

**NANOVEU LIMITED**  
ACN 624 421 085

# Prospectus

For an offer of up to 30,000,000 Shares at an issue price of \$0.20 per Share to raise a minimum of \$4,500,000 and a maximum of \$6,000,000 (Offer).

## Joint Lead Managers



First Guardian Capital Pty Ltd  
ACN 073 622 741  
A Corporate Authorised Representative  
(CAR 438891) of Falcon Capital Limited  
(AFSL 302538)



Collins Street Group Pty Ltd  
ACN 117 831 062  
A Corporate Authorised Representative  
(CAR 326513) of APC Securities Pty Ltd  
(AFSL 338943)

## Selling Agent



AE Jarrah Capital Partner Pty Ltd  
ACN 159 302 842  
A Corporate Authorised Representative (CAR 1252475)  
of Guilfords Funds Management Pty Ltd (AFSL 471379)

## IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. The Shares offered by this Prospectus should be considered highly speculative.

# Corporate Directory

## DIRECTORS

### **Alfred Chong**

Executive Chairman and Chief Executive Officer

### **Michael van Uffelen**

Executive Director, Chief Financial Officer  
and Company Secretary

### **Steven Apedaile**

Non-Executive Director

### **David Nicol**

Non-Executive Director

## COMPANY SECRETARY

**Michael van Uffelen**

## PROPOSED ASX CODE

NVU

## REGISTERED OFFICE

Unit 1, 18 Olive Street  
Subiaco WA 6008  
Telephone: + 61 8 6244 9095  
Email: [info@nanoveu.com](mailto:info@nanoveu.com)  
Website: [www.nanoveu.com](http://www.nanoveu.com)

## JOINT LEAD MANAGERS

Collins Street Group Pty Ltd  
Level 13  
350 Collins Street  
Melbourne VIC 3000

First Guardian Capital Pty Ltd  
Level 13  
350 Collins Street  
Melbourne VIC 3000

## AUDITOR

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

## INVESTIGATING ACCOUNTANT

BDO Corporate Finance (WA) Pty Ltd  
38 Station Street  
Subiaco WA 6008

## SOLICITORS

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

## AUTHOR OF INTELLECTUAL PROPERTY REPORT

Griffith Hack  
Level 29 Northpoint, 100 Miller Street  
North Sydney NSW 2060

## 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)

## SELLING AGENT

AE Jarrah Capital Partner Pty Ltd  
Level 10, 114 William Street  
Melbourne VIC 3000

\*This entity is included for information purposes only.  
It has not been involved in the preparation of this Prospectus.

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This Prospectus is dated 30 August 2018 and was lodged with ASIC on that date. ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares that are the subject of this Prospectus should be considered highly speculative.

## 1.1 EXPOSURE PERIOD

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act. Applications for Shares under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

## 1.2 INVESTMENT ADVICE

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for Shares under this Prospectus.

## 1.3 WEB SITE – ELECTRONIC PROSPECTUS

A copy of this Prospectus can be downloaded from the website of the Company at [www.nanoveu.com](http://www.nanoveu.com). If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies a complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the Application Form, it was not provided together with the Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

## 1.4 WEBSITE

No document or information included on the Company's website is incorporated by reference into this Prospectus.

## 1.5 FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and its management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 8.

## 1.6 PHOTOGRAPHS AND DIAGRAMS

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents, or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

## 1.7 DEFINED TERMS

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 13.

## 1.8 TIME

All references to time in this Prospectus are references to Australian Western Standard Time.

## 1.9 ENQUIRIES

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offer or how to accept the Offer, please call the Company Secretary, Michael van Uffelen, on +61 8 6244 9095.

**INDICATIVE TIMETABLE\***

Lodgement of Prospectus with ASIC	<b>30 August 2018</b>
Exposure Period Begins	<b>30 August 2018</b>
Opening Date of the Offers	<b>7 September 2018</b>
Closing Date	<b>19 October 2018</b>
Issue of Shares under the offer and despatch of holding statements	<b>26 October 2018</b>
Cleansing Offer Closing Date	<b>31 October 2018</b>
Expected date for quotation on ASX	<b>1 November 2018</b>

\* The above dates are indicative only and may change without notice. The Exposure Period may be extended by ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act. The Company reserves the right to extend the Closing Dates or close the Offers early without prior notice. The Company also reserves the right not to proceed with the Offers at any time before the issue of Shares to Applicants.

**KEY OFFER DETAILS**

	<b>MINIMUM SUBSCRIPTION</b>	<b>MAXIMUM SUBSCRIPTION</b>
Offer Price	\$0.20 per Share	\$0.20 per Share
Shares offered under the Offer	22,500,000	30,000,000
Amount to be raised from the issue of Shares under the Offer	\$4,500,000	\$6,000,000
Total Shares on completion of the Acquisition and the Offer	125,031,203	132,531,203
Market capitalisation at the Offer Price	\$25,006,240	\$26,506,240

Dear Investor

On behalf of the Board of the Company, it is my privilege and pleasure to invite you to become a shareholder of the Company.

The Company was incorporated in February 2018 for the primary purpose of acquiring Nanoveu Pte Ltd (**Nanoveu**) and seeking to list Nanoveu's business on the ASX. The Company aims to become a market leading technology company by applying nanotechnology to deliver vision shaping applications to digital screens.

Nanoveu is a Singaporean company which was established in 2012 to continue development of and commercialise nanoimprint science applications initiated by A\*STAR (Singapore Government **A**gency for **S**cience, **T**echnology **A**nd **R**esearch).

A\*STAR's Institute of Materials Research and Engineering worked with Temasek Polytechnic to develop a patented technology for an efficient and low-cost nanoimprint lithography (**NIL**) manufacturing process. The A\*STAR Intellectual Property has since been leveraged by Nanoveu to develop its EyeFly3D™ product, which uses a combination of software (application) and hardware (screen protector) to offer real time, affordable and easy to use 3D rendering and 2D-to-3D instant conversion of videos and photos on smartphones and tablets – without the use of 3D glasses.

Nanoveu is also developing its complementary EyeFyx technology through its ongoing research and development program. Using the EyeFyx technology (which comprises a combination of hardware and software), the Company is working towards developing a product which aims to correct images for certain vision aberrations on high resolution digital devices, such as smartphones and tablets.

The Company is seeking to raise a maximum of \$6,000,000 through the issue of up to 30,000,000 Shares at an issue price of \$0.20 each (with a minimum subscription of \$4,500,000). You may apply for Shares using the Application Form attached to this Prospectus.

Funds raised will be use for the commercialisation and further development of the Company's products, specifically the global launch of EyeFly3D™ and completion of the development of EyeFyx,

This Prospectus is issued for the purpose of supporting an application to list the Company on ASX. This Prospectus contains detailed information about the Company, its business and the Offer, as well as the risks of investing in the Company, and I encourage you to read it carefully. The Shares offered by this Prospectus should be considered highly speculative.

I look forward to you joining us as a Shareholder and sharing in what we believe are exciting and prospective times ahead for the Company. Before you make your investment decision, I urge you to read this Prospectus in its entirety and seek professional advice if required.

Yours faithfully



**Alfred Chong**  
Executive Chairman

## 4.1 INVESTMENT OVERVIEW

This section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

ITEM	SUMMARY	FURTHER INFORMATION
<b>A. COMPANY</b>		
Who is the issuer of this Prospectus?	Nanoveu Limited (ACN 624 421 085) ( <b>Company</b> or <b>Nanoveu Australia</b> ).	
Who is the Company?	<p>The Company is an unlisted public company incorporated on 14 February 2018 for the primary purpose of acquiring Nanoveu (the <b>Acquisition</b>) and facilitating an application for admission on the Official List.</p> <p>Nanoveu was established in 2012 to continue development of and commercialise nanoimprint science applications initiated by A*STAR. A*STAR's Institute of Materials Research and Engineering worked with Temasek Polytechnic to develop the prototype for EyeFly3D™ – a nanoimprint-based screen protector that allows viewing of clear, distortion-free 3D content with the naked eye.</p> <p>In March 2013 the A*STAR Intellectual Property behind EyeFly3D™ was licenced to Nanoveu. Nanoveu further developed the A*STAR Intellectual Property to create the EyeFly3D™ product.</p> <p>Nanoveu is also developing its complementary EyeFyx technology through its ongoing research and development program. Using the EyeFyx technology (which comprises a combination of hardware and software), the Company is working towards developing a product which aims to correct images for certain vision aberrations on high resolution digital devices, such as smartphones and tablets.</p> <p>With product development and test sales programs complete for the EyeFly3D™ product, and its “EyeFyx” technology close to commercialisation, Nanoveu is now seeking to raise working capital via the Acquisition and the Offer:</p> <ul style="list-style-type: none"> <li>(a) for a global sales launch of its EyeFly3D™ product; and</li> <li>(b) to complete product development of its “EyeFyx” technology.</li> </ul>	Section 6

ITEM	SUMMARY	FURTHER INFORMATION
What are the Company's intellectual property rights	The technology behind the EyeFly3D™ product is currently protected by granted patents and patent applications in key jurisdictions (licensed to Nanoveu by the patent owners since March 2013). Refer to the Intellectual Property Report in Annexure B and the summary of the Technology License Agreement in Section 10.2 for further details.	Annexure B and Section 10.2
What is the purpose of this Prospectus?	The purpose of this Prospectus is to raise sufficient capital through the issue of Shares to fund the business objectives of the Company. The proposed use of funds raised under the Offer is set out in Section 7.2 of this Prospectus.	7.2

## B. BUSINESS MODEL

What is the Company's business model and how will it generate revenue?	<p>As Nanoveu's EyeFly3D™ product is comprised of both a screen with nano-lenses (an active screen) and software (the EyeFly3D™ app), Nanoveu is able to generate revenue through sales of both hardware and software.</p> <p>This is initially intended to be achieved through a retail strategy focussed on the US via shopping mall booths/shops/carts and online channels globally, with the aim of generating sufficient demand to transition to a primary wholesale distribution approach.</p>	Section 1
What is the Company's growth strategy?	<p>The US is the initial target market for which the Company has established a team with retail sales experience and reach in the sector, plus established experience and reach selling to big box retailers.</p> <p>The Company plans to establish shops/kiosks in shopping malls in the US, plus leverage the existing stores/kiosks of a distribution partner, the Chicago Toy Company. In addition to selling product, the objective is to showcase products to attract shop/kiosk operators and big box retailers.</p> <p>The Company also intends to be proactive in searching for distributors, a key source for which is trade shows, plus the overall interest is expected to attract further enquiries.</p>	Section 1
What stage of commercialisation is the Company's technology at?	<p>EyeFly3D™ is a finished product with a history of sales, mainly for iPhone model 4 and 5 smartphones. Part of the funds raised in the offer will be applied to the manufacture of inventory and production tooling for current generation phones.</p> <p>EyeFyx is a development product which has achieved proof of concept: that a nanoimprint technology can be used to produce a thin film which, when applied to a digital screen, enables people who would normally require glasses to read digital displays to read such displays without their glasses. Nanoveu recently achieved an important milestone for EyeFyx, moving from a proof of concept stage towards the development of a working prototype for the product.</p>	Section 1

ITEM	SUMMARY	FURTHER INFORMATION
	Nanoveu's current licence to use the A*STAR Intellectual Property will need to be varied or extended if Nanoveu determines that it is necessary to utilise the A*STAR Intellectual Property to manufacture products based on its EyeFyx technology. No decision has been made in this regard as the EyeFyx technology is still at the product development stage (refer to Section 6.7 for further details).	
What are the key business objectives of the Company?	<p>The Company is seeking to:</p> <ul style="list-style-type: none"> <li>(a) establish global distribution for its EyeFly3D™ product;</li> <li>(b) complete the development of its EyeFyx product;</li> <li>(c) add new product lines as digital display and phone manufacturers introduce new models; and</li> <li>(d) create shareholder value.</li> </ul>	
What are the key dependencies of the Company's business model?	<p>Implementation of the business model is dependent upon the following:</p> <ul style="list-style-type: none"> <li>(a) the successful commercialisation of the Company's products;</li> <li>(b) the ability to continually protect the Company's intellectual property rights in its products;</li> <li>(c) retaining and recruiting key personnel;</li> <li>(d) access to capital to further research and develop the Company's products and execute its business model and growth strategy; and</li> <li>(e) sufficient worldwide demand for the Company's products.</li> </ul>	Section 6
<b>C. KEY INVESTMENT HIGHLIGHTS</b>		
What are the key investment highlights?	<p>The Directors consider the key highlights of an investment in the Company include:</p> <ul style="list-style-type: none"> <li>(a) a scalable business;</li> <li>(b) a product targeting the discretionary spend in the gaming and leisure market (EyeFly3D™);</li> <li>(c) a product in development (EyeFyx) which is intended to provide a convenient solution for the growing aging population who require vision correcting glasses in order to view digital displays; and</li> <li>(d) potential to create significant shareholder value.</li> </ul>	Section 6

ITEM	SUMMARY	FURTHER INFORMATION
<b>D. KEY RISKS</b>		
<p>What are the key risks of an investment in the Company?</p>	<p>Risks associated with an investment in the Company under this Prospectus are detailed in Section 8.</p> <p>Based on the information available, key risk factors affecting the Company include:</p> <p>(a) <b>Ability to earn acceptable returns from sale of products</b></p> <p>No assurance can be given that the Company will achieve commercial viability through the Company's technology or otherwise.</p> <p>Until the Company is able to realise substantial value from its technology, it is likely to incur ongoing operating losses. Achievement of the Company's objectives will depend on the Board's ability to successfully implement its development and growth strategy. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer.</p> <p>(b) <b>Research &amp; development and technical risk</b></p> <p>The Company's products are the subject of continuous research and development and will likely need to be substantially developed further in order to enable the Company to remain competitive, increase sales and improve the products' scalability. There are no guarantees that the Company will be able to undertake such research and development successfully. Failure to successfully undertake such research and development, anticipate technical problems, or estimate research and development costs or timeframes accurately will adversely affect the Company's results and viability.</p> <p>(c) <b>Intellectual property rights</b></p> <p>A substantial part of the Company's commercial success will depend on its ability to maintain or as the case may be establish, and protect, its intellectual property, maintain trade secret protection and operate without infringing the proprietary rights of third parties.</p> <p>Nanoveu's interest as licensee of the A*STAR Intellectual Property is reliant on the Technology License Agreement with the Licensors (see Section 10.2 for further details).</p>	<p>Section 8</p>

