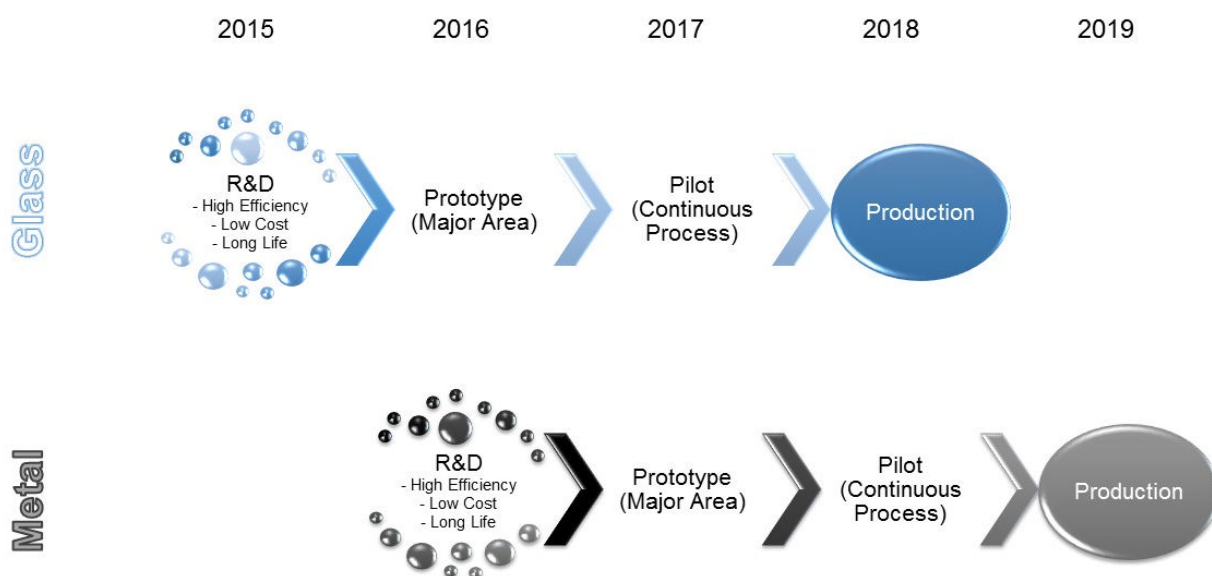


## First Quarter FY 2016 – Quarterly Report & Appendix 4C

### Financial Quarter Highlights

- Quarterly Milestone of 1,000 Hours Light Soaking Stability for PSC Achieved
- €650,000 Horizon 2020 Grant Awarded
- \$449,000 ARENA Measure Awarded
- \$3.3 Million R&D Tax Rebate Received

### Commercialisation Schedule



### Corporate and Operational

The optimism that has returned to the renewable energy sector with the change in Government leadership is noticeable across the entire market place. Most notably, this is being reflected in higher share market capitalisation and investment enquiry in Dyesol. In a short period of time, the number of shareholders is once again growing strongly.

Performance reviews for staff and the implementation of the FY2016 Performance Rights Plan have now been completed. Staff retention and performance based remuneration is considered critical in achieving world's best practice in all areas of our business. We want the financial outcomes of staff and shareholders to be closely aligned.

Business planning and technology development are also very important. Clear pathways for development activity for glass and steel substrates are being strictly implemented in Australia and Europe, respectively. Nowadays, we lead with the technology, with commercialisation relationships to follow. We believe this strategy preserves a stronger position in partnership negotiations, provides tactical flexibility and avoids being dragged down by poorly managed and directed “white elephants”, not uncommon in this rapidly changing and disruptive business environment. With the accomplishment of our 7<sup>th</sup> straight technology milestone this quarter we are, of course, very confident of attracting the best potential partners to the negotiation table.

Dyesol remains very respectful of established routes to market as a means of market entry and values relationships such as that established with Tata Steel UK. Leading glass and steel companies around the world need higher value products and solar enablement of commoditised substrates is a very good starting point.

### **Research and Development**

The relevant gold standard for solar accreditation is IEC 61646. This international standard for thin film solar PV technologies has two key aspects relating to: (1) 1,000 hours of continual light soaking @ 1 Sun and (2) 1,000 hours of thermal exposure @ 85 °C. Efficiency loss or performance degradation in both tests must be less than 10% of overall conversion efficiency. Satisfying these two independent tests and having the results confirmed by a recognised accreditation authority such as NREL are critical in Dyesol's milestone based Technology Development Plan. During the quarter, Dyesol reported the successful accomplishment of the light soaking test and has now moved onto development and testing work aimed at meeting thermal degradation standards. These tests are performed on increasingly larger devices as part of disciplined scale-up activity.

The Company is very pleased with its achievements in relation to stability and durability, setting it apart from the mostly single focus of efficiency improvement in the academic world. Dyesol has more than a decade of experience in encapsulation and sealing, fundamental to the achievement of stability and durability goals. This approach is consistent with the de-risking of technology scale-up in order to establish viability criteria for substantial investment in mass manufacture.

