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ASX: NVU

EyeFly3D Joint Venture Established

Nanoveu Limited ("**Nanoveu**" or the **"Company"**) (**ASX: NVU),** a company specialising in innovative films and coatings, advises that its wholly owned subsidiary Nanoveu Pte Ltd (registered in Singapore) has successfully signed a series of definitive agreements conditional to the formation of the joint venture with Shenzhen Fullsand Printing & Packaging Co., Ltd.("**Fullsand**"). The definitive agreements are consistent with the terms announced on 24 May 2024, titled "3D Imaging and Mobile Apps Collaboration".

Highlights:

- **Nanoveu and Fullsand have finalised formation of joint venture, Fullveu Technologies (HK) Limited, aiming to globalise a suite of glasses-free 3D products with Nanoveu holding 51% stake**
- **Fullveu Technologies (HK) Limited will leverage Nanoveu's 3D lens tech and artificial intelligence (AI) backed software apps with Fullsand's screen production know-how and have exclusive rights to sales, software development, and manufacturing globally (except China)**
- **Nanoveu files a new patent to protect proprietary 3D lens technology**
- **Nanoveu has advanced its AI-driven 3D realism and live streaming apps, sample video has been integrated into our 3D products, with letters of intent secured from Korean partners, Rahum Nanotech Co.**

Establishment of Joint Venture

The parties have established a the joint venture (**JV**) via the incorporation of the Hong Kong company, Fullveu Technologies (HK) Limited ("**Fullveu HK"**) for the commercial development of 3D products to sell the EyeFly3D products to global markets outside Mainland China. Nanoveu holds a 51% equity in Fullveu HK with the remaining 41% held by Fullsand.

The JV brings together the unique capabilities of both Nanoveu and Fullsand.

Nanoveu has developed EyeFly3D™ software that enables "glasses-free" 3D visualisation on digital devices when viewed with a proprietary screen. Nanoveu's software has recently incorporated AI-backed features to improve core functions such as real-time 2D to 3D conversion. In the JV, Nanoveu is further anticipating commercialisation of its broader suite of existing 3D apps, 3D games and Unity plugin APIs.

Fullsand has developed an advanced manufacturing process to produce the unique films required to support 3D viewing on digital screens. The films work across a wide range of digital devices, including mobile phones, tablets, and large screen TVs.

The establishment of Fullveu aims to expand the sales pipeline for Nanoveu's EyeFly3D technology by helping creating compelling, glasses-free 3D experiences for a wide range of digital content.

Definitive Agreements and Joint Venture

The execution of the definitive agreements (set out below) were conditions to the establishment of the JV. These definitive agreements encompass several components that outline the framework for future operations of the JV:

1. **Exclusive Global Sales and Marketing Rights**: Fullveu HK has exclusive global rights (excluding China) to market and sell EyeFly 3D products, leveraging strengths from both Nanoveu and Fullsand for market penetration and revenue growth. Under the 10-year agreement, Fullveu HK will purchase EyeFly 3D units from Nanoveu and Fullsand at an 8% premium to the manufacturing cost. The term can be extended by mutual agreement. The agreement allows termination if a party breaches terms and fails to remedy within 30 days of notice, or immediately if a party files for bankruptcy, is wound up, or receives a government order affecting its obligations..

2. **Exclusive Software Licensing Agreement**: This agreement gives Fullveu HK exclusive access to Nanoveu's suite of software technologies supporting EyeFly 3D products. It remains in effect until terminated by either party with 60 days' written notice. Nanoveu may immediately terminate the agreement if Fullveu HK materially breaches the terms, ceases operations, becomes insolvent, goes into liquidation, or has a receiver appointed.

3. **Exclusive Manufacturing and Supply Agreement**: Fullveu HK will benefit from the exclusive manufacturing and supply of the EyeFly 3D products from Fullsand, ensuring intellectual property protection, cost efficiency and quality control. Fullsand will manufacture and supply a minimum of 10,000 units of EyeFly 3D product with costs calculated based on a mutually agreed formula that reflects production scale and efficiencies. The initial agreement lasts for 5 years, with either party able terminate with 6 months written notice. Furthermore, either party may immediately terminate the agreement by written notice. Immediate termination is possible if a party becomes insolvent, has a receiver appointed, ceases operations, undergoes a significant ownership change of more than 25%, or materially breaches any applicable laws.

4. **Performance Rights Agreement**: This agreement aligns the interest of all parties, ensuring mutual commitment to achieving performance milestones and driving long-term success. Subject to shareholder approval as required (including under Listing Rule 7.1), Nanoveu will issue up to 16 million performance rights to Fullsand (or its nominee) based on the following milestones, validated by audited and reviewed financial reports:

    a. **6,000,000 performance rights (2024-2025)**: One performance right will vest and convert into one fully paid ordinary share in the Company ("**Share"**) for every USD$2.50 in revenue above USD$1,000,000 in revenue solely generated from Fullveu HK; and

    b. **10,000,000 performance rights (2026):** One performance right will vest and convert into one Share for every USD$2.50 in revenue above USD$2,500,000 in revenue solely generated from Fullveu HK.