ITEM	SUMMARY	FURTHER INFORMATION
	<p>There is no guarantee that other companies will not legally challenge the A*STAR Intellectual Property or the Technology License Agreement or that the Licensors will comply with the Technology License Agreement.</p> <p>Further, as the Technology License Agreement has a limited term (expiring in August 2023), there is a risk that the Technology Licence Agreement will be renewed on terms which are less favourable to the Company (including a risk that the Licensors will require the Company to pay an increased royalty), or will not be renewed at all.</p> <p>Also, as the Technology Licence Agreement is not exclusive, there is a risk that the Licensors may grant a similar licence to exploit the A*STAR Intellectual Property to one or more competitors of the Company.</p> <p>Additionally, securing rights to (or developing) technologies complementing the Company's existing intellectual property will also play an important part in the commercial success of the Company. There is no guarantee that such rights can be secured or such technologies can be developed.</p> <p>Nanoveu's current licence to use the A*STAR Intellectual Property will need to be varied or extended if Nanoveu determines that it is necessary to utilise the A*STAR Intellectual Property to manufacture products based on its EyeFyx technology. No decision has been made in this regard as the EyeFyx technology is still at the product development stage (refer to Section 6.7 for further details).</p> <p>(d) <b>Competition risk</b></p> <p>The market in which the Company participates is competitive and characterised by rapid technological change. The Company's potential inability to improve existing product lines and develop new products and technologies could have a material adverse effect on the Company's business.</p> <p>(e) <b>Reliance on key personnel</b></p> <p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p>	

ITEM	SUMMARY	FURTHER INFORMATION
	<p>(f) <b>Additional requirements for capital</b></p> <p>The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company will likely require further financing in addition to amounts raised under the capital raising. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its research and development programmes as the case may be.</p> <p>(g) <b>User experience risk</b></p> <p>The Company's business model is primarily based on recurring service revenue arising from technology users and customers. Notwithstanding efforts placed on the user interface and experience, a poor user experience may occur and may affect growth of customer numbers and repeat purchases.</p> <p>The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company and you should refer to the additional risk factors in Section 8 before deciding whether to apply for Shares pursuant to this Prospectus.</p>	

## E. DIRECTORS AND KEY MANAGEMENT PERSONNEL

Who are the Directors?	<p>The Directors of the Company are as follows:</p> <p>(a) Alfred Chong (Executive Chairman and Chief Executive Officer);</p> <p>(b) Michael van Uffelen (Executive Director, Chief Financial Officer and company secretary);</p> <p>(c) Steven Apedaile (Non-Executive Director); and</p> <p>(d) David Nicol (Non-Executive Director).</p> <p>The profiles of each of the Directors are set out in Section 7.8.</p>	Section 7.8
What are the significant interests of the Directors in the Company?	Each Director's interest in the Company is set out in Section 7.10.	Section 7.10
What related party agreements is the Company a party to?	Summaries of the agreements entered into with Directors and related parties of the Company are set out in Section 0.	Section 0

ITEM	SUMMARY	FURTHER INFORMATION
<b>F. FINANCIAL INFORMATION</b>		
How has the Company been performing?	<p>The Company was only recently incorporated (14 February 2018) and has no operating history or history of financial performance.</p> <p>The audited historical financial information of Nanoveu (including its subsidiaries) as at 31 December 2017, 31 October 2016 and 31 October 2015 is set out in the Investigating Accountant's Report in Annexure A.</p> <p>Nanoveu's financial performance across this period includes losses of S\$639,311, S\$940,640 and S\$1,378,131 for the financial periods ending 31 December 2017, 31 October 2016 and 31 October 2015, respectively.</p> <p>Please refer to the Investigating Accountant's Report in Annexure A for further details.</p> <p>Also contained in the Investigating Accountant's Report in Annexure A is the pro forma historical balance sheet as at 31 December 2017 and related notes.</p> <p>Refer to the Investigating Accountant's Report in Annexure A for a discussion in respect of the key financial information of the Company.</p> <p>Investors should note that past performance may not be a guide to future performance.</p>	Annexure A
How will the Company fund its activities?	The funding for the Company's activities over the next two years will be generated from a combination of the money raised under the Offer, existing cash reserves, and potentially revenues generated from business activities.	Section 7.2
What is the financial outlook for the Company?	<p>Given the current status of operations and the relative stage of technology development and commercialisation, the Directors do not consider it appropriate to forecast future earnings.</p> <p>Any forecast or prospective financial information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.</p>	Annexure A
<b>G. OFFERS</b>		
What is being offered and who is entitled to participate?	<p>The Offer is an offer of up to 30,000,000 Shares at an issue price of \$0.20 per Share to raise up to \$6,000,000, with a minimum subscription of 22,500,000 Shares at an issue price of \$0.20 per Share to raise a minimum of \$4,500,000.</p> <p>The Offer is open to retail and sophisticated investors in Australia.</p>	Sections 5.1 and 5.11

ITEM	SUMMARY	FURTHER INFORMATION
Is there a minimum subscription?	Yes. The Minimum Subscription for the Offer is \$4,500,000 (22,500,000 Shares).	Section 5.2
What is the purpose of the Offer?	<p>The purpose of the Offer is to facilitate an application by the Company for admission of the Company to the Official List and to position the Company to seek to achieve the objectives stated at Section B above.</p> <p>The Offer proceeds and the Company's existing cash reserves will be allocated and apportioned as set out in Section 7.2.</p> <p>The Board believes that on completion of the Offer, the Company will have sufficient working capital to achieve its objectives.</p>	Sections 5.8, 7.2 and 11.10
What is the Cleansing Offer and why is it being conducted?	The Cleansing Offer is intended to remain open following the closing of the Offer until all Shares to be issued under the Acquisition and on conversion of Convertible Notes have been issued in order to ensure that all such Shares will be capable of being traded on ASX from the date of issue (subject to any escrow restrictions imposed by ASX).	
Is the Offer underwritten?	No, the Offer is not underwritten.	Section 5.4
Who is the lead manager to the Offer?	<p>Collins Street Group Pty Ltd (Corporate Authorised Representative (CAR 326513) of APC Securities Pty Ltd (AFSL 338943)) and First Guardian Capital Pty Ltd (Corporate Authorised Representative (CAR 438891) of Falcon Capital Limited (AFSL 302538)) will act as joint lead managers to the Offer (<b>Joint Lead Managers</b>).</p> <p>The Joint Lead Managers will receive the following fees in respect of the Offer:</p> <ul style="list-style-type: none"> <li>(a) a monthly corporate advisory fee of \$10,000 up to completion of the Offer (capped at \$50,000);</li> <li>(b) a management fee of 1.75% of the amount raised under the Offer;</li> <li>(c) a selling fee of 6% of the total amount raised under the Offer (excludes investors introduced by the Company and/or the Selling Agent);</li> <li>(d) 300,000 Shares, to be issued to the Joint Lead Managers or their nominees on completion of the Offer (<b>Broker Shares</b>); and</li> </ul>	Sections 5.5 and 10.4

ITEM	SUMMARY	FURTHER INFORMATION
	<p>(e) up to 1,500,000 Options (exercisable at \$0.20 on or before the date that is 3 years following their date of issue) (<b>Broker Options</b>), to be issued to the Joint Lead Managers or their nominees on completion of the Offer, on the basis of one Broker Option for every 20 Shares issued under the Offer to investors introduced by the Joint Lead Managers (excludes investors introduced by the Company and/or the Selling Agent).</p> <p>Refer to Section 10.4 for a summary of the joint lead manager mandate.</p>	
<p>Who is the Selling Agent?</p>	<p>The Company has appointed AE Jarrah Capital Partners Pty Ltd (<b>Selling Agent</b>) to act as a selling agent to the Offer.</p> <p>The Selling Agent will receive the following fees in respect of the Offer:</p> <p>(a) a selling fee of 6% (plus GST) of funds raised from investors introduced by the Selling Agent (excludes investors introduced by the Company and/or the JLMs); and</p> <p>(b) one Broker Option for every 20 shares issued under the Offer to investors introduced by the Selling Agent (excludes Shares issued to investors introduced by the Company and/or the JLMs).</p> <p>The Company will also pay all travel, living and accommodation expenses incurred by the Selling Agent in respect of the Offer (to be approved by the Company in advance).</p>	<p>Sections 5.6 and 10.5</p>
<p>Will I be guaranteed a minimum allocation under the Offer?</p>	<p>The Company is not in a position to guarantee a minimum allocation of Shares under the Offer. Shares will be issued under the Offer in accordance with the allocation policy set out in Section 5.8.</p>	<p>Section 5.8</p>
<p>What will the Company's capital structure look like after completion of the Offers?</p>	<p>The Company's capital structure on a post-Offers basis is set out in Section 7.3.</p>	<p>Section 7.3</p>
<p>What are the terms of the Shares offered under the Offers?</p>	<p>A summary of the material rights and liabilities attaching to the Shares offered under the Offers is set out in Section 11.2.</p>	<p>Section 11.2</p>

ITEM	SUMMARY	FURTHER INFORMATION
<p>Will any Shares be subject to escrow?</p>	<p>None of the Shares issued under the Offer will be subject to escrow.</p> <p>Subject to the Company complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Offer, it is estimated that the following securities will be subject to escrow:</p> <ul style="list-style-type: none"> <li>(a) 48,009,875 Shares issued for nil or low cash consideration;</li> <li>(b) 4,145,960 Shares issued to the holders of the Convertible Notes;</li> <li>(c) 300,000 Broker Shares;</li> <li>(d) 1,125,000 Broker Options, assuming Minimum Subscription is achieved, and 1,500,000 Broker Options, assuming Maximum Subscription is achieved; and</li> <li>(e) 1,100,000 Performance Rights held by directors.</li> </ul> <p>During the period in which restricted Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.</p> <p>The Company will announce to ASX full details (quantity and duration) of the securities required to be held in escrow prior to the Shares commencing trading on ASX.</p> <p>At the minimum subscription, the Company's 'free float' (being the percentage of Shares not subject to escrow and held by Shareholders that are not related parties of the Company (or their associates) at the time of admission to the Official List) will be approximately 58.04%, comprising:</p> <ul style="list-style-type: none"> <li>(a) all Shares issued pursuant to the Offer;</li> <li>(b) a portion of the Shares issued to the vendors of Nanoveu as consideration for the Acquisition; and</li> <li>(c) a portion of the Shares issued upon the conversion of existing Convertible Notes.</li> </ul>	<p>Section 7.5</p>
<p>Will the Shares be quoted?</p>	<p>Application for quotation of all the Company's Shares (including those to be issued under the Offer) will be made to ASX no later than 7 days after the date of this Prospectus.</p> <p>If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of this Prospectus, or such period as varied by ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.</p>	<p>Section 5.8</p>

ITEM	SUMMARY	FURTHER INFORMATION
What are the key dates of the Offers?	The key dates of the Offers are set out in the indicative timetable in Section 2.	Section 2
What is the minimum investment size under the Offer?	Applications under the Offer must be for a minimum of \$2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of \$1,000 worth of Shares (5,000 Shares).	Section 5.3
Are there any conditions to the Offers?	No, other than raising the Minimum Subscription and ASX approval for quotation of the Shares, the Offers are unconditional.	Section 5.2, 5.6 and 5.9

## H. ADDITIONAL INFORMATION

Is there any brokerage, commission or duty payable by Applicants?	No brokerage, commission or duty is payable by Applicants on the acquisition of Shares under the Offers.	Section 10.4
What are the tax implications of investing in Shares?	<p>Holders of Shares may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Shares issued under this Prospectus.</p> <p>The tax consequences of any investment in Securities will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Shares offered under this Prospectus.</p>	Section 7.6
What are the corporate governance principles and policies of the Company?	<p>To the extent applicable, in light of the Company's size and nature, the Company has adopted The Corporate Governance Principles and Recommendations (3rd Edition) as published by ASX Corporate Governance Council (<b>Recommendations</b>).</p> <p>The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined in Section 9.2</p> <p>In addition, the Company's full Corporate Governance Plan is available from the Company's website (<a href="http://www.nanoveu.com">www.nanoveu.com</a>). Prior to listing on ASX, the Company will announce its main corporate governance policies and practices and the Company's compliance and departures from the Recommendations.</p>	Section 9.2
Where can I find more information?	<p>(a) By speaking to your sharebroker, solicitor, accountant or other independent professional adviser.</p> <p>(b) By contacting the Company Secretary on +61 8 6244 9095.</p> <p>(c) By contacting the Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (from overseas).</p>	

## 5.1 THE OFFERS

Pursuant to this Prospectus, the Company invites applications for up to 30,000,000 Shares at an issue price of \$0.20 per Share to raise up to \$6,000,000 (**Maximum Subscription**).

Under the Cleansing Offer, the Company offers 1,000 Shares at an issue price of \$0.20 per Share to raise \$200.

The Cleansing Offer is included for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company where those issues occur after the Offer has closed. The Cleansing Offer will remain open after the close of the Offer.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 11.2.

## 5.2 MINIMUM SUBSCRIPTION

The minimum subscription for the Offer is \$4,500,000 (22,500,000 Shares) (**Minimum Subscription**).

If the Minimum Subscription has not been raised within 3 months after the date of this Prospectus, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

## 5.3 OVERSUBSCRIPTIONS

No oversubscriptions will be accepted by the Company.

## 5.4 UNDERWRITTEN

The Offer is not underwritten.

## 5.5 JOINT LEAD MANAGERS

Collins Street and First Guardian (together, the Joint Lead Managers or the JLMs) have been appointed by the Company to jointly manage the Offer. In consideration for their role as Joint Lead Managers, Collins Street Capital and First Guardian will be entitled to share:

- (a) a monthly corporate advisory fee of \$10,000 up to completion of the Offer (capped at \$50,000);
- (b) a management fee of 1.75% of the amount raised under the Offer;
- (c) a selling fee of 6% of the total amount raised under the Offer (excludes investors introduced by the Company and/or the Selling Agent);
- (d) 300,000 Shares, to be issued to the Joint Lead Managers or their nominees on completion of the Offer; and
- (e) up to 1,500,000 Broker Options on the basis of one Broker Option for every 20 Shares issued to investors under the Offer introduced by the Joint Lead Managers (excludes investors introduced by the Company and/or the Selling Agent).