### **Manufacturing and Technical Collaborations**

The clarity and quality of the Turkish project continues to improve with additional industrial partners seeking entry under the stewardship of the Turkish Development Bank. We hope to make a detailed announcement in relation to the progress of the prototype project and the possible formation of a joint venture in the near future. Dyesol attended meetings in Ankara in October and a further meeting is scheduled for early November. The formation of a domestic solar industry remains strategically very important to the Turkish Government and the Elections in early November should provide a strong foundation for confidence in all aspects of our joint venture plans.

Scoping and costing is occurring of multiple, potential Major Area Demonstration prototype partners. A further round of discussions in Europe will occur in November in an attempt to finalise this important scale-up phase for 2016. The Solliance consortium has helped introduce a number of potential high quality engineering groups capable of meeting our needs. Contracting will be complex and detailed as it will address IP protection and the various risk managed stage gates to mass manufacture.

For the first time, we are now looking at the potential for manufacture in Australia. Collaboration partners are emerging and the ARENA Measure is considered an initial step in the development and industrialisation of the PSC in Australia. Those discussions between government, industry and academia remain the subject

of confidentiality, but economic and market conditions are increasingly attractive for both domestic and export focused production. The initial award of \$449,000 by ARENA was accompanied by a letter of support from Australian industry. A key outcome of this initial grant will be a Levelised Cost of Electricity (LCOE) study for Perovskite Solar Cell technology. This study will include using the ARENA LCOE model developed for large scale solar applications for verification.

The Horizon 2020 grant of €650,000 or approximately \$1,000,000 is also invaluable to our development activity. That will allow us to extend applications of our novel, laser-assisted, glass frit sealing technology from glass to steel substrates and has attracted high quality collaboration partners.

## Financials

The net operating monthly cash burn (Sec 1.8) for the first quarter averaged \$925k. At the end of the quarter cash balances totalled \$2.2m. Subsequent to quarter end, the Company received \$3.3m for the FY2015 R&D Tax Incentive rebate, providing an effective end of quarter cash position of \$5.5 million.

### About DYESOL LIMITED

Dyesol is a global leader in the development and commercialisation of Perovskite Solar Cell (PSC) technology – 3<sup>rd</sup> Generation photovoltaic technology that can be applied to glass, metal, polymers or cement. Dyesol manufactures and supplies high performance materials and is focussed on the successful commercialisation of PSC photovoltaics. It is a publicly listed company: Australian Securities Exchange ASX ([DYE](#)) and German Open Market ([D5I](#)). Learn more at [www.dyesol.com](http://www.dyesol.com) and subscribe to our mailing list in English and German.

### About PEROVSKITE SOLAR CELL TECHNOLOGY

Perovskite Solar Cell (PSC) technology is a photovoltaic (PV) technology based on applying low cost materials in a series of ultrathin layers encapsulated by protective sealants. Dyesol's technology has lower embodied energy in manufacture, produces stable electrical current, and has a strong competitive advantage in low light conditions relative to incumbent PV technologies. This technology can be directly integrated into the building envelope to achieve highly competitive building integrated photovoltaics (BIPV).

The key material layers include a hybrid organic-inorganic halide-based perovskite light absorber and nano-porous metal oxide of titanium oxide. Light striking the absorber promotes an electron into the excited state, followed by a rapid electron transfer and collection by the titania layer. Meanwhile, the remaining positive charge is transferred to the opposite electrode, thereby generating an electrical current.

- Ends -

### Media & Investor Relations Contacts:

|                     |  |
|---------------------|--|
| Dyesol Headquarters | Tracy Benillouz, Investor Relations Tel: +61 (02) 6299 1592, <a href="mailto:tbenillouz@dyesol.com">tbenillouz@dyesol.com</a>    |
| Germany & Europe    | Eva Reuter, DR Reuter Investor Relations Tel: +49 177 605 8804, <a href="mailto:e.reuter@dr-reuter.eu">e.reuter@dr-reuter.eu</a> |

Rule 4.7B

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Name of entity

**DYESOL LIMITED**

ABN

**92 111 723 883**

Quarter ended ("current quarter")

**30 SEPTEMBER 2015**

### Consolidated statement of cash flows

| Cash flows related to operating activities |   | Current quarter<br>\$A'000 | Year to date<br>(3 months)<br>\$A'000 |
|--|---|----------------------------|---------------------------------------|
| 1.1  | Receipts from customers                               | 229                        | 229                                   |
| 1.2  | Payments for  |                            |                                       |
|  | (a) staff costs                                       | (1,373)                    | (1,373)                               |
|  | (b) advertising and marketing                         | (157)                      | (157)                                 |
|  | (c) research & development                            | (823)                      | (823)                                 |
|  | (d) leased assets                                     | (163)                      | (163)                                 |
|  | (e) other working capital                             | (512)                      | (512)                                 |
| 1.3  | Dividends received                                    | -                          | -                                     |
| 1.4  | Interest and other items of a similar nature received | 21                         | 21                                    |
| 1.5  | Interest and other costs of finance paid              | (6)                        | (6)                                   |
| 1.6  | Income taxes received/(paid) (R&D Tax rebate)         | -                          | -                                     |
| 1.7  | Other (R&D grant)                                     | 10                         | 10                                    |
| <b>Net operating cash flows</b>            |   | <b>(2,774)</b>             | <b>(2,774)</b>                        |

