	(0.6)

4. DIVIDENDS PAID OR PROPOSED

No dividends were paid or declared during the half-year ended 30 June 2023 (30 June 2022: nil).

5. FINANCIAL LIABILITIES

During the period the Group repaid in cash the full amount of the outstanding financial liability due under the Antiviral Technologies Portfolio LLC facility agreement (as amended):

- NIL shares issued During Half Year 2023
- Payment of the following amounts was completed during the half-year ended 30 June 2023
\$300,000 Total Paid January 2023, February 2023, March 2023, May 2023 (\$60,000 per Month)
NIL Remaining to pay at 30th June 2023.

6. RIGHT OF USE ASSETS

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use).

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

RIGHT OF USE ASSET (continued)

Office Premises Singapore being Unit 08-25 and Unit 08-09.

Lease for both Units are for a 36 month period commencing on 8th January 2022.

Non Current Asset	\$105,713 as at June 2023
Current Lease Liability	\$67,829 as at 30 June 2023
Non Current Lease Liability	\$41,158 as at 30 June 2023

7. ISSUED CAPITAL

(a) Ordinary shares

	As at 30/06/2023	As at 31/12/2022
Paid up capital – ordinary shares	21,166,089	19,011,520
Capital raising costs	(1,447,799)	(1,273,833)
	<u>19,718,290</u>	<u>17,737,687</u>
Date	Number of shares	\$
30 June 2023 movements in issued capital:		
Balance at 1 January 2023	280,770,275	17,737,687
Placement Shares 27 th January 2023	52,500,000	525,000
Placement Shares 30 th January 2023	6,000,000	60,000
Placement Shares 4 th May 2023	48,076,923	1,250,000
Placement Shares 12 th May 2023	7,500,000	150,000
Placement Shares 20 th June 2023	3,846,154	100,000
Placement Shares 20 th June 2023	2,884,615	75,000
Adjustment December 2022		13,329
TOTAL	401,577,967	19,911,016
Share Issue Expenses		(192,726)
Balance at 30 June 2023	<u>401,577,967</u>	<u>19,718,290</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(b) SHARE OPTIONS

Options on issue:

At 30 June 2023, unissued ordinary shares of the Company under option were:

Terms of Options	Number on Issue
Unlisted options with an exercise price of \$0.1018 on or before 28 October 2023	3,900,000
Unlisted options with an exercise price of \$0.058 on or before 6 Sep 2023	1,000,000
Unlisted options with an exercise price of \$0.058 on or before 1 Feb 2024	15,000,000
Unlisted options with an exercise price of \$0.020 on or before 5 Oct 2023	5,902,855
Unlisted options with an exercise price of \$0.020 on or before 27 January 2026	53,000,000
Unlisted options with an exercise price of \$0.040 on or before 15 June 2025	25,961,546
Total	104,764,401

(c) PERFORMANCE RIGHTS

The date at which the performance hurdle is assumed to be achieved has been estimated based on the target date for the performance hurdle to be achieved. If the milestone is not satisfied on or before expected achievement dates, the Performance Rights will expire.

Tranche	Performance Hurdle	Number	Assumed Probability of achievement	Assumed Achievement Date	Expense HY 2023
NVUPRQ	Tranche Q The Company achieving A\$3,500,000 of total consolidated sales revenue from all its products (Products) by 31 December 2023, as validated from the Company's audited or audit reviewed financial reports	13,593,975	0%	-	-
NVUPRR	Tranche R The Company achieving A\$7,000,000 of total consolidated sales revenue from all its products (Products) by 31 December 2024, as validated from the Company's audited or audit reviewed financial reports	13,593,975	100%	31 Dec 2024	\$16,258.86
NVUPRS	Tranche S Successful submission of a patent by Nanoveu to PCT level by 31 Dec 2023	1,000,000	100%	31 Dec 2023-	\$26,000.00
NVUPRT	Tranche T Successful submission of a second patent by Nanoveu to PCT level by 31 Dec 2023	1,000,000	100%	31 Dec 2023	\$3,714.29
NVUPRU	Tranche U Successful submission of a third patent by Nanoveu to PCT level by 31 December 2023	1,500,000	100%	31 Dec 2023	\$5,571.43
Total		30,687,950			\$51,544.57

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PERFORMANCE RIGHTS (continued)

Incentive Performance Rights being new issues in the period as approved at the AGM 31 May 2023.