For further details relating to the appointment of the Joint Lead Managers, please refer to Section 10.4. Any broker fees payable to other brokers or intermediaries (including those overseas) will be paid from the 6.0% selling fee payable to the Joint Lead Managers.

## 5.6 SELLING AGENT

The Company has appointed AE Jarrah Capital Partners Pty Ltd (**Selling Agent**) to act as a selling agent to the Offer.

The Selling Agent will receive the following fees for services provided to the Company:

- (a) a selling fee of 6% (plus GST) of funds raised from investors introduced by the Selling Agent (which, for the avoidance of doubt, excludes amounts raised from investors introduced by the Company and/or the JLMs); and
- (b) one Broker Option for every 20 shares issued under the Offer to investors introduced by the Selling Agent (which, for the avoidance of doubt, excludes Shares issued to investors introduced by the Company and/or the JLMs).

The Company will also pay all travel, living and accommodation expenses incurred by the Selling Agent in respect of the Offer (to be approved by the Company in advance).

For further details relating to the appointment of the Selling Agent, please refer to Section 10.5.

## 5.7 APPLICATIONS

Applications for Shares under the Offer must be made using the Application Form. The Application Form contains detailed instructions on how it is to be completed.

Applications for Shares must be for a minimum of 10,000 Shares and thereafter in multiples of 5,000 Shares and payment for the Shares must be made in full at the issue price of \$0.20 per Share.

Completed Application Forms and accompanying cheques, made payable to “**Nanoveu Limited – IPO Account**” and crossed “Not Negotiable”, must be mailed or delivered by no later than 5:00pm (WST) on the Closing Date to the following address:

MAILING ADDRESS:	HAND DELIVERY:
Automic Registry Services PO Box 2226 Strawberry Hills NSW 2012	Automic Registry Services Level 29, 201 Elizabeth Street Sydney NSW 2000

Applicants are urged to lodge their Application Forms as soon as possible as the Public Offer may close early without notice.

An original, completed and lodged Application Form, together with a cheque for the Application Monies or an electronic transfer to the bank account advised by the Company, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors’ decision as to whether to treat such an application as valid and how to construe, amend or complete the Application Form is final. However, an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque or direct transfer for the Application Monies.

An Applicant can also apply online by following the instructions at <https://automic.com.au/nanoveulimited.html> and completing a BPAY® payment. Applicants will be given a BPAY® biller code and a customer reference number unique to the online Application once the online Application Form has been completed.

BPAY® payments must be made from an Australian dollar account of an Australian institution. Using the BPAY® details, Applicants must:

- (a) access their participating BPAY® Australian financial institution either via telephone or internet banking;
- (b) select to use BPAY® and follow the prompts; enter the biller code and unique customer reference number that corresponds to the online Application;
- (c) enter the amount to be paid which corresponds to the value of Shares under the online Application;
- (d) select which account payment is to be made from;
- (e) schedule the payment to occur on the same day that the online Application Form is completed. Applications without payment will not be accepted; and
- (f) record and retain the BPAY® receipt number and date paid.
- (g) Investors should confirm with their Australian financial institution:
  - (h) whether there are any limits on the investor's account that may limit the amount of any BPAY®
  - (i) payment; and
  - (j) the cut off time for the BPAY® payment.

If such payment is not made via BPAY®, the Application will be incomplete and will not be accepted. The online Application Form and BPAY® payment must be completed and received by no later than the Closing Date.

Applications for Shares under the Cleansing Offer should only be made if you are instructed to do so by the Company.

## 5.8 ALLOCATION POLICY

The Company retains an absolute discretion to allocate Shares under the Offer and reserves the right, in its absolute discretion, to issue to an Applicant a lesser number of Shares than the number for which the Applicant applies or to reject an Application Form. If the number of Shares issued is fewer than the number applied for, surplus application money will be refunded without interest as soon as practicable.

No Applicant under the Offer has any assurance of being allocated all or any Shares applied for. The allocation of Shares by Directors will be influenced by the following factors:

- (a) the number of Shares applied for;
- (b) the overall level of demand for the Offer;
- (c) the desire for spread of investors, including institutional investors; and
- (d) the desire for an informed and active market for trading Shares following completion of the Offer.

The Company will not be liable to any person not allocated Shares or not allocated the full amount applied for.

## 5.9 ASX LISTING

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus.

If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

## 5.10 ISSUE

Subject to the Minimum Subscription being reached and ASX granting conditional approval for the Company to be admitted to the Official List, issue of the Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

The Directors (in consultation with the Joint Lead Managers) will determine the recipients of the issued Shares in their sole discretion, in accordance with the allocation policy set out in Section 5.8. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

## 5.11 APPLICANTS OUTSIDE AUSTRALIA

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia it is your responsibility to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

## 5.12 COMMISSIONS PAYABLE

The Company reserves the right to pay a commission of up to 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee. The Joint Lead Managers will be responsible for paying all commissions that they and the Company agree with any other licensed securities dealers or Australian financial services licensee out of the fees paid by the Company to the Joint Lead Managers under the Joint Lead Manager Mandate.

## 6.1 BACKGROUND

The Company was incorporated in February 2018 for the primary purpose of acquiring Nanoveu Pte Ltd (Nanoveu) and seeking to list Nanoveu's business on the ASX.

Nanoveu is a Singaporean company which was established in 2012 to continue development of and commercialise nanoimprint science applications initiated by A\*STAR.

A\*STAR's Institute of Materials Research and Engineering worked with Temasek Polytechnic to develop the prototype for EyeFly3D™ – a nanoimprint-based screen protector that allows viewing of clear, distortion-free 3D content with the naked eye. In March 2013 the A\*STAR Intellectual Property behind EyeFly3D™ was licenced to Nanoveu. Nanoveu further developed the Intellectual Property to create the EyeFly3D™ product. Refer to the Intellectual Property Report in Annexure B and the summary of the Technology Licence Agreement in Section 10.2 for further details regarding the Company's interest in the A\*STAR Intellectual Property.

52,497 units of the EyeFly3D™ product were sold as part of test sales programs by Nanoveu, generating revenue of S\$675,454 (primarily between 2013 and 2015) by supplying products suitable for use on Apple iPhone 4 and 5 models. The feedback from the test sales programs has been used to refine the product and to assist with designing marketing activities.

With the introduction of the iPhone 6 and subsequent generations of the iPhone, Nanoveu decided to devote its limited seed and venture capital funds to the development of its "EyeFyx" technology, which aims to correct certain vision aberrations on smart devices using a combination of hardware and software. Nanoveu has recently achieved an important milestone in the development of its "EyeFyx" technology, moving from a proof of concept stage towards the development of a working prototype for the product. See Section 6.7 for further details on Nanoveu's "EyeFyx" research and development project.

With product development and test sales programs complete for the EyeFly3D™ product, and its "EyeFyx" technology moving towards commercialisation following completion of the proof of concept stage, Nanoveu is now seeking to raise working capital via the Acquisition and the Offer:

- (a) for a global sales launch of its EyeFly3D™ product; and
- (b) to complete product development of its "EyeFyx" technology.

## 6.2 NANOVEU'S TECHNOLOGY

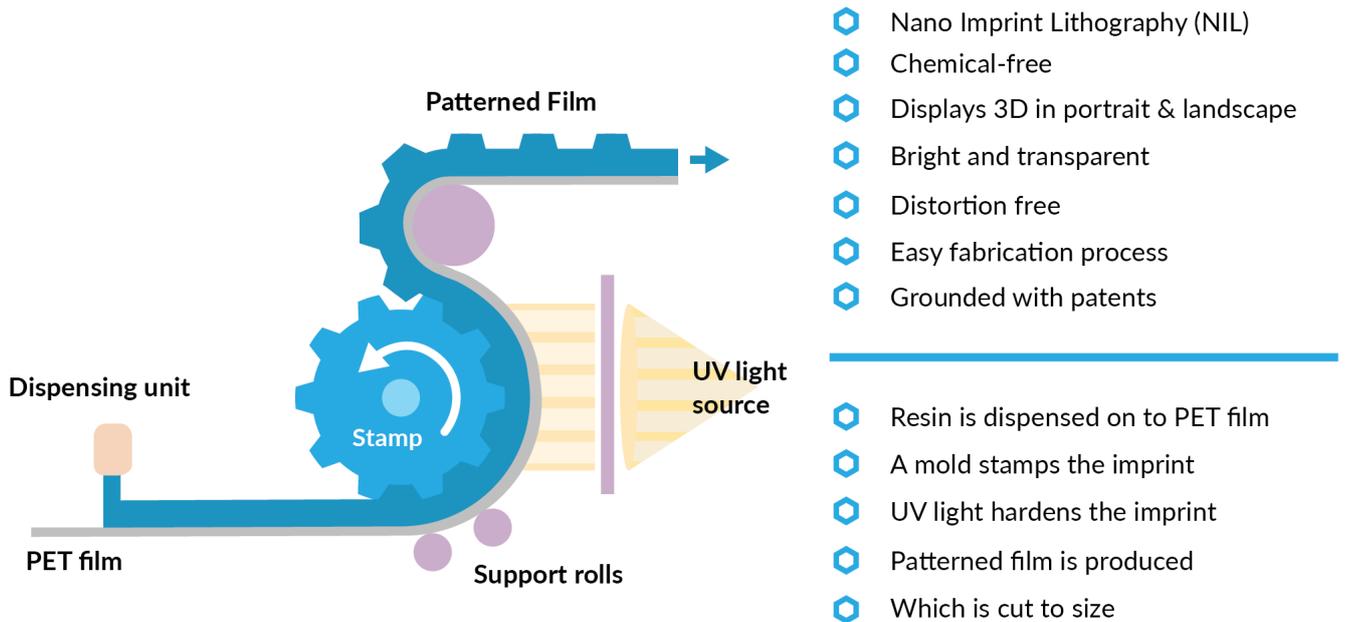
Nanoveu's award-winning product, EyeFly3D™, uses a combination of software (application) and hardware (screen protector) to offer real time, affordable and easy to use 3D rendering and 2D-to-3D instant conversion of videos and photos on smartphones and tablets – without the use of 3D glasses.

Nanoveu is also developing its complementary EyeFyx technology through its ongoing research and development program. Using the EyeFyx technology (which comprises a combination of hardware and software), the Company is working towards developing a product which aims to correct images for certain vision aberrations on high resolution digital devices, such as smartphones and tablets. See Section 6.7 for further details on Nanoveu's "EyeFyx" research and development project.

Nanoveu's EyeFly3D™ product utilises Nano Imprint Lithography (NIL) in the manufacturing process. NIL is an advanced patterning technique effective for sub-100 nanometre applications. Advantages of using NIL in the manufacturing process include:

- (a) the pattern resolution of NIL is not limited by optical diffraction, as such, it does not require costly optics and specially formulated resist materials;
- (b) Nano imprinters capable of handling rolls with a width of over 1.5 metres are available making the production suitable to mass production; and
- (c) the NIL process is very flexible. It can accommodate a large variety of polymeric materials and commercially available resists. It is also compatible with either stiff or flexible substrate materials, particularly silicon, glass, or plastics.

The NIL manufacturing process is illustrated as follows:



The low cost and flexibility of the NIL manufacturing process means that Nanoveu can rapidly develop new product lines as new phone and tablet models come to market.

Nanoveu has a licence to use the A\*STAR Intellectual Property, which underlies the NIL manufacturing process, within the field of 3D display. Please refer to Section 10.2 for a detailed summary of the Technology Licence Agreement and to the Intellectual Property Report in Annexure B for a detailed summary of the patents the subject of the Technology Licence Agreement.

Nanoveu's current licence to use the A\*STAR Intellectual Property will need to be varied or extended if Nanoveu determines that it is necessary to utilise the A\*STAR Intellectual Property to manufacture products based on its EyeFyx technology. No decision has been made in this regard as the EyeFyx technology is still at the product development stage (refer to Section 6.7 for further details on Nanoveu's "EyeFyx" research and development project).

## 6.3 EYEFly3D™

EyeFly3D™ is a nanoimprinted protective film that allows users to view 3D images, videos, and games on the go through their mobile devices. The protective screen protector is low-cost, thin, sensitive and flexible. EyeFly3D™ screens are available in Polyethylene terephthalate (PET) or Tempered Glass, and is oleophobic and anti-fingerprint.

Users can download the mobile applications and games for EyeFly3D™ that enables them to view pre-loaded 3D videos, purchase new videos, and convert their 2D images into 3D.

Since their introduction in the early 21st century, smartphones have become ubiquitous in the developed world.

While Nanoveu considers that there are applications for its technology outside of the smartphone arena, the sheer volume of smartphone users has led Nanoveu to primarily target smartphone use for its EyeFly3D™ products at this stage. In particular, Nanoveu intends to focus on the 3D gaming, virtual/augmented reality, and mobile phone accessories markets (see below for further detail).



## SOFTWARE AND MIDDLEWARE / 3D MOBILE GAMING

EyeFly3D™ has been developed as middleware designed to enable 3D mobile game developers and content providers to provide 3D games for smartphones without the user needing to wear 3D glasses. A 3D experience using EyeFly3D™ offers some of the immersive aspects offered by traditional virtual reality on a smartphone, without the use of external VR headwear.

Nanoveu has developed a software development kit (SDK) for iOS and Android, which it intends to initially offer free to developers of 3D content and games. The goal is to encourage the development of content which can only be viewed with EyeFly3D™ products. Nanoveu could potentially charge 3D content and game developers a licensing fee if there is sufficient traction. The opportunity to work with third parties could further extend to providing advertising platforms the ability to display ads in 3D. This could be applicable in e-readers, portable gaming devices and smartphones.

## MOBILE ACCESSORIES MARKET

The mobile device accessories market has experienced unprecedented growth alongside the rise of mobile phone usage.