The terms of the performance rights are subject to ASX approval under Listing Rule 6.1 if required.

For more details, please refer to the proposed issue of securities announcement dated 24 May 2024.

Due Diligence and Satisfactory Outcome

Both parties have conducted thorough due diligence to ensure the viability and potential of the JV. Comprehensive assessments and investigations were carried out and both Nanoveu and Fullsand are satisfied with the outcomes. This process underscores the commitment of both organisations to transparency and mutual success.

The profits generated from the JV will be distributed between Nanoveu and Fullsand in proportion to their respective equity holdings in Fullveu HK. The profits (if any) generated by the JV cannot be predicted at this stage.

Patent Filing

In addition to the joint venture, Nanoveu has submitted a new patent application for our pioneering 3D lens technology. This technology represents a significant advancement in the market, offering unique technology that sets apart from existing solutions. The patent submission is expected to provide substantial benefit to the joint venture, enhancing its technological portfolio and competitive positioning of our 3D products in the marketplace. Combined with the proprietary software in AI and previous software development the final user experience would be greatly enhanced.

"We are excited to announce the advancements in our strategic partnership with Fullsand," said Alfred Chong, Managing Director of Nanoveu. "These milestones reflect our dedication to innovation, collaboration and market leadership. The joint venture with Fullsand, coupled with our exclusive agreement and new patent application, positions us strongly for future growth and success in the global 3D technology market."

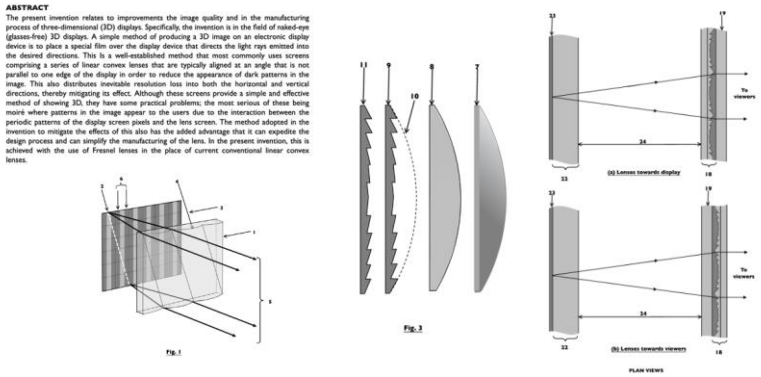

Figure 1. Patent Abstract

3D AI update

The initial phase of AI development for Monocular Depth Estimation, aimed at enhancing 3D realism and delivering high-quality live streaming in 3D, is currently in Beta with Datature[1]. Sample video has been distributed to our developers and is now being integrated into our suite of 3D products. Additionally, a live 3D calling module is undergoing testing to explore its potential for real-time video calling capabilities. In addition, to further enhance the resolution and functionality of Nanoveu's EyeFly3D applications, the Company has secured a Letter of Intent (LOIs) from our Korean partner Rahum focused on improving real-time 2D-3D conversion. Rahum will manage the integration and testing, with a target launch by the end of 2024. Under the LOI, both parties have agreed to maintain confidentiality and adhere to the terms of the ASX continuous disclosure obligations. The LOI is non-binding, and final terms will be negotiated by December 2024.

"*This is a feature that has been requested by many customers and the use of generative AI has allowed this to come to a reality. Whilst other products have appeared in the market in the past, using AI to generate 3D in real time with one camera is a spectacular leap forward "- commented Alfred Chong, Managing Director of Nanoveu*

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

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About Nanoveu Limited

Nanoveu is a company specialising in protective films and coatings. https://www.nanoveu.com/.

Further details on the Company can be found at https://wcsecure.weblink.com.au/pdf/NVU/02656570.pdf.

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 door handles and push panels. The perfectly clear plastic film contains [1]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.

Nanoshield™ Marine prevents the accumulation and growth of aquatic organisms such as algae, barnacles, and mussels on the hulls of ships, boats and other structures that are submerged in water.

Nanoshield™ Solar is designed to solve a major issue for solar panels, being reduction of power output from panel surface debris.

EyeFly3D™ - is a film applied to digital displays that allows 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 the 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.

Forward Looking Statements

This announcement contains 'forward-looking information' that is based on the Company's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the Company's business strategy, plans, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations and related expenses. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as 'outlook', 'anticipate', 'project', 'target', 'potential', 'likely', 'believe', 'estimate', 'expect', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'will', 'plan', 'forecast', 'evolve' and similar expressions. Persons reading this announcement are cautioned that such statements are only predictions, and that the Company's actual future results or performance may be materially different. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance, or achievements to be materially different from those expressed or implied by such forward looking information

[1] See ASX announcement made 14th May 2024, *"Nanoveu and Datature Enter Agreement to Develop Nanoveu's 3D AI Platform"*