

# 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 2019	30 June 2018

### 2. Results for Announcement to the Market

					\$'000
2.1	Revenue from ordinary activities	up	105%	to	4
2.2	Loss from ordinary activities after tax attributable to members	up	195%	to	1,871
2.3	Net loss for the period attributable to members	up	195%	to	1,871
2.4	Loss per share	up	100%	to	1.4 cents
2.5	<b>Brief explanation of results</b>				
	Revenue increased as the Group finalized first production of products and commenced sales.				
	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	\$0.0322	\$0.0572

**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 2019.

**9. Compliance Statement**

This report should be read in conjunction with the attached Half-year Financial Report for the half-year ended 30 June 2019.



Signed here:

Date: 27<sup>th</sup> August 2019

Print name: Alfred Chong  
Executive Chairman and CEO



# **Nanoveu Limited**

(ACN 624 421 085)

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

**30 June 2019**

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# COMPANY DIRECTORY

## Directors

Mr Alfred Chong  
Executive Chairman

Mr Michael van Uffelen  
Executive Director

Mr Steven Apedaile  
Non-executive Director

Mr David Nicol  
Non-executive Director

## Company Secretary

Mr Michael van Uffelen

## Share Registry

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

Telephone (within Australia): 1300 288 664  
Telephone (outside Australia): +61 2 9698 5414

Email: [hello@automic.com.au](mailto:hello@automic.com.au)

## ABN:

97 624 421 085

## Registered Office

1/18 Olive Street  
Subiaco WA 6008

Tel: +61 8 6244 9095

## Web Address

[www.nanoveu.com](http://www.nanoveu.com)

## ASX Code:

NVU

## Auditors

BDO Audit (WA) Pty Ltd  
38 Station Street  
Subiaco WA 6008

## Solicitors

Steinepreis Paganin  
Level 4, The Read Buildings  
16 Milligan Street  
Perth WA 6000

# DIRECTORS' 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 2019. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

## 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	Executive Chairman and CEO
Michael van Uffelen	Executive Director, Company Secretary and CFO
Steven Apedaile	Independent Non-executive Director
David Nicol	Independent Non-executive Director

## Review of Operations

The loss for the Group after providing for income tax amounted to \$1,871,487 (2018: \$634,506).

Nanoveu a technology company, which has developed a new generation of highly immersive screen protectors for the global smartphone market.

Backed by pioneer research from Singapore's leading science and technology organisation, Nanoveu combines nanotechnology with thin-film printing – a low-cost manufacturing method known as nanoimprint lithography (NIL) – to transform how photos, videos and other visuals are displayed on mobile devices.

Its flagship product EyeFly3D™ instantly converts standard digital displays into a 3D viewing experience. EyeFly3D™ has won numerous industry awards and is set to revolutionise the consumer market for mobile gaming and entertainment.

Nanoveu is also developing EyeFyx, a unique vision-correcting screen protector that enables people with farsightedness (hyperopia) to use smartphones and tablets without reading glasses.

## 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.

## 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 3 and forms part of this Directors' report for the half-year ended 30 June 2019.

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.



Mr Alfred Chong  
Executive Chairman and CEO

Dated this 27<sup>th</sup> day of August 2019

# DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF NANOVEU LIMITED

As lead auditor for the review of Nanoveu Limited for the half-year ended 30 June 2019, 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.