Nanoveu intends to participate in this market by offering an active screen to enhance user experience, while also offering the protection from damage that a passive screen provides. As noted in Section 6.4(a) below, the cost of buying the EyeFly3D™ active screen hardware, is comparable to the cost of buying a standard plastic screen protector.

## 6.4 BUSINESS MODEL AND OBJECTIVES

### (a) Products and Pricing

As Nanoveu's EyeFly3D™ product is comprised of both a screen with nano-lenses (an active screen) and software (the EyeFly3D™ application) Nanoveu is able to generate revenue through sales of both hardware and software. This is initially intended to be achieved through a retail strategy focussed on the US via shopping mall booths/shops/carts and online channels globally, with the aim of generating sufficient demand to transition to a primary wholesale distribution approach.

Hardware (the active screen) is intended to be sold at a wholesale price of approximately US\$5.00 and a retail price of approximately US\$14.99, exclusive of country specific taxes and duties.

Nanoveu also intends to generate revenue from software sales. While the software can be downloaded for free, viewing videos and images is limited to 2 minutes of video and 10 images with the free version. To have unlimited access, a fee of US\$1.00 is charged to each user.

Based on budgeted cost of goods sold, the Minimum Subscription will allow the Company to manufacture for sale 358,000 EyeFly3D™ units in its first year of operation post listing and 3 million units in its second year.

### (b) Models

The active screen is manufactured from rolls of PET which are shaped in tooling moulds designed to work on a particular specification screen. These are then cut to fit different size models that use that particular specification screen. Accordingly, the Company will have an ongoing development program to offer active screens as phone manufacturers change or upgrade screen specifications and add new models.

The Company has existing inventory for iPhone 5 model generation phones, and first production for new model phones is intended to be for iPhone 6+/7+/8+ and comparable Android phones.

### (c) Production

The production process involves a number of distinct steps for which the Company has qualified a number of suppliers and manufacturers, based in Japan and Taiwan. This enables the Company to retain control over the production process, limit knowledge leakage and protect the intellectual property inherent to the product. The Company obtains competitive pricing by qualifying multiple suppliers for each stage of the supply chain and therefore builds in redundancy and backup.

## 6.5 SALES STRATEGY

### (a) Sales Channels

The Company intends to sell the hardware component via the following distribution channels:

- (i) Shopping mall booths/shops/carts and online channels such as the Company's website, Amazon and other mass market shopping networks (QVC, Home Shopping Network etc). This will provide the Company with direct access to the consumer and enables direct feedback from customers to be received. It also harvests significant additional margins for the Company through the Company earning both the wholesale and retail margin.

The primary jurisdiction for this activity will be the United States of America, where the Company has already engaged an experienced team through the Chicago Toy Company and its principal, Richard Benjamin, to execute this strategy.

To support the shopping mall booth sales strategy, the Company intends to offer several other complimentary products that a party interested in investing in a shopping mall cart can consider, including a protective case, enabling a bundled product to be offered.

- (ii) Sales to distributors of mobile phone accessories. This is expected to allow the Company to sell wholesaler volumes to a relatively smaller customer base than selling single products to retail customers.

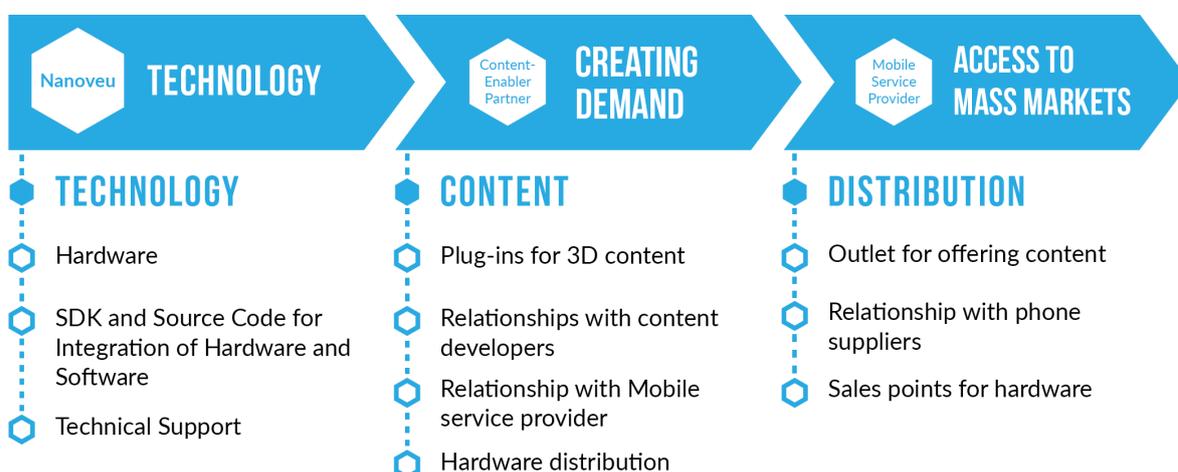
Distributors/resellers would then have the freedom to employ sales approaches and pricing independent of Nanoveu. The Company intends to support its distributors by sharing its own retail sales experiences, providing marketing material and collaterals for product displays.

- (iii) EyeFly3D™ screens could be offered to phone manufacturers for bundling with their phones. These could be second and third tier phone manufacturers who may be looking for items that they could bundle in their offerings in an attempt to differentiate their products.

Apps enabling customers to access unlocked version of the software are sold via the Apple's App Store and Google Play.

**(b) Promotion Plan**

Nanoveu intends to directly approach potential channel partners through its sales team, initially in the United States, while at the same time creating product awareness through digital marketing channels and possibly sponsoring social media influencers to promote the Eyefly3D™ product, as Nanoveu did during its test sale programs. This is illustrated below:



Nanoveu also intends to deploy targeted promotional campaigns such as:

- (i) free app trial (full access) with purchase of hardware;
- (ii) marketing and informational product videos via YouTube to build up hype and user engagement;
- (iii) dedicated Facebook and LinkedIn Pages for Nanoveu;
- (iv) exhibitions to target customers and channel partners; and
- (v) sponsorship for target demographics.

**(c) Distribution Plan**

Nanoveu intends to operate a dual distribution plan of direct sales and sales via resellers, particularly mobile phone accessory distributors with existing sales channels.

Nanoveu also plans to sell the EyeFly3D™ screens through distributors obtained through trade events like IFA, CES, and Computex. At such events, the distributors are likely to be provided with a suite of tools that include point of sale systems, brochures, training, and demonstration units that allow them to showcase the product. In some markets Nanoveu intends to help create concept stores with the store owners to increase brand awareness. Photos from attendance at such events previously attended are shown below:



Nanoveu's booth at Consumer Electronic Showcase (CES) 2015



Product Demonstrations at IFA, Berlin 2014

In the US market, Nanoveu has engaged a consultant (the Chicago Toy Company) and key staff to assist in the management and execution of Nanoveu's product distribution strategy, in a non-exclusive capacity. This includes the administration and running of Nanoveu's local subsidiary, Nanoveu Distribution Inc, and the implementation of multiple tiers of marketing strategies.

The marketing activity in the US is expected to include:

- (i) wholesale distribution to Big Box Retailers and mobile phone accessories outlets;
- (ii) sales via online channels such as Amazon;
- (iii) sales via shopping mall cart operators; and
- (iv) participation in trade shows and exhibitions.

These consultants and key staff will be incentivised via the grant of Options (exercisable at \$0.20 on or before the date which is 3 years from their date of issue). Please refer to Section 10.3 for a summary of the material terms of the agreement with the Chicago Toy Company and Section 7.3 for a summary of the terms of these Options.

## 6.6 COMPETITION

### (a) Direct Competitors for EyeFly3D™

The Company is aware of two direct competitors to EyeFly3D™:

- (i) Mopic3D sells a case-based lenticular snap-on that will display 3D stereoscopic video clips in glasses free 3D (**Snap3D**). Snap3D is sold only as a clip on and must be removed in order to visualize 2D.
- (ii) Another product called Whoosh3D retails a glasses free screen protector using a combination of a specially designed micro lens and a Whoosh3D app.

### (b) Indirect Competitors for EyeFly3D™

There are two broad categories of competitors:

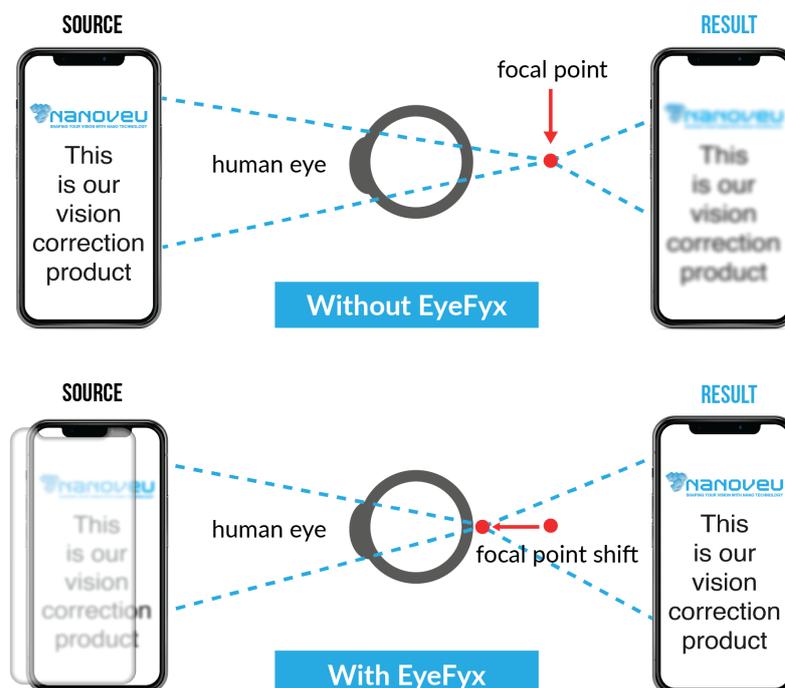
- (i) Glasses-free 3D technologies that focus on larger screens. Even the smallest of these include a laptop style variant. Companies such as Dimenco, Alioscopy, and Exceptional 3D have built their businesses on larger screens. The Company does not anticipate that the products developed by these companies will materially impact the commercial success of EyeFly3D™. Rather, the Company expects that the success of such products will benefit Nanoveu by validating glasses-free 3D based technology.
- (ii) Mainstream electronics companies that offer large glasses-based 3D displays.

## 6.7 DEVELOPMENT PROJECT: EYEFYX

### (a) Background

The Company intends to offer the world's first, commercial, ground-breaking solution of applying a simple nanotech-based screen protector over a smart device/tablet/laptop that works with the appropriate software to correct anyone with farsightedness (hyperopia) and presbyopia.

Nanoveu has developed a technique that adjusts images displayed on a digital device to enable users with hyperopia or presbyopia to view digital content without needing to wear their reading glasses. The technique uses special embedded software and nano-imprint lens technology to render a clear image onto the retina, as opposed to correcting the user's vision with glasses. This process is illustrated below:



People who experience hyperopia or presbyopia have a problem with focussing on near objects without any reading aid. The focus point lies effectively “behind” the retina which results in a blurred vision of the object. By manipulating the way pixels are distributed, EyeFyx can reconstruct a light field specifically for a user’s dioptre which results in a sharp displayed text.

While it is expected that the EyeFyx technology could be incorporated into many digital devices ranging from phones to cash registers to Point-of-Sale displays and car displays, the initial focus will be on smartphones due to the large installed base world-wide.

Nanoveu also sees an opportunity for the EyeFyx technology to be developed for use in digital displays in vehicles. This would allow someone suffering from hyperopia or presbyopia to see their instrument panels and navigation displays more clearly without the need for eye glasses.

(b) **Target Market**

The primary target market for EyeFyx is users of smartphones. In addition, there are expected to be collateral applications such as e-readers, desktop monitors, laptops, digital automotive dashboards, navigation displays and high resolution digital instrumentation.

(c) **Direct Competitors for EyeFyx**

As at the date of this Prospectus, the Company is not aware of any products on the market which enable users with hyperopia or presbyopia to view digital content without needing to wear their reading glasses.

(d) **Indirect Competitors for EyeFyx**

The potential competition for EyeFyx are established vision correcting aides, such as glasses and contact lenses, generally sold by opticians and eye clinics, and vision correcting surgery.

While established opticians and eye clinics are seen as indirect competition, they could be potential collaborators as distribution outlets for possible EyeFyx products.

(e) **Research and Collaboration Agreement and Singapore Government grant**

In April 2018, Nanoveu entered into a research and collaboration agreement with the Nanyang Technological University (Singapore) (NTU), pursuant to which the parties will work collaboratively in the development of EyeFyx. The collaboration is for an initial term of six-months, unless extended by mutual agreement.

In addition, Nanoveu has secured in-principle funding of S\$967,200 from the Singapore Government’s Industry Alignment Fund to collaborate with NTU on the EyeFyx project. This funding will be used to provide resources directly for the project under which Nanoveu will partner with NTU to develop EyeFyx. The grant is structured such that the Singapore Government will directly fund the cost of labour and equipment provided by NTU and cover the costs of certain operating expenses and overheads specified in the approved project budget.