Value of each Incentive Performance Right is \$0.0260.

All for Tranche Q, R, S, T & U listed in the above table.

8. SHARE-BASED PAYMENTS

During the half-year ended 30 June 2023 a total share-based payment expense of \$51,544 was recognised as an expense through profit and loss (30 June 2022: \$16,977).

Value of each Incentive Performance Right is \$0.0260.

Listed under Note 7. Issued Capital, (c) Performance rights table.

Sixty Two Capital provided lead broker services for both the January 2023 and June 2023 Rights Issues.

This included the below listed shares and options. Options noted below are considered free-attaching consistent with the terms of the related rights issue. No cash payment was made.

Person/Company	Date	Shares	Share Issue Price	Options	Total Value
Sixty Two Capital	Jan 2023	6,000,000	\$0.010	3,000,000	\$60,000
Sixty Two Capital	June 2023	2,884,615	\$0.0260	-	\$75,000

In addition, 4 million options were issued to the above broker for services rendered. These options were valued using the Black Scholes Option Pricing model. The fair value of Options is recognised at the grant date using the following assumptions:

Grant Date	Number Issued	Exercise Price (cents)	Assumed Stock Price at Grant Date (cents)	Interest Rate	Volatility	Value Per Option (cents)
20 June 23 Not Issued in the HY 2023 Period	4,000,000	\$0.04	\$0.026	3.99%	100%	\$0.014

The amount recognised as a Capital Raising Cost for the above options during the HY 2023 period was \$56,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. RELATED PARTY TRANSACTIONS

Incentive Performance Rights were issued in the Half Year 2023 period to directors and related parties.

Incentive Performance Rights being new issues in the period as approved at the AGM 31 May 2023.

Value of each Incentive Performance Right is \$0.0260.

Person/Company	Incentive Performance Rights Tranche Q	Incentive Performance Rights Tranche R	Incentive Performance Rights Total	Incentive Performance Rights Expense HY23
Dave Pevcic	1,625,000	1,625,000	3,250,000	\$2,223.68
Alfred Chong	1,937,500	1,937,500	3,875,000	\$2,651.32
Steven Apedaile	1,000,000	1,000,000	2,000,000	\$1,368.42
Michael Winlo	1,000,000	1,000,000	2,000,000	\$1,368.42
Michael van Uffelen	1,712,500	1,712,500	3,425,000	\$0.00

RELATED PARTY TRANSACTIONS (continued)

Person/Company	Incentive Performance Rights Tranche Q	Incentive Performance Rights Tranche R	Incentive Performance Rights Total	Incentive Performance Rights ExpenseHY23
Julian Stothard	525,000	525,000	1,050,000	\$718.42

10. COMMITMENTS AND CONTINGENCIES

There have been no other changes in commitments or contingent liabilities since the last annual reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. IMPAIRMENT

The following assets were impaired as management assessed that their value was not recoverable:

	Half-year Ended 30/06/2023	Half-year Ended 30/06/2022
Investment in joint arrangement	-	100,724
	<u>-</u>	<u>100,724</u>

12. EVENTS AFTER THE BALANCE SHEET DATE

On 21 July 2023, the securities of the Company were suspended from quotation pending the release of an announcement regarding the outcome of the Company's intended application to the Supreme Court of Western Australia seeking orders in relation to the Company's inadvertent error to lodge a cleansing notice under section 708A(5)(e) of the Corporations Act 2001 (Cth) in relation to the issue of 58,500,000 Shares on 27 January 2023.

The Company's securities remain suspended from trading at the date of report.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future financial .

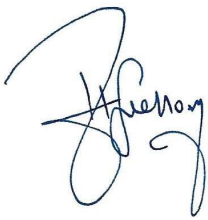
DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in blue ink, appearing to read 'Alfred Chong', with a stylized, cursive script.

Mr Alfred Chong
Managing Director and CEO
1 December 2023

INDEPENDENT AUDITORS' REVIEW REPORT



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To the members of Nanoveu Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Nanoveu Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern.

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

INDEPENDENT AUDITORS' REVIEW REPORT

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 30 June 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

The image shows a handwritten signature in dark ink. Above the signature, the letters 'BDO' are written in a stylized, cursive font. The signature itself is a fluid, cursive script that appears to read 'J. Wheeler'.

Jackson Wheeler

Director

Perth

1 December 2023