Phillip Murdoch  
Director

BDO Audit (WA) Pty Ltd  
Perth, 27 August 2019

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

HALF-YEAR ENDED 30 JUNE 2019

	Note	Half-Year Ended 30/06/2019 \$	Half-Year Ended 30/06/2018 \$
Revenue from contracts with customers		3,884	1,892
<b>Revenue</b>		<b>3,884</b>	<b>1,892</b>
Cost of sale of goods		(3,594)	(944)
<b>Gross profit (loss)</b>		<b>290</b>	<b>948</b>
Other operating income		12,424	21,512
Selling and distribution expenses		(135,811)	(11,154)
Administration expenses		(910,613)	(361,965)
Research and development costs		(802,080)	-
Share based payment expense	9	(68,780)	(283,595)
Other operating expenses		-	(252)
<b>Operating profit (loss)</b>		<b>(1,904,570)</b>	<b>(634,506)</b>
Finance income		33,083	-
<b>(Loss) before income tax</b>		<b>(1,871,487)</b>	<b>(634,506)</b>
Income tax expense		-	-
<b>(Loss) for the year</b>		<b>(1,871,487)</b>	<b>(634,506)</b>
<b>Other comprehensive income / (loss)</b>			
<i>Items that may be reclassified to profit or loss:</i>			
- Currency translation differences arising from consolidation		12,359	24,916
		12,359	24,916
<b>Total comprehensive (loss) for the year</b>		<b>(1,859,128)</b>	<b>(609,590)</b>
Loss per share – basic and diluted	3	(1.4)	(0.7)

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

AS AT 30 JUNE 2019

	Note	30 June 2019 \$	31 December 2018 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		3,526,382	2,908,108
Other receivables		47,474	2,222,333
Inventories	5	333,960	47,282
Prepayment	6	151,567	-
Right of use asset		27,580	27,211
<b>Total Current Assets</b>		<b>4,086,963</b>	<b>5,204,934</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	7	144,081	47,299
Intangible assets		141,850	162,870
Right of use asset		29,879	43,084
<b>Total Non-current Assets</b>		<b>315,810</b>	<b>253,253</b>
<b>TOTAL ASSETS</b>		<b>4,402,773</b>	<b>5,458,187</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		933,876	193,578
Lease liability		27,580	27,211
Provisions		17,699	10,227
<b>Total Current Liabilities</b>		<b>979,155</b>	<b>231,016</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liability		29,879	43,084
<b>Total Non-current Liabilities</b>		<b>29,879</b>	<b>43,084</b>
<b>TOTAL LIABILITIES</b>		<b>1,009,034</b>	<b>274,100</b>
<b>NET ASSETS</b>		<b>3,393,739</b>	<b>5,184,087</b>
<b>EQUITY</b>			
Issued capital	8	13,372,408	13,372,408
Accumulated losses		(8,685,184)	(6,813,697)
Reserves		(1,293,485)	(1,374,624)
<b>TOTAL EQUITY</b>		<b>3,393,739</b>	<b>5,184,087</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

HALF-YEAR ENDED 30 JUNE 2019

	Issued Capital	Accumulated Losses	Common Control Reserve	Share Based Payment Reserve	Foreign Currency Translation Reserve	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 January 2018	5,534,836	(5,245,388)	-	-	1,349	290,797
Loss for the half-year	-	(634,506)	-	-	24,916	(609,590)
Total comprehensive loss for the half-year	-	(634,506)	-	-	24,916	(609,590)
<i>Transactions with owners in their capacity as owners:</i>						
Transactions under common control	-	-	403,120	-	-	403,120
Shares issued	272,602	-	-	-	-	272,602
<b>Balance at 30 June 2018</b>	<b>5,807,438</b>	<b>(5,879,894)</b>	<b>403,120</b>	<b>-</b>	<b>26,265</b>	<b>356,933</b>
Balance at 1 January 2019	13,372,408	(6,813,697)	(1,710,087)	263,040	72,423	5,184,087
Loss for the half-year	-	(1,871,487)	-	-	12,359	(1,859,128)
Total comprehensive loss for the year	-	(1,871,487)	-	-	12,359	(1,859,128)
<i>Transactions with owners in their capacity as owners:</i>						
Share based payments	-	-	-	68,780	-	68,780
<b>Balance at 30 June 2019</b>	<b>13,372,408</b>	<b>(8,685,184)</b>	<b>(1,710,087)</b>	<b>331,820</b>	<b>84,782</b>	<b>3,393,739</b>