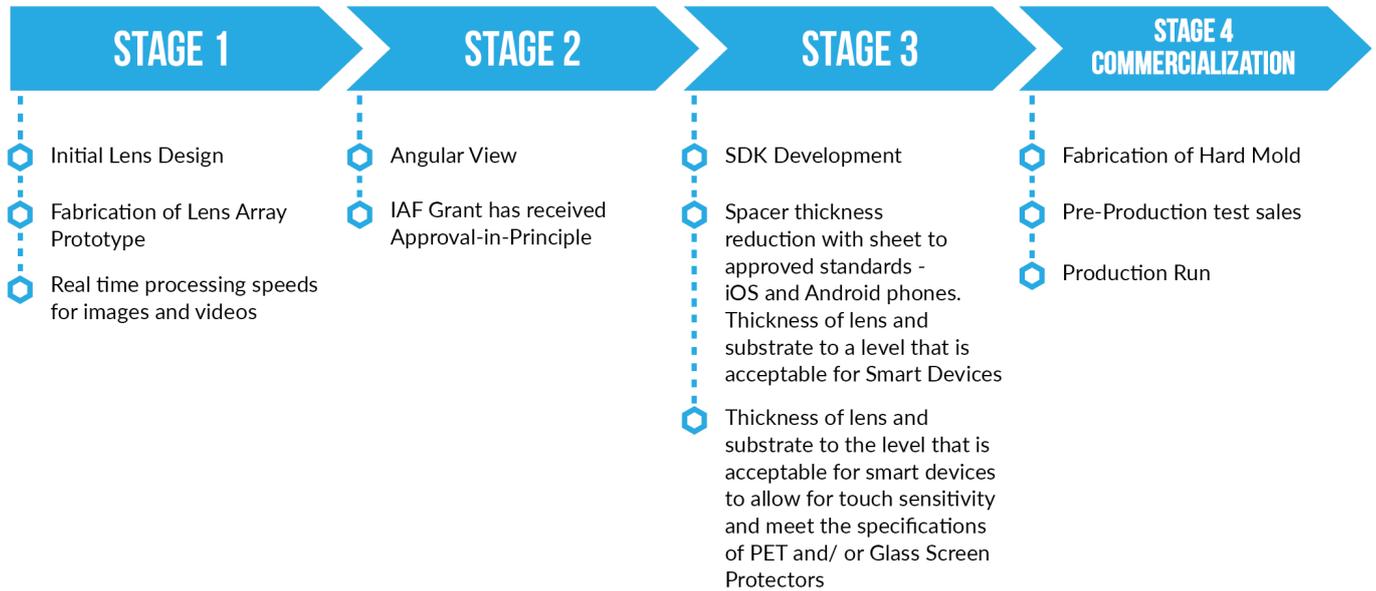
The grant is subject to the project formalities being formally agreed by Nanoveu and NTU by 18 December 2018, consistent with the budget and project milestones submitted as part of the application for the grant.

It is intended that any new intellectual property resulting from the collaboration between Nanoveu and NTU will be co-owned by the parties. Nanoveu will be exclusively responsible for the commercialisation of any technology developed and will grant NTU a royalty in respect of the proceeds of any such commercialisation.

(f) **Next steps**

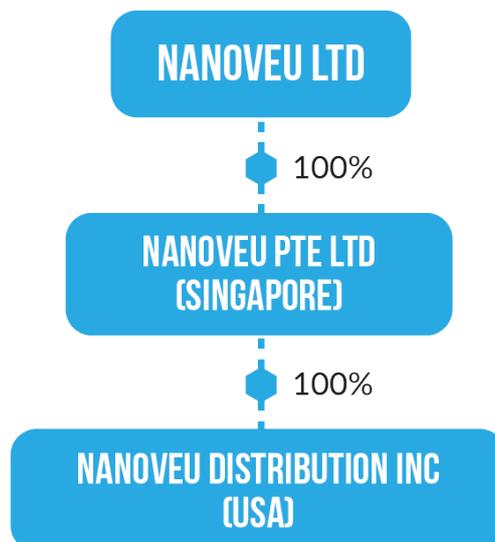
Development of EyeFyx (including under the NTU collaboration) will continue in parallel with the sales launch of EyeFly3D™, with the aim of later incorporating EyeFyx in the distribution infrastructure established.

The EyeFyx development plan is illustrated below:



## 6.8 CORPORATE STRUCTURE

Following completion of the Acquisition, the corporate structure of the Company is set out below:



## 7.1 FINANCIAL INFORMATION

For details on the financial information of the Company please refer to the Investigating Accountant's Report at Annexure A.

## 7.2 USE OF FUNDS

The Company intends to apply funds raised from the Offer, together with existing cash reserves, over the first two years following admission of the Company to the Official List as follows:

	MINIMUM SUBSCRIPTION (\$)	PERCENTAGE OF FUNDS (%)	MAXIMUM SUBSCRIPTION (\$)	PERCENTAGE OF FUNDS (%)
Existing cash reserves	1,043,372	18.82	1,043,372	14.82
Funds raised from the Offer	4,500,000	81.18	6,000,000	85.18
<b>Total</b>	<b>5,543,372</b>	<b>100</b>	<b>7,043,372</b>	<b>100</b>
<b>Allocation of Funds</b>				
Expenses of the Offer	649,556	11.72	768,806	10.91
Interest on Convertible Notes <sup>1</sup>	57,060	0.95	57,060	0.75
<b>EyeFly3D™:</b>				
- product development	150,000	2.71	150,000	2.13
- production moulds	500,000	9.02	500,000	7.10
- purchase of inventory	560,000	10.10	840,000	11.93
<b>EyeFyx:</b>				
- product development	1,100,000	19.84	1,100,000	15.62
- production moulds	150,000	2.71	150,000	2.13
- purchase of inventory	455,000	8.21	455,000	6.46
- sales and marketing	280,000	5.05	420,000	5.96
General and administrative expenses	1,000,000	18.04	1,000,000	14.20
Working capital	641,756	11.66	1,602,506	22.82
<b>Total</b>	<b>5,543,372</b>	<b>100.00</b>	<b>7,043,372</b>	<b>100.00</b>

#### Notes:

1. Includes payment of accrued interest on Convertible Notes issued by the Company. The principal amount of the Convertible Notes will convert into Shares on ASX giving its conditional approval to admit the Company to the Official List, while the interest component is payable in cash at that time. The amount of interest payable is estimated to be \$57,060 in total based on Convertible Notes with a face value of \$1,500,000 on issue for between one and five months.

In the event the Company raises more than the Minimum Subscription but less than the Maximum Subscription, the additional funds raised (after deducting expenses of the Offer (which will vary depending on the amount raised)) will be applied towards sales and marketing and working capital.

It should be noted that the Company's budgets will be subject to modification on an ongoing basis depending on the results obtained from the Company's initial operations following listing on ASX. This will involve an ongoing assessment of the Company's activities.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

The Directors consider that following completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives. It should however be noted that an investment in the Company is speculative and investors are encouraged to read the risk factors outlined in Section 8.

## 7.3 CAPITAL STRUCTURE

The capital structure of the Company following completion of the Offers is summarised below<sup>1</sup>:

#### Shares<sup>1</sup>

	MINIMUM SUBSCRIPTION	MAXIMUM SUBSCRIPTION
Shares to be issued to the existing Nanoveu shareholders in consideration for the Acquisition <sup>2</sup>	90,584,250	90,584,250
Shares issued pursuant to the Offer	22,500,000	30,000,000
Shares to be issued to the holders of Convertible Notes upon conversion <sup>3</sup>	11,645,953	11,645,953
Shares to be issued to the Joint Lead Managers <sup>4</sup>	300,000	300,000
Shares to be issued pursuant to the Cleansing Offer	1,000	1,000
<b>Total<sup>5</sup></b>	<b>125,031,203</b>	<b>132,531,203</b>

#### Notes:

1. The rights attaching to Shares are set out in Section 11.2 of this Prospectus.
2. Refer to Section 10.1 for a summary of the terms of the Implementation Agreement pursuant to which these Shares are to be issued.
3. The Company has issued Convertible Notes with a combined face value of \$1,500,000, which are convertible into Shares upon ASX giving its conditional approval to admit the Company to the Official List. Interest is payable on the Convertible Notes in cash (refer to Section 10.6 for further details).

4. Refer to Section 10.4 for a summary of the terms of the Joint Lead Manager Mandate pursuant to which these Shares are to be issued.
5. Pursuant to a consultancy agreement with the Company's Chief Technology Officer, Tatsuo Shirahama, the Company has agreed to issue up to a maximum of 625,000 Shares to Mr Shirahama in consideration for the provision of services under the consultancy agreement. The Shares will be issued as soon as practicable after the date which is two years from the date on which the Company is admitted to the Official List and have not been included in the total.

## Options

	MINIMUM SUBSCRIPTION	MAXIMUM SUBSCRIPTION
Employee Options to be issued to employees and consultants <sup>1</sup>	318,946	331,328
Broker Options to be issued to the Joint Lead Managers and Selling Agent <sup>2</sup>	1,125,000	1,500,000
Options to be issued to service provider <sup>3</sup>	250,000	250,000
<b>Total</b>	<b>1,693,946</b>	<b>2,081,328</b>

## Notes:

1. Exercisable at \$0.20 with a 3 year term and otherwise on the terms and conditions set out in Section 11.3. These Options will be split equally between the Chicago Toy Company (or its nominee) (refer to Section 10.3 for a summary of the Chicago Toy Company Agreement) and the Company's US sales and marketing co-ordinator (pursuant to an employment agreement).
2. Exercisable at \$0.20 with a 3 year term and otherwise on the terms and conditions set out in Section 11.4. Refer to Section 10.4 for a summary of the Joint Lead Manager Mandate and Section 10.5 for a summary of the agreement with the Selling Agent.
3. Exercisable at \$0.20 with a 3 year term and subject to the following vesting conditions:
  - a. 125,000 Options vesting on the 6 month anniversary of the Company's admission to the Official List; and
  - b. 125,000 Options vesting on the 12 month anniversary of the Company's admission to the Official List.

The Options will otherwise be issued on the terms and conditions set out in Section 11.3.

## Performance Rights

	MINIMUM SUBSCRIPTION	MAXIMUM SUBSCRIPTION
Performance Rights to be issued to Directors and management <sup>1</sup>	1,100,000	1,100,000
<b>Total</b>	<b>1,100,000</b>	<b>1,100,000</b>

## Notes:

1. As part of their remuneration package, the Company has agreed to issue the Directors a total of 1,100,000 Performance Rights, comprising 200,000 Performance Rights for each of Messrs Nicol, Apedaile and Chong and 500,000 Performance Rights for Mr van Uffelen. Each Performance Right is convertible into one Share in the Company on the achievement of certain milestones in respect of the Company. Refer to Section 11.5 for the full terms and conditions of these Performance Rights.

## 7.4 SUBSTANTIAL SHAREHOLDERS

Those Shareholders expected to hold 5% or more of the Shares on issue on completion of the Offers are set out in the table below.

SHAREHOLDER	SHARES	OPTIONS	PERFORMANCE RIGHTS	% (UNDILUTED) MINIMUM SUBSCRIPTION	% (FULLY DILUTED) MINIMUM SUBSCRIPTION	% (UNDILUTED) MAXIMUM SUBSCRIPTION	% (FULLY DILUTED) MAXIMUM SUBSCRIPTION
Alfred Chong <sup>1</sup>	42,694,125	Nil	200,000	34.15%	33.62%	32.21%	31.66%

### Notes:

1. Assumes Mr Chong and his related entities do not subscribe for or receive additional Shares pursuant to the Offers and that no additional Shares are issued (other than as contemplated in this Prospectus).

The Company will announce to ASX details of its top-20 Shareholders (following completion of the Offers) prior to the Shares commencing trading on ASX.

## 7.5 RESTRICTED SECURITIES

Subject to the Company being admitted to the Official List, certain securities on issue prior to the Offers will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

It is estimated that the following securities will be subject to escrow:

- (a) 48,009,875 Shares issued for nil or low cash consideration;
- (b) 4,145,960 Shares issued to the holders of the Convertible Notes;
- (c) 300,000 Broker Shares;
- (d) 1,125,000 Broker Options, assuming Minimum Subscription is achieved, and 1,500,000 Broker Options, assuming Maximum Subscription is achieved; and
- (e) 1,100,000 Performance Rights held by directors.

The Company will announce to ASX full details (quantity and duration) of the securities required to be held in escrow prior to the Shares commencing trading on ASX.

## 7.6 TAXATION

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

No brokerage, commission or duty is payable by Applicants on the acquisition of Shares under the Offers.

## 7.7 DIVIDEND POLICY

The Company does not yet have a dividend policy and has no immediate intention to declare or distribute dividends.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

## 7.8 DIRECTORS

The Board is comprised of carefully selected individuals whose experience and skill base is commensurate with the requirements and profile of the Company.

The Board members comprise:

### **Alfred Chong**

Executive Chairman and CEO

Alfred is the Founder of Nanoveu. He has a history of building companies and executing trade sales in California and Singapore. Alfred moved back to Asia in 1997 and was the Asia Pacific CEO for Atex Media Command, a global provider of solutions and services to the media industry; CEO for THISS Technologies Inc, a satellite communications company; CEO for 121View, a digital signage company; and CMO at 3D International before founding Nanoveu.

The Singapore American Business Association in the United States named Alfred Entrepreneur of the Year and the San Francisco Chronicle named Alfred as one of the twenty- foreign-born high technology “visionaries” who have helped to make the San Francisco Bay Area the world’s technology centre. Alfred received both his Bachelor of Science in Computer Science and his Masters in Business Administration from the University of San Francisco.

### **Michael van Uffelen**

Executive Director, CFO and Company Secretary

Michael is an experienced Director, CFO and Company Secretary actively engaged in managing companies and providing corporate advisory services.

Michael holds a Bachelor of Commerce degree from the University of Western Australia and is a Chartered Accountant. He has over 30 years company and business management experience gained with major accounting firms, an investment bank, and private and public companies, in Australia and internationally.

### **Steven Apedaile**

Non-Executive Director

Steven has worked in the accounting profession for nearly 30 years, 25 of which were spent in Hong Kong with the first 7 years with KPMG Hong Kong and then 18 years with Horwath Hong Kong. Steven has experience in all facets of international business, corporate finance and forensic accounting services.

Steven is a founding director and a former managing director of an ASX listed company and is a Fellow of the UK Institute of Chartered Accountants in England and Wales and is a Member of the Australian Institute of Company Directors.

### **David Nicol**

Non-Executive Director

David is a seasoned director and advisor for technology-based companies. He currently serves on four boards, two privately held and two public, both of the latter for which he chairs the Audit Committee.

David has held executive positions with three public companies - Verisign, Illuminet, and United Telecom/Sprint - and six early-stage, private companies: Strongwatch (surveillance systems), Solutionary (IT network security), Siperia (VOIP security), ITN (network signaling), International Micronet (LAN/WAN systems) and iLAN (LAN systems & consulting). He has held the positions of President, COO, CFO and EVP/SVP. Beyond P&L responsibilities, his leadership roles have included strategic planning, business development, acquisitions, business planning, operations planning, product management, product development/support, financial planning, and fund raising/IR. Earlier activities included management consulting (F100 enterprises), MBA-level business school professor and aeronautical engineering (LTV Aerospace, North Am. Aviation and Boeing).