|   |   | Current quarter<br>\$A'000 | Year to date<br>(3 months)<br>\$A'000 |
|---|---|----------------------------|---------------------------------------|
| 1.8   | Net operating cash flows (carried forward)                | (2,774)                    | (2,774)                               |
| <b>Cash flows related to investing activities</b> |   |                            |                                       |
| 1.9   | Payment for acquisition of:                               |                            |                                       |
|   | (a) businesses (item 5)                                   | -                          | -                                     |
|   | (b) equity investments                                    | -                          | -                                     |
|   | (c) intellectual property                                 | -                          | -                                     |
|   | (d) physical non-current assets                           | (77)                       | (77)                                  |
|   | (e) other non-current assets                              | -                          | -                                     |
| 1.10  | Proceeds from disposal of:                                |                            |                                       |
|   | (a) businesses (item 5)                                   | -                          | -                                     |
|   | (b) equity investments                                    | -                          | -                                     |
|   | (c) intellectual property                                 | -                          | -                                     |
|   | (d) physical non-current assets                           | 3                          | 3                                     |
|   | (e) other non-current assets                              | -                          | -                                     |
| 1.11  | Loans to other entities (related parties)                 | -                          | -                                     |
| 1.12  | Loans repaid by other entities (related parties)          | 6                          | 6                                     |
| 1.13  | Other- Investment in term deposits (proceeds on maturity) | -                          | -                                     |
|   | <b>Net investing cash flows</b>                           | <b>(68)</b>                | <b>(68)</b>                           |
| 1.14  | <b>Total operating and investing cash flows</b>           | <b>(2,842)</b>             | <b>(2,842)</b>                        |
| <b>Cash flows related to financing activities</b> |   |                            |                                       |
| 1.15  | Proceeds from issues of shares, options, etc. (net)       | -                          | -                                     |
| 1.16  | Proceeds from sale of forfeited shares                    | -                          | -                                     |
| 1.17  | Proceeds from borrowings                                  | -                          | -                                     |
| 1.18  | Repayment of borrowings                                   | (30)                       | (30)                                  |
| 1.19  | Dividends paid  | -                          | -                                     |
| 1.20  | Other - Treasury shares purchased                         | (308)                      | (308)                                 |
|   | <b>Net financing cash flows</b>                           | <b>(338)</b>               | <b>(338)</b>                          |
|   | <b>Net increase/ (decrease) in cash held</b>              | <b>(3,180)</b>             | <b>(3,180)</b>                        |
| 1.21  | Cash at beginning of quarter/ year to date                | 5,403                      | 5,403                                 |
| 1.22  | Exchange rate adjustments                                 | 13                         | 13                                    |
| 1.23  | <b>Cash at end of quarter</b>                             | <b>2,236</b>               | <b>2,236</b>                          |

## Payments to directors of the entity and associates of the directors

## Payments to related entities of the entity and associates of the related entities

|      |  | Current quarter<br>\$A'000 |
|------|--|----------------------------|
| 1.24 | Aggregate amount of payments to the parties included in item 1.2 | 272                        |
| 1.25 | Aggregate amount of loans to the parties included in item 1.11   | -                          |
| 1.26 | Explanation necessary for an understanding of the transactions   |                            |
|      | <u>1.24</u><br>Directors and associates remuneration             | 272                        |

## Non-cash financing and investing activities

|     |  |
|-----|--|
| 2.1 | Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows |
|     |  |
| 2.2 | Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest             |
|     |  |

## Financing facilities available

Add notes as necessary for an understanding of the position.

|     |                             | Amount available<br>\$A'000 | Amount used<br>\$A'000 |
|-----|-----------------------------|-----------------------------|------------------------|
| 3.1 | Loan facilities             | NIL                         | NIL                    |
| 3.2 | Credit standby arrangements | NIL                         | NIL                    |

## Reconciliation of cash

|     | Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|-----|---|----------------------------|-----------------------------|
| 4.1 | Cash on hand and at bank  | 2,236                      | 5,403                       |
| 4.2 | Deposits at call  | -                          | -                           |
| 4.3 | Bank overdraft  | -                          | -                           |
| 4.4 | Other (provide details)   | -                          | -                           |
|     | <b>Total: cash at end of quarter (item 1.23)</b>  | <b>2,236</b>               | <b>5,403</b>                |

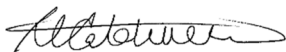
## Acquisitions and disposals of business entities

|     |   | Acquisitions<br>(Item 1.9(a)) | Disposals<br>(Item 1.10(a)) |
|-----|---|-------------------------------|-----------------------------|
| 5.1 | Name of entity                            |                               |                             |
| 5.2 | Place of incorporation or registration    |                               |                             |
| 5.3 | Consideration for acquisition or disposal |                               |                             |
| 5.4 | Total net assets                          |                               |                             |
| 5.5 | Nature of business                        |                               |                             |

## Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
2. This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 29 October 2015

Print name:

Richard Caldwell, *Managing Director*

## Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.