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

# CONSOLIDATED STATEMENT OF CHANGES IN CASH FLOWS

HALF-YEAR ENDED 30 JUNE 2019

	Note	Half-Year Ended 30/06/2019 \$	Half-Year Ended 30/06/2018 \$
<b>Cash flows from Operating Activities</b>			
Receipts from customers		3,884	1,892
Government grant received		12,313	-
Payments to suppliers and employees		(1,312,715)	(317,100)
Interest received		33,083	-
<b>Net cash (used in) operating activities</b>		<b>(1,263,436)</b>	<b>(315,208)</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of plant and equipment		(118,290)	(50,631)
Term deposit redeemed		2,000,000	-
<b>Net cash provided by (used in) / investing activities</b>		<b>1,881,710</b>	<b>(50,631)</b>
<b>Cash Flows from Financing Activities</b>			
Issue of convertible notes		-	403,120
<b>Net cash provided by financing activities</b>		<b>-</b>	<b>403,120</b>
Net increase (decrease) in cash held		618,274	71,645
Cash at the beginning of the financial period		2,908,108	70,588
<b>Cash at the end of the financial period</b>		<b>3,526,382</b>	<b>142,233</b>

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 2019 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 2018 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 27 August 2019.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

### 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 2019 of \$1,871,487 (2018: \$634,506) and net cash outflows from operating activities of \$1,263,436 (2018: \$315,208).

The ability of the Group to continue as a going concern is dependent on securing additional funding through either equity, debt or receipts, 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.
- 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

### **Basis of Measurement and Reporting Conventions Including Capital Reorganisation**

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.

On 14 February 2018, the Company was formed by major shareholders of Nanoveu Pte Ltd to list the Nanoveu business on the Australian Securities Exchange. As a result, the Company issued 90,584,250 shares to existing shareholders of Nanoveu Pte Ltd in exchange for all shares in Nanoveu Pte Ltd. There were no major changes to the shareholder group and the transaction does not result in any change in economic substance. Furthermore, the transaction is outside the scope of AASB3 Business Combinations since the Company does not meet the definition of a “business” as required by that standard. Accordingly, the consolidated financial statements of the Company are a continuation of Nanoveu Pte Ltd including comparative information being that of Nanoveu Pte Ltd.

The comparative financial information included in the Company’s financial statements is that of Nanoveu Singapore, not the Company. However, the capital structure of the legal acquirer, the Company is adopted in the financial report.

Consequently, this report presents:

- the results of the consolidated Group for the period from 1 January 2019 to 30 June 2019;
- the results of Nanoveu Pte Ltd for the period from 1 January 2018 to 30 June 2018 and
- the consolidated Group position as at 31 December 2018 and 30 June 2019.

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 2018 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.

### *Common Control Entity*

On 16 November 2018, the Company completed a transaction with the shareholders of Nanoveu Pte Ltd (Singapore) under common control to acquire 100% of the share capital in Nanoveu Pte Ltd in exchange for 90,584,250 ordinary shares in the Company.

### **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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted other than AASB 16 Leases.

### **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*

5,670,000 performance rights were issued during the period which convert into fully paid ordinary shares on the achievement of the milestones as disclosures in note 9. If the milestone is not satisfied on or before expected achievement dates, the Performance Rights will expire.

For remuneration purposes the value is the number of performance rights granted, multiplied by the share price at date of grant. The likelihood, probability and date of achieving these milestones was assessed for each tranche of performance rights was assessed and will be reassessed at each reporting date.

As at 30 June 2019, these performance rights have not converted into fully paid ordinary shares and each performance right was valued at \$0.07 based on a share price at grant date. At 30 June 2019, an expense of \$68,780 has been recognised in respect of all performance shares as a 100% probability has been assigned to meeting the milestone. Refer to note 9 for further additional disclosure related to performance rights.