## 7.9 CORPORATE GOVERNANCE

To the extent applicable, in light of the Company's size and nature, the Company has adopted the Recommendations.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined in Section 9.2

In addition, the Company's full Corporate Governance Plan is available from the Company's website ([www.nanoveu.com](http://www.nanoveu.com)).

Prior to listing on ASX, the Company will announce its main corporate governance policies and practices and the Company's compliance and departures from the Recommendations.

## 7.10 DISCLOSURE OF INTERESTS

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

The Company has paid remuneration totalling approximately \$98,350 to its Board since incorporation to the date of this Prospectus. Further, in the same period, Nanoveu has paid Alfred Chong remuneration of approximately \$60,500.

For each of the Directors of the Company, the proposed annual remuneration for the financial year following the Company being admitted to the Official List together with the relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

DIRECTOR	REMUNERATION	SHARES	OPTIONS	PERFORMANCE RIGHTS
Alfred Chong	\$229,500	42,694,125 <sup>3</sup>	Nil	200,000
Michael van Uffelen	\$124,560	Nil	Nil	500,000
Steven Apedaile	\$52,560	155,280 <sup>4</sup>	Nil	200,000
David Nicol	\$52,560	Nil	Nil	200,000

### Notes:

1. Includes statutory superannuation (where applicable).
2. To be issued at completion of the Offer.
3. To be issued pursuant to the Acquisition, at completion of the Acquisition and Offer.
4. To be issued upon conversion of Convertible Notes held by Mr Apedaile with a face value of \$20,000, at completion of the Offer.

## 7.11 AGREEMENTS WITH THE DIRECTORS OR RELATED PARTIES

The Company's policy in respect of related party arrangements is:

- (a) A Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is, unless otherwise agreed by the Board (excluding the relevant Director), not present while the matter is being considered at the meeting and does not vote on the matter.

### Executive Services Agreement – Alfred Chong

The Company has entered into an executive services agreement (**Executive Services Agreement**) with Mr Chong dated 15 May 2018, pursuant to which the Company has engaged Mr Chong as Executive Chairman and Chief Executive Officer. The material terms and conditions of the Executive Services Agreement are summarised below:

- (a) **Term:** The Executive Services Agreement commenced on 1 June 2018 and replaced an earlier agreement dated 1 February 2013 and continues until terminated in accordance with its terms.
- (b) **Remuneration:** Mr Chong will receive from the commencement of his appointment, a salary of approximately \$150,000 per annum plus the Singaporean Central Provident Fund contribution of 13% and a travel allowance of \$12,000 per annum.
- (c) **Incentive Programs:** In addition to the Performance Rights he will receive on completion of the Offer, (refer to Section 7.3 for details), Mr Chong may participate in any incentive plan that the Company may introduce from time to time (including issues of incentive securities under the incentive plan referred to in Section 11.6).
- (d) **Termination:** The Company may immediately terminate the employment of Mr Chong by written notice for a number of standard events including, but not limited to, if at any time Mr Chong:
  - (i) commits a serious or repeated or continual breach of the obligations under the Executive Services Agreement;
  - (ii) is guilty of any serious misconduct or serious neglect or dishonesty in the discharge of his duties under the Executive Services Agreement; or
  - (iii) acts in a manner which, in the reasonable opinion of the Company, brings the name or reputation of the Company or any member of the Company group into serious disrepute or prejudices the interests of the business of the Company.

The Company or Mr Chong may terminate the Executive Services Agreement for any reason by giving 6 months' written notice.

The Executive Services Agreement contains other standard terms and conditions expected to be included in contracts of this nature.

### Implementation Agreement

As set out above, the Company is party to the Implementation Agreement with the current shareholders of Nanoveu to acquire 100% of the issued share capital of Nanoveu. Executive Chairman, Mr Alfred Chong, currently owns approximately 47.13% of the issued share capital of Nanoveu. In consideration for the Acquisition of his Nanoveu Shares, Mr Chong will receive 42,694,125 Shares. As such, the Implementation Agreement is a related party arrangement.

The Board (other than Mr Chong) have resolved that for the purposes of section 210 of the Corporations Act, the Implementation Agreement is on arm's length terms given the issue of Shares to Mr Chong will be on the same terms as the Shares to be issued to all existing Nanoveu Shareholders in consideration for the Acquisition. Full details of the material terms and conditions of the Implementation Agreement are set out at Section 10.1 of this Prospectus.

### Services Agreement – Michael van Uffelen

The Company has entered into a consulting agreement (**Consulting Agreement**) with Black Tourmaline Pty Ltd ATF Black Tourmaline Consulting (**Black Tourmaline Consulting**), an entity controlled by Mr van Uffelen and in which he has a beneficial interest, pursuant to which the Company has engaged Mr van Uffelen to act as Chief Financial Officer and Company Secretary. The material terms and conditions of the Executive Services Agreement are summarised below:

- (a) **Term:** The Executive Services Agreement commenced on 1 May 2018 and continues until terminated in accordance with its terms.
- (b) **Remuneration:** Black Tourmaline Consulting will receive from 1 May 2018 a fee of \$6,000 per month, plus GST.
- (c) **Incentive Programs:** Black Tourmaline Consulting may participate in any incentive plan that the Company may introduce from time to time (including issues of incentive securities under the incentive plan referred to in Section 11.6).
- (d) **Termination:** The Company or Black Tourmaline Consulting may terminate the Consulting Agreement for any reason by giving 3 months' written notice.

The Consulting Agreement contains other standard terms and conditions expected to be included in contracts of this nature.

### Services Agreement – Steven Apedaile

The Company has entered into an agreement with Sunshine Investments Ltd (**Sunshine**) (an entity controlled by Steven Apedaile) for the provision of non-exclusive corporate finance services. Under the Agreement, Sunshine agreed to procure investors for a pre-Offer fundraising by the Company conducted by way of a convertible note facility.

In consideration for services provided under the agreement, the Company paid Sunshine a success fee of 6% of funds raised under the pre-Offer fundraising from investors introduced by Sunshine (being \$50,100).

The agreement was otherwise made on standard commercial terms.

### Director Appointment Letters

The Company has entered into separate appointment letters with each of its Directors which set out the terms on which they serve as Directors of the Company (**Director Appointment Letters**). Each Director will receive \$52,560 per annum (including statutory superannuation, where applicable) for services rendered under the Director Appointment Letters. The Directors will also be issued a total of 1,100,000 Performance Rights as part of their respective remuneration packages (refer to Section 7.3 for further details).

The Director Appointment Letters are otherwise made on standard commercial terms.

### Deeds of indemnity, insurance and access

The Company has entered into a deed of indemnity, insurance and access with each of its Directors. Under these deeds, the Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect board papers in certain circumstances.

## 8.1 INTRODUCTION

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to our business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

## 8.2 COMPANY SPECIFIC

### (a) Ability to earn acceptable returns from sale of products

While Nanoveu generated approximately S\$675,454 of revenue from test sales of its EyeFly3D™ product primarily between 2013 to 2015, it has not generated significant revenues since that time. Further, Nanoveu's financial performance across the previous three financial periods includes losses of \$636,793, S\$940,640 and \$833,252 for the financial periods ending 31 December 2017, 31 October 2016 and 31 October 2015 respectively. Please refer to the financial information in Annexure A for further details. No assurance can be given that the Company will achieve commercial viability through the Company's technology or otherwise.

Until the Company is able to realise substantial value from its technology, it is likely to incur ongoing operating losses. Achievement of the Company's objectives will depend on the Board's ability to successfully implement its development and growth strategy. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer.

### (b) Research & development and technical risk

The Company's products are the subject of continuous research and development and will likely need to be substantially developed further in order to enable the Company to remain competitive, increase sales and improve the products' scalability. There are no guarantees that the Company will be able to undertake such research and development successfully. Failure to successfully undertake such research and development, anticipate technical problems, or estimate research and development costs or timeframes accurately will adversely affect the Company's results and viability.

### (c) Intellectual property rights

A substantial part of the Company's commercial success will depend on its ability to maintain or as the case may be establish, and protect, its intellectual property, maintain trade secret protection and operate without infringing the proprietary rights of third parties.

The Company currently has rights to granted patents and patent applications in key jurisdictions (under licence from the patent owners – see Section 10.2 for further details). There is a risk that each pending application will not be granted. There is a further risk that the claims of each patent application, as filed, may change in scope during examination by the various patent and trade mark offices. Further, if and where a patent is granted, there can be no guarantee that such patent is valid or enforceable or that the patent will be granted in all countries in which applications have been filed. Please refer to the Intellectual Property Report in Annexure B for further details.

Nanoveu's interest as licensee of the A\*STAR Intellectual Property is reliant on the Technology License Agreement with the Licensors (see Section 10.2 for further details). There is no guarantee that other companies will not legally challenge the A\*STAR Intellectual Property or the Technology License Agreement or that the Licensors will comply with the Technology License Agreement.

Further, as the Technology License Agreement has a limited term (expiring in August 2023), there is a risk that the Technology License Agreement will be renewed on terms which are less favourable to the Company (including a risk that the Licensors will require the Company to pay an increased royalty), or will not be renewed at all.

Also, as the Technology License Agreement is not exclusive, there is a risk that the Licensors may grant a similar licence to exploit the A\*STAR Intellectual Property to one or more competitors of the Company.

The Company has no reason to believe either of these circumstances will occur, but cannot guarantee this. The Company will seek to rely on its good relationship with the Licensors (as Shareholders of the Company with a long history of involvement with and support for Nanoveu since its incorporation) to seek to have the Technology License Agreement renewed on terms no less favourable to the Company than those which it currently enjoys, and to seek to ensure that the Licensors do not grant similar licenses of the A\*STAR Intellectual Property to its competitors.

The commercial value of these intellectual property assets is dependent on any relevant legal protections. These legal mechanisms, however, do not guarantee that the intellectual property will be protected or that the Company's competitive position will be maintained. No assurance can be given that employees or third parties will not breach confidentiality agreements, infringe or misappropriate the Company's intellectual property or commercially sensitive information, or that competitors will not be able to produce non-infringing competitive products. Competition in retaining and sustaining protection of technologies and the complex nature of technologies can lead to expensive and lengthy disputes for which there can be no guaranteed outcome. There can be no assurance that any intellectual property which the Company (or entities it deals with) may have an interest in now or in the future will afford the Company commercially significant protection of technologies, or that any of the products that may arise from technologies will have commercial applications.

It is possible that third parties may assert intellectual property infringement, unfair competition or like claims against the Company under copyright, trade secret, patent, or other laws. While the Company is not aware of any claims of this nature in relation to any of the intellectual property rights in which it has or will acquire an interest, such claims, if made, may harm, directly or indirectly, the Company's business. If the Company is forced to defend claims of intellectual property infringement, whether they are with or without merit or are determined in the Company's favour, the costs of such litigation will be potentially significant and may divert management's attention from normal commercial operations. Please refer to the Intellectual Property Report in Annexure B for further details.

Additionally, securing rights to (or developing) technologies complementing the Company's existing intellectual property will also play an important part in the commercial success of the Company. There is no guarantee that such rights can be secured or such technologies can be developed.

Nanoveu's current licence to use the A\*STAR Intellectual Property will need to be varied or extended if Nanoveu determines that it is necessary to utilise the A\*STAR Intellectual Property to manufacture products based on its EyeFyx technology. No decision has been made in this regard as the EyeFyx technology is still at the product development stage (refer to Section 6.7 for further details).

(d) **Manufacturing and supply chain risk**

The Company's products and component parts of its products are comprised of products and materials (such as polyethylene terephthalate and resins) available in the commercial market. The ability to source underlying products and materials to use in the manufacture of the Company's products may be impacted by any number of variables.

Additionally, the Company's estimated cost of components such as polyethylene terephthalate and resins may also vary due to availability of products, resources, materials or any variables that may impact on the cost of components or elements in its products. Further the availability of contractors and suppliers to manufacture or create the final products to an acceptable quality may impact on the supply of products.

(e) **Third party relationship risk**

The Company is dependent in part upon its relationships and alliances with research bodies and other industry participants. Some of the Company's partners do, or may in the future, assist the Company in the development of its products through testing, research and development, contract manufacturing, supplier or teaming arrangements. If any of the Company's existing relationships with partners were impaired or terminated, or if the Company was unable to implement additional partnering arrangements it may require from time to time, the Company could experience significant delays in the development of products, and would incur additional costs. Additionally, the Company may take a credit risk with regard to parties to whom it supplies products. In the event of such parties failing to meet its obligations to the Company on time or at all, the Company may be adversely affected.

(f) **Competition risk**

The market in which the Company participates is competitive and characterised by rapid technological change. The Company's potential inability to improve existing product lines and develop new products and technologies could have a material adverse effect on the Company's business. In addition, the Company's competitors could introduce new products with greater capabilities or better pricing which could have a material adverse effect on the Company's business. The Company competes with larger companies with greater resources on the basis of performance, cost, overall value, delivery and reputation. Additionally, while the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of the Company's business.

(g) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(h) **Exchange rate movement**

The Company may be exposed to exchange rate movements because some its costs and expenses are from overseas, and revenue it might earn in the future from its product sales may not be paid to the Company in the currency in which it pays the bulk of its expenses or reports its results (currently Singapore dollars).

Accordingly, movements in exchange rates may have an impact on the Company's financial position and performance.

## 8.3 **INDUSTRY SPECIFIC**

(a) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company will likely require further financing in addition to amounts raised under the capital raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its research and development programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(b) **Technology risk**

The Company's market involves rapidly evolving products and technological change. To succeed, the Company will need to research, develop, design, manufacture, assemble, test, market and support (i) substantial enhancements to its existing products and (ii) new products, in a timely or cost-effective manner. At the same time, products and technologies developed by others may render the Company's products and systems obsolete or non-competitive. Any rapid changes in technology may lead to increased obsolete inventory risk as the change shifts consumer preferences away from the Company's existing technologies.

(c) **User experience risk**

The Company's business model is primarily based on recurring service revenue arising from technology users and customers. Notwithstanding efforts placed on the user interface and experience, a poor user experience may occur and may affect growth of customer numbers and repeat purchases.

(d) **Unforeseen expenditure risk**

Expenditure may need to be incurred, that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

(e) **Management of growth and strategies**

There is a risk that management of the Company will not be able to implement the Company's strategies, particularly relating to growth, after completion of the Offer. The capacity of the Company's management to properly implement and manage the strategic direction of the Company may affect the Company's financial performance.

(f) **Scalability**

Scalability is key given Nanoveu's ambitions to address the market globally. While the Company believes that EyeFly3D™ and its software have been built for scalability, there is no guarantee that it will be able to meet future demand and requirements of customers, in its current form.

(g) **Reliance on third party providers**

While Nanoveu is dependent upon multiple third parties in developing its products, and on its products being able to operate on and with a range of systems, platforms and devices, it is unable to control third party developers of such systems.

Changes to such external platforms, systems or devices may adversely impact on the functionality of the Company's products, and could make customers less likely to use the Company's products, which may have a detrimental impact on the Company's financial performance.

Similarly, the Company's products assume customers are able to access the internet and cellular networks. If third party providers were to raise the cost of these networks, or restrict the ability of customers to access these networks, and thus to use the Company's products, this would be likely to detrimentally affect the Company's financial performance.

(h) **Contractual disputes**

The Company's business model is dependent in part on contractual agreements with third parties that have an interaction with the Company's target market. The Company is aware that there are associated risks when dealing with third parties including but not limited to insolvency, fraud and management failure. Should a third-party contract fail, there is the potential for negative financial and brand damage for the Company.

(i) **Government regulation risk**

The Company is subject to government regulation which may require it to obtain additional licenses and could limit its ability to sell their products. Failure to obtain the requisite licenses (if such licenses are required), meet registration standards or comply with other government export regulations, may affect the Company's ability to export such products or to generate revenues from the sale of products internationally, which could have a material adverse effect on the Company's business, financial condition and results of operations. Compliance with government regulations may also subject the Company to additional fees and costs.

The Company is also subject to government regulation relating to import taxes and duties. Governments may change import tax policies that could have an impact on raw, intermediate and finished goods. This in turn could have an adverse impact on selling prices and therefore consumer adoption.

The absence of comparable restrictions on competitors in other countries may adversely affect the Company's competitive position.

## 8.4 GENERAL RISKS

(a) **Concentration of ownership**

Following completion of the Offer, the existing Nanoveu shareholders will hold between 68.35% and 72.45% of the Shares and the voting rights in the Company (with founder and Executive Chairman Mr Alfred Chong holding between 32.21% and 34.15% on an undiluted basis). While the existing Nanoveu shareholders do not have a relevant interest in each other's Shares (and, so far as the Company is aware, are not associates or acting in concert in relation to the Company) the exercise of their votes collectively may result in the ability to exercise a controlling influence over the business and affairs of the Company and may have the power to prevent or cause a change in control of the Company. In addition, the sale of Shares by any existing Nanoveu shareholders not subject to escrow restrictions, may adversely affect the Share price.

(b) **Economic**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's research and development programmes, as well as on its ability to fund those programmes.

(c) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and biotechnology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(d) **Investment speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

## 9.1 DIRECTORS AND KEY PERSONNEL

### **Alfred Chong**

Executive Chairman and Chief Executive Officer

Refer to Section 7.8 of the Prospectus for biography.

### **Michael van Uffelen**

Executive Director, Chief Financial Officer and Company Secretary

Refer to Section 7.8 of the Prospectus for biography.

### **Steven Apedaile**

Non-Executive Director

Refer to Section 7.8 of the Prospectus for biography.

### **David Nicol**

Non-Executive Director

Refer to Section 7.8 of the Prospectus for biography.

### **David Symons**

Chief Operating Officer

David brings over 20 years of extensive management experience to the team, having held various positions in financial institutions.

He is the former COO of Kleinwort Benson (Asia) Ltd, the Asian subsidiary of Kleinwort Benson Bank Ltd, a UK institution with over 200 years of banking history. David was responsible for the execution of business, strategic planning and resource deployment. He also served as a member of the KB Fixed Income Management Committee which had oversight of the Fixed Income franchise across multiple jurisdictions.

Prior to Kleinwort Benson, David held senior positions in Institutional Equity Sales in several financial services companies. As the Group Head of Institutional Sales and Research at the largest independent stockbroker in Singapore, he was responsible for strategic expansion globally and managed a department of 120 staff across nine jurisdictions. He also has experience as a Hedge Fund Manager.

### **Tatsuo Shirahama**

Chief Technology Officer - Hardware

Tatsuo Shirahama is Nanoveu's Chief Technology Officer for hardware. Tatsuo leads Nanoveu's nanoimprint activities including new product development and nano-scale lens design. Tatsuo's industry and leadership experience is extensive and includes experience as the managing director of Higashiyama Film Singapore Pte. Ltd, founder and managing director of InnoX HIGA Pte. Ltd., and founder of InnoX Co., Ltd.

Tatsuo earned his MBA from Bern University of Applied Science, Switzerland and his Bachelor of Science from Nagoya Denshi Keisanki Technical College, Japan. Tatsuo is a Mentor at the iAxil Venture Acceleration Centre and the Founder / Executive Head of Yumenosya Foundation in Japan.

## Richard Benjamin

Head of US Distribution

Richard heads the US distribution arm of Nanoveu. He brings a wealth of retail distribution and sales experience to Nanoveu. He is the President of Leah Benjamin Designs Inc and The Chicago Toy Company Inc.

Richard has meaningful experience dealing with big box retailers, speciality gift, internet sales and mobile phone accessories distribution. He holds a degree in Behavioural Science and Law from the University of Wisconsin-Madison.

## 9.2 ASX CORPORATE GOVERNANCE COUNCIL PRINCIPLES AND RECOMMENDATIONS

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted The Corporate Governance Principles and Recommendations (3rd Edition) as published by ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website ([www.nanoveu.com](http://www.nanoveu.com)).

### Board of directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (a) maintain and increase Shareholder value;
- (b) ensure a prudential and ethical basis for the Company's conduct and activities; and
- (c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (a) leading and setting the strategic direction and objectives of the Company;
- (b) appointing the Chairman of the Board, Managing Director or Chief Executive Officer and approving the appointment of Executives and the Company Secretary;
- (c) overseeing the Executive's implementation of the Company's strategic objectives and performance generally;
- (d) approving operating budgets, major capital expenditure and significant acquisitions and divestitures;
- (e) overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit (satisfying itself financial statements released to the market fairly and accurately reflect the Company's financial position and performance);
- (f) overseeing the Company's procedures and processes for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (g) reviewing, ratifying and monitoring the effectiveness of the Company's risk management framework, corporate governance policies and systems designed to ensure legal compliance; and

- (h) approving the Company's remuneration framework.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

### **Composition of the Board**

Election of Board members is substantially the province of the Shareholders in general meeting. However, subject thereto:

- (a) membership of the Board of Directors will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and
- (b) the composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent shareholders and fulfil the business objectives of the Company.

The Board currently consists of four directors (two Executive Directors and two Non-Executive Directors) of whom Steven Apedaile and David Nicol are considered independent. The Board considers the current balance of skills and expertise is appropriate for the Company for its currently planned level of activity.

The Board undertakes appropriate checks before appointing a person as a Director or putting forward to Shareholders a candidate for election as a Director.

The Board ensures that Shareholders are provided with all material information in the Board's possession relevant to a decision on whether or not to elect or re-elect a Director.

The Company shall develop and implement a formal induction program for Directors which allows new directors to participate fully and actively in Board decision-making at the earliest opportunity, and enable new Directors to gain an understanding of the Company's policies and procedures.

### **Identification and management of risk**

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

### **Ethical standards**

The Board is committed to the establishment and maintenance of appropriate ethical standards.

### **Independent professional advice**

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

### **Remuneration arrangements**

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

The total maximum remuneration of non-executive Directors is initially set by the Board and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$300,000 per annum.

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

### **Trading policy**

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its Directors, officers, employees and contractors. The policy generally provides that for Directors, the written acknowledgement of the Chair (or the Board in the case of the Chairman) must be obtained prior to trading.

### **External audit**

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

### **Audit committee**

The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

### **Departures from Recommendations**

Under the ASX Listing Rules the Company will be required to provide a statement in its annual financial report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

The Company's departures from the Recommendations will also be announced prior to admission to the Official List.

## 10.1 IMPLEMENTATION AGREEMENT

The Company has entered into an Implementation Agreement (**Implementation Agreement**) with Nanoveu and its founder and largest shareholder Mr Alfred Chong, under which the Company has agreed to acquire Nanoveu for total consideration of 90,584,250 Shares (to be apportioned among the Nanoveu shareholders pro rata to their respective shareholdings in Nanoveu) (**Acquisition**).

Pursuant to the Implementation Agreement, the Company has entered into separate agreements with each of the other Nanoveu shareholders to acquire their Nanoveu Shares under the Acquisition, such that Nanoveu will be a 100% wholly owned subsidiary of the Company with effect from completion of the Acquisition and Offers.

Completion of the Acquisition is subject to and conditional on satisfaction of the following outstanding conditions precedent on or prior to 1 May 2019:

- (a) the Company receiving sufficient subscriptions to meet the Minimum Subscription under the Offer; and
- (b) the Company receiving conditional approval from ASX to admit its Shares to Official Quotation on terms acceptable to the Company; and

The Implementation Agreement otherwise contains terms which are customary for an agreement of its nature.

## 10.2 TECHNOLOGY LICENCE AGREEMENT

On 18 August 2017, Nanoveu entered into a Technology License Agreement (**Technology License Agreement**) with Exploit Technologies Pte Ltd (**ETPL**) and Temasek Polytechnic (the **Licensors**). Both of the Licensors are Singapore Government entities. ETPL is the commercialisation arm of A\*STAR, and Temasek Polytechnic is a higher learning and research institution in Singapore.

Under the Technology Licence Agreement, Nanoveu is granted a worldwide, non-exclusive, non-transferable, royalty bearing, revocable for cause licence to use, develop, manufacture and market the A\*STAR Intellectual Property in the field of 3D display.

A summary of the material terms of the Technology License Agreement is set out below.

- (a) (**Term**): The Technology License Agreement has a term of six years commencing on 18 August 2017.
- (b) (**Fees and Royalties**): Nanoveu is required to pay the Licensors the following royalties and fees:
  - (i) a total of 23,026 shares in Nanoveu (these shares have already been issued to the Licensors and will be exchanged for a total of 1,439,125 Shares on completion of the Acquisition); and
  - (ii) a royalty of 1% of gross revenue earned through the sale of EyeFly3D™ products, with a minimum of S\$2,000 payable in each year of the term.
- (c) (**Termination**): The Technology License Agreement may be terminated by either of the Licensors if:
  - (i) Nanoveu fails to remedy any breach within 30 days of being given notice of the breach; or
  - (ii) Nanoveu ceases or threatens to cease to carry on business; or
  - (iii) Nanoveu suffers an insolvency event; or

- (iv) Nanoveu fails to comply with any of its obligations to pay the fees or royalties referred to above.

The Technology Licence Agreement otherwise contains terms which are customary for an agreement of its nature.

The Company notes that the Technology License Agreement will need to be varied or extended if Nanoveu determines that it is necessary to utilise the A\*STAR Intellectual Property to manufacture products based on its EyeFyx technology. No decision has been made in this regard as the EyeFyx technology is still at the product development stage (refer to Section 6.7 for further details).

### 10.3 CHICAGO TOY COMPANY AGREEMENT

The Company (via its wholly owned US subsidiary, Nanoveu Distribution, Inc) has entered into a sales and administrative agreement with the Chicago Toy Company, pursuant to which the Company has engaged the Chicago Toy Company to provide sales, marketing distribution and related services (**Services**) to assist the Company to market, sell and distribute EyeFly3D™ and associated products in the United States of America.

The agreement commenced on 1 May 2018 and shall continue until terminated in accordance with its terms. Either party may terminate the agreement by providing the other party with 3 months' written notice.

In consideration for the provision of the Services, the Company will pay the Chicago Toy Company a monthly fee of \$5,000 and issue the Chicago Toy Company that number of Options (exercisable at \$0.20 with a three-year term, and otherwise with the terms and conditions set out in Section 11.3) equal to 0.125% of the issued Share capital of the Company on the date of its admission to the Official List (being 159,473 Options in the event that the Minimum Subscription is raised and 165,664 Options in the event that the Maximum Subscription is raised).

The agreement otherwise contains terms which are customary for an agreement of its nature.

### 10.4 JOINT LEAD MANAGER MANDATE

The Company has entered into a mandate with the JLMs, pursuant to which the Company has appointed the JLMs to act as joint lead managers to the Offer.

Under the terms of the mandate the JLMs will be entitled to share:

- (a) a monthly corporate advisory fee of \$10,000 up to completion of the Offer (capped at \$50,000);
- (b) a management fee of 1.75% of the amount raised under the Offer;
- (c) a selling fee of 6% of the total amount raised under the Offer (excludes investors introduced by the Company and/or the Selling Agent);
- (d) 300,000 Shares, to be issued to the Joint Lead Managers or their nominees on completion of the Offer; and
- (e) up to 1,500,000 Broker Options on the basis of one Broker Option for every 20 Shares issued to investors under the Offer introduced by the Joint Lead Managers (excludes investors introduced by the Company and/or the Selling Agent).

The Company will also pay all travel, living and accommodation expenses incurred by the JLMs in respect of the Offer (to be approved by the Company in advance).

The mandate may be terminated at any time by either party on 30 days' written notice. On termination by the Company for reasons other than a material breach by the JLMs, the JLMs will be entitled to the management fee noted above where the Company completes a capital raising within 12 months of the date of termination of the mandate, and to the extent funds are raised from persons introduced by the JLMs.

The mandate is otherwise made on terms and conditions considered standard of an agreement of its nature.

## 10.5 SELLING AGENT MANDATE

The Company has entered into a mandate with the Selling Agent, pursuant to which the Company has appointed the Selling Agent to act as a selling agent to the Offer.