## 2. SEGMENT REPORTING

The Group predominantly deploys nanotechnology in vision applications for consumer devices industry. For management purposes, the Group is organised into business units based on its services and has two reportable segments, as follows:

- Americas; and
- rest of the world.

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.

Also, 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2. SEGMENT REPORTING (continued)

Half-year Ended 30 June 2019	Americas	Rest of the World	Corporate and Head Office	Total Segments	Adjustments and Eliminations	Consolidated
<b>Revenue</b>						
External customers	162	3,722	-	3,884	-	3,884
Inter-segment	-	-	-	-	-	-
Total revenue (i)	162	3,722	-	3,884	-	3,884
<b>Income/(expenses)</b>						
Depreciation and amortisation	-	(42,528)	-	(42,528)	-	(42,528)
Segment profit/(loss)	(86,729)	(1,341,472)	(443,286)	(1,871,487)	-	(1,871,487)
Total assets	15,494	1,072,486	3,314,795	4,402,775	(2)	4,402,773
Total liabilities	-	(988,339)	(20,695)	(1,009,034)	-	(1,009,034)
<b>Half-year Ended 30 June 2018</b>	<b>Americas</b>	<b>Rest of the World</b>	<b>Corporate and Head Office</b>	<b>Total Segments</b>	<b>Adjustments and Eliminations</b>	<b>Consolidated</b>
<b>Revenue</b>						
External customers	-	1,892	-	1,892	-	1,892
Inter-segment	-	-	-	-	-	-
Total revenue (i)	-	1,892	-	1,892	-	1,892
<b>Income/(expenses)</b>						
Depreciation and amortisation	-	(159,156)	-	(159,156)	-	(159,156)
Segment profit/(loss)	-	(634,506)	-	(634,506)	-	(634,506)
Total assets	-	350,225	-	350,225	-	350,225
Total liabilities	-	(59,428)	-	(59,428)	-	(59,428)

### 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.

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

## 3. LOSS PER SHARE

	Half-year Ended 30/06/2019	Half-year Ended 30/06/2018
(Loss) for the period	(\$1,871,487)	(\$634,506)
Weighted average number of ordinary shares used in the (loss) per share calculations	132,530,203	89,508,628
Basic and diluted (loss) per share (cents)	(1.4)	(0.7)

## 4. DIVIDENDS PAID OR PROPOSED

No dividends were paid or declared during the half-year ended 30 June 2019 (30 June 2018: nil).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 5. INVENTORIES

	As at 30/06/2019	As at 31/12/2018
Work-in-progress	174,970	-
Finished goods	158,990	47,282
	<u>333,960</u>	<u>47,282</u>

## 6. PREPAYMENT AND CAPITAL COMMITMENT

During the period USD105,000 (AUD151,567) was prepaid for fixed assets with a further USD35,000 (AUD49,907) due upon completion of their construction.

## 7. PLANT AND EQUIPMENT

	As at 30/06/2019	As at 31/12/2018
At cost	744,949	625,541
Accumulated depreciation	(600,868)	(578,242)
	<u>144,081</u>	<u>47,299</u>

## 8. ISSUED CAPITAL

### (a) Ordinary shares

	As at 30/06/2019	As at 31/12/2018
<b>Current:</b>		
Paid up capital – ordinary shares	14,196,629	14,196,629
Capital raising costs	(824,221)	(824,221)
	<u>13,372,408</u>	<u>13,372,408</u>

	Date	Number of shares	\$
<b>30 June 2019 movements in issued capital:</b>			
Balance at 1 January 2019		132,530,203	13,372,408
Movements		-	-
Balance at 30 June 2019		<u>132,530,203</u>	<u>13,372,408</u>

### (b) Performance Rights

During the period 5,670,000 Performance Rights were issued during the period. Refer to Note 9 for further information.

### (c) Options

No options were issued, exercised or lapsed during the period.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 9. SHARE-BASED PAYMENTS

### (a) Performance Rights

During the period 3,750,000 Performance Rights were issued for nil cash consideration to Key Management Personnel and 1,920,000 Performance Rights were issued to employees.

The vesting of the Performance Rights is subject to the achievement of the following milestones:

Tranche	Performance Hurdle	Number	Assumed Probability of achievement	Assumed Achievement Date
B	First sales of EyeFyx products achieved by 31 March 2021	865,000	100%	31 March 2021
C	Completion of iPhone Series X production of at least 100,000 units	464,000	100%	30 June 2020
D	Completion of production of the first three Android models of at least 100,000 units	451,000	100%	30 June 2020
E	Completion of gaming software development kit or launch of first five 3D games introduced to market	450,000	100%	30 June 2020
F	Securing distribution in China with sales of at least 100,000 units	630,000	100%	30 June 2020
G	\$1m of sales revenue across all products by 31 December 2019 as validated from audited / reviewed financial reports	1,280,000	100%	31 December 2019
H	\$5m of sales revenue across all products by 31 December 2020 as validated from audited / reviewed financial reports	1,280,000	100%	31 December 2020
I	Worldwide sales of at least 1,000,000 EyeFly3D unites by 31 December 2020	250,000	100%	31 December 2020
<b>Total</b>		<b>5,670,000</b>		

50% of each tranche vests 12 months after the achievement of the respective performance hurdle.

Any unvested Performance Rights will lapse 7 years after their date of issue.

No Performance Rights vested during the period.

As at 30 June 2019, no milestones of the Performance Rights had been achieved.

### (b) Valuation of Performance Rights

Performance Rights are valued at the last price at which a share in the Company traded on the Australian Securities Exchange.

The fair value of Performance Rights is recognised as an expense over the period from grant to vesting date assuming the performance hurdle has been achieved.

The amount recognised as part of employee benefits expense for Performance Rights during the period was \$68,780, inclusive of all performance rights existing at the beginning of the half-year period and those issued during the half-year period.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 9. SHARE-BASED PAYMENTS (continued)

The following table lists the assumptions to the model used to value performance rights for the period ended 30 June 2019.

Number Issued	Grant Date	Assumed Stock Price at Grant Date (cents)	Issue Price (cents)	Value Per Performance Share (cents)
100,000	5/4/19	7	nil	7
1,320,000	17/5/19	7	nil	7
3,750,000	31/5/19	7	nil	7
500,000	17/6/19	7	nil	7

## 10. COMMON CONTROL EQUITY

As a result of a capital reorganisation on 16 November 2018 an equity account called 'Common Control Reserve' exists. This equity account represents the carrying value of the net liabilities of Nanoveu Limited prior to the date of completion of the capital reorganisation. See Note 1 for further details.

## 11. RELATED PARTY TRANSACTIONS

During the period 3,750,000 Performance Rights were issued for nil cash consideration to Key Management Personnel. See Notes 9(a) and (b) for details.

There were no other transactions with related parties during the half-year other than those that were on the same basis as stated in the 31 December 2018 Annual Report.

## 12. COMMITMENTS AND CONTINGENCIES

There has been no change in commitments or contingent liabilities since the last annual reporting date.

## 13. EVENTS AFTER THE BALANCE SHEET DATE

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.

# 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 2019 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



**Mr Alfred Chong**

Executive Chairman and CEO

27<sup>th</sup> August 2019

## INDEPENDENT AUDITOR'S REVIEW REPORT

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 2019, 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 then ended, and notes comprising a statement of 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 half-year financial report of the Group is not in accordance with the Corporations Act 2001 including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2019 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.

#### Emphasis of matter - 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.

#### Directors' responsibility for the Half-Year 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

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, 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 2019 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

#### Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'P. Murdoch', is written over a horizontal line. Above the signature, the letters 'BDO' are handwritten in a smaller, lighter script.

Phillip Murdoch

Director

Perth, 27 August 2019