Under the terms of the mandate:

- (a) the Selling Agent was responsible for procuring \$300,000 worth of subscriptions for Convertible Notes in the Company;
- (b) the Offer book will be run jointly by the JLMs and the Selling Agent, with final allocations to be approved by the Company;
- (c) the Company will pay the Selling Agent 6% (plus GST) of funds raised from investors introduced by Selling Agent pursuant to the convertible note facility and under the Offer (which, for the avoidance of doubt, excludes amounts raised from investors introduced by the Company and/or the JLMs);
- (d) the Company will issue the Selling Agent (or its nominee) one Broker Option for every 20 shares issued under the Offer to investors introduced by the Selling Agent (which, for the avoidance of doubt, excludes Shares issued to investors introduced by the Company and/or the JLMs); and
- (e) the Company will reimburse all expenses reasonably incurred by the Selling Agent in connection with its engagement (subject to all expenses being pre-approved by the Company in writing).

The mandate may be terminated at any time by either party on 30 days' written notice.

The mandate is otherwise made on terms and conditions considered standard of an agreement of its nature.

## 10.6 CONVERTIBLE NOTE DEEDS

The Company has issued Convertible Notes to the Noteholders under various Convertible Note Deeds. As at the date of this Prospectus, the aggregate face value of the outstanding Convertible Notes is \$1,500,000.

Under the terms of the Convertible Note Deeds, the principle amount of the Convertible Notes will convert into 11,645,953 Shares once the Minimum Subscription has been raised under the Offer and ASX has given conditional approval for Nanoveu to be admitted to the Official List.

Interest accrues on the Convertible Notes at a rate of 10% per annum, payable in cash on conversion. The amount of interest payable is estimated to be \$57,060 in total based on Convertible Notes with a face value of \$1,500,000 on issue for between one and five months.

## 10.7 AGREEMENTS WITH DIRECTORS AND RELATED PARTIES

Refer to Section 0 for a summary of agreements with Directors and related parties.

## 11.1 LITIGATION

As at the date of this Prospectus, neither the Company nor Nanoveu is involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company or Nanoveu.

## 11.2 RIGHTS ATTACHING TO SHARES

The following is a summary of the more significant rights attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

### (a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution.

### (b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

### (c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of Shares**

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) **Variation of rights**

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

## 11.3 TERMS AND CONDITIONS OF EMPLOYEE OPTIONS

(a) **Entitlement**

Each Employee Option entitles the holder to subscribe for one Share upon exercise of the Employee Option.

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Employee Option will be \$0.20 (**Exercise Price**).

(c) **Expiry Date**

Each Employee Option will expire at 5:00 pm (WST) on the third anniversary of the date of its issuance (**Expiry Date**). An Employee Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

Once vested (if applicable), the Employee Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Employee Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Employee Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Employee Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Employee Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Employee Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Employee Options rank equally with the then issued shares of the Company.

(i) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Employee Options.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Employee Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Employee Options without exercising the Employee Options.

(l) **Change in exercise price**

Other than under paragraph (j), an Employee Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Employee Option can be exercised.

(m) **Transferability**

The Employee Options are not transferable.

## 11.4 TERMS AND CONDITIONS OF BROKER OPTIONS

(a) **Entitlement**

Each Broker Option entitles the holder to subscribe for one Share upon exercise of the Broker Option.

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Broker Option will be \$0.20 (**Exercise Price**).

(c) **Expiry Date**

Each Broker Option will expire at 5:00 pm (WST) on the third anniversary of the date of its issuance (**Expiry Date**). A Broker Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Broker Options are exercisable at any time on or prior to the applicable Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Broker Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Broker Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Broker Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Broker Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Broker Options.

If a notice delivered under paragraph (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Broker Options rank equally with the then issued shares of the Company.

(i) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Broker Options.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Broker Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Broker Options without exercising the Broker Options.

(l) **Change in exercise price**

Other than under paragraph (j), a Broker Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **Transferability**

The Broker Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

## 11.5 TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

- (a) **(Milestones):** The Performance Rights will have the following milestones attached to them:
- (i) the successful listing of the Company's Shares on the Official List simultaneous with completion of the Acquisition; and
  - (ii) continuous service of the holder in their capacity as a Director or Executive of the Company, or in a role as otherwise agreed by the Board of the Company, for a period of two (2) years following the date of listing,
- (together, the **Milestones** and each, a **Milestone**).
- (b) **(Notification to holder):** The Company shall notify the holder in writing when a Milestone has been satisfied.
- (c) **(Conversion):** Subject to paragraph (h), upon satisfaction of all Milestones, each Performance Right will, at the election of the holder, convert into one Share.
- (d) **(Share ranking):** All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.
- (e) **(Application to ASX):** The Performance Rights will not be quoted on ASX. Subject to the successful Listing of the Company, the Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.
- (f) **(Transfer of Performance Rights):** The Performance Rights are not transferable.
- (g) **(Participation in new issues):** A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (h) **(Reorganisation of capital):** If at any time the issued capital of the Company is reconstructed, all rights of a holder will be changed in a manner consistent with the applicable ASX Listing Rules (subject to the successful Listing of the Company) and the Corporations Act 2001 (Cth) (**Corporations Act**) at the time of reorganisation.
- (i) **(Adjustment for bonus issue)** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares or other securities which must be issued on the conversion of a Performance Right will be increased by the number of Shares or other securities which the holder would have received if the holder had converted the Performance Right before the record date for the bonus issue.
- (j) **(Dividend and Voting Rights):** The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.
- (k) **(Change in Control):** Upon:
- (i) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
    - (A) having received acceptances for not less than 50.1% of the Company's Shares on issue; and
    - (B) having been declared unconditional by the bidder; or
  - (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

then, to the extent Performance Rights have not converted into Shares due to satisfaction of the Milestones, Performance Rights will accelerate vesting conditions and will automatically convert into Shares on a one-for-one basis.

- (l) **(No rights to return of capital)** A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (m) **(Rights on winding up)** A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.
- (n) **(No other rights)** A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

## 11.6 SUMMARY OF EMPLOYEE INCENTIVE PLAN

The Company has adopted an employee performance rights and option plan (**Performance Rights and Option Plan**) on the terms and conditions as set out below:

The key terms of the Performance Rights and Option Plan (**Plan**) are as follows:

- (a) **Eligibility:** Participants in the Plan consist of:
  - (i) a Director (whether executive or non-executive) of the Company and any associated body corporate of the Company (each a **Group Company**);
  - (ii) a full or part time employee of any Group Company;
  - (iii) a casual employee or contractor of a group company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (**Class Order**); or
  - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii) or (iii) above,who is declared by the Board to be eligible to receive grants of **Options** or Performance Rights (together, **Awards**) under the Plan (**Eligible Participant**).
- (b) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an offer) to apply for Awards, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines (**Offer**).
- (c) **Limit on Offers:** Where the Company has relied or intends relying on the Class Order to make an Offer, the Company must have reasonable grounds to believe, when making an Offer, that the number of Shares to be received on exercise of Awards offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.
- (d) **Issue price:** Unless the Awards are quoted on the ASX, Awards issued under the Plan will be issued for no more than nominal cash consideration.
- (e) **Exercise Price:** The Board may determine the Option exercise price (if any) for an Option offered under that Offer in its absolute discretion. To the extent the ASX Listing Rules specify or require a minimum price, the Option Exercise Price in respect of an Option offered under an Offer must not be less than any minimum price specified in the ASX Listing Rules.

- (f) **Vesting Conditions:** In respect of any Award, any condition set out in the Offer which must be satisfied (unless waived in accordance with the Plan) before that Award can be exercised or any other restriction on exercise of that Award specified in the Offer or in the Plan (**Vesting Conditions**).
- (g) **Vesting:** The Board may in its absolute discretion by written notice to a Participant (being an Eligible Participant to whom Awards have been granted under the Plan or their nominee where the Awards have been granted to the nominee of the Eligible Participant (Relevant Person)), resolve to waive any of the Vesting Conditions applying to Awards due to:
- (i) special circumstances arising in relation to a Relevant Person in respect of those Awards, being:
    - (A) a Relevant Person ceasing to be an Eligible Participant due to:
      - (I) death or total or permanent disability of a Relevant Person; or
      - (II) retirement or redundancy of a Relevant Person;
    - (B) a Relevant Person suffering severe financial hardship;
    - (C) any other circumstance stated to constitute “special circumstances” in the terms of the relevant Offer made to and accepted by the Participant; or
    - (D) any other circumstances determined by the Board at any time (whether before or after the Offer) and notified to the Relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant; or
  - (ii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.

In addition, Vesting Conditions are deemed to be automatically waived in the event of a change of control occurring.

- (h) **Lapse of an Award:** An Award will lapse upon the earlier to occur of:
- (i) an unauthorised dealing in, or hedging of, the Award occurring;
  - (ii) a vesting condition in relation to the Award is not satisfied by the due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to waive the vesting condition and vest the Award;
  - (iii) in respect of an unvested Award only, a Relevant Person ceases to be an Eligible Participant, unless the Board:
    - (A) exercises its discretion to vest the Award; or
    - (B) in its absolute discretion, resolves to allow the unvested Award to remain unvested after the Relevant Person ceases to be an Eligible Participant;
  - (iv) in respect of a vested Award only, a Relevant Person ceases to be an Eligible Participant and, where required by the Board in its absolute discretion, the vested Performance Right is not exercised within a one (1) month period (or such other period as the Board determines) as notified by the Board to the Participant after the date the Relevant Person ceases to be an Eligible Participant;
  - (v) the Board deems that an Award lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant;
  - (vi) a winding up resolution or order is made, and the Award does not vest; and
  - (vii) the expiry date of the Award.

- (i) **Not transferrable:** Awards are only transferrable in special circumstances or a change of control, and in either case with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death to the Participant's legal personable representative or upon bankruptcy to the Participant's trustee in bankruptcy.
- (j) **Shares:** All shares issued on exercise of an Award under the Plan will rank equally in all respects with the shares of the same class for the time being on issue except as regards any rights attaching to such shares by reference to a record date prior to the date of their issue.
- (k) **Sale Restrictions:** The Board may, in its discretion, determine at any time up until exercise of Awards, that a restriction period will apply to some or all of the shares issued to an Eligible Participant (or their eligible nominee) on exercise of those Awards up to a maximum of five (5) years from the grant date of the Awards. In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such restriction period determined.
- (l) **No Participation Rights:** There are no participation rights or entitlements inherent in the Awards and Participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Awards without exercising the Award.
- (m) **Change in exercise price of number of underlying securities:** An Award does not confer the right to a change in exercise price or in the number of underlying Shares over which the Award can be exercised.
- (n) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of an Award are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (o) **Trust:** The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares in respect of which a Participant may exercise, or has exercised, vested Awards, including for the purpose of enforcing the disposal restrictions and appoint a trustee to act as trustee of the trust. The trustee will hold the Shares as trustee for and on behalf of a Participant as beneficial owner upon the terms of the trust. The Board may at any time amend all or any of the provisions of the Plan to effect the establishment of such a trust and the appointment of such a trustee.

## 11.7 INTERESTS OF DIRECTORS

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with:
  - (i) the formation or promotion of the Company; or
  - (ii) the Offers.

## 11.8 INTERESTS OF EXPERTS AND ADVISERS

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offers.

Collins Street Group Limited and First Guardian Capital have acted as Joint Lead Managers in relation to the Offer. The Company will pay the Joint Lead Managers the fees set out in Section 10.4 for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, the Joint Lead Managers have not received fees from the Company for any other services.

AE Jarrah Capital Partners Pty Ltd has acted as selling agent in relation to the Offer. The Company will pay AE Jarrah Capital Partners Pty Ltd the fees set out in Section 10.5 for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, AE Jarrah Capital Partners Pty Ltd have received fees from the Company for any other services.

BDO Corporate Finance (WA) Pty Ltd has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which is included in Annexure A of this Prospectus. The Company estimates it will pay BDO Corporate Finance (WA) Pty Ltd a total of \$12,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, BDO Corporate Finance (WA) Pty Ltd has not received any fees from the Company for any other services.

Griffith Hack has prepared the Intellectual Property Report which is included in Annexure B. The Company estimates it will pay Griffith Hack a total of \$9,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Griffith Hack has not received any fees from the Company for any other services.

BDO Audit (WA) Pty Ltd has acted as auditor of the accounts referred to in the Investigating Accountant's Report which is included in Annexure A of this Prospectus. The Company estimates it will pay BDO Audit (WA) Pty Ltd a total of \$2,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, BDO Audit (WA) Pty Ltd has not received any fees from the Company for any other services.

Steinepreis Paganin has acted as the Australian solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$120,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with ASIC, Steinepreis Paganin has not received any fees from the Company for any other legal services.

## 11.9 CONSENTS

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Collins Street Group and First Guardian Capital have given their written consent to being named as Joint Lead Managers to the Offer. Neither of Collins Street Group or First Guardian Capital has withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

AE Jarrah Capital Partners Pty Ltd has given its written consent to being named as selling agent to the Offer. AE Jarrah Capital Partners Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

BDO Corporate Finance (WA) Pty Ltd has given its written consent to the inclusion of the Investigating Accountant's Report in Annexure A of this Prospectus in the form and context in which the information and report is included. BDO Corporate Finance (WA) Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Griffith Hack has given its written consent to the inclusion of the Intellectual Property Report in Annexure B in the form and context in which the report is included. Griffith Hack has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

BDO Audit (WA) Pty Ltd has given its written consent to being named as Auditor in this Prospectus and to the inclusion of the audited accounts in Annexure A of this Prospectus in the form and context in which the information and report is included. BDO Audit (WA) Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC. Steinepreis Paganin has given its written consent to being named as the Australian solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC. Automic Registry Services has given its written consent to being named as the share registry to the Company in this Prospectus. Automic Registry Services has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

## 11.10 EXPENSES OF THE OFFERS

The total expenses of the Offers (including GST) are estimated to be approximately \$649,556 if the Minimum Subscription is raised, and \$768,806 if the Maximum Subscription is raised, and are expected to be applied towards the items set out in the table below:

ITEMS OF EXPENDITURE	MINIMUM SUBSCRIPTION	MAXIMUM SUBSCRIPTION
ASIC fees	\$3,848	\$3,848
ASX fees	\$91,000	\$94,000
Joint Lead Manager and Selling Agent Fees <sup>1</sup>	\$398,750	\$515,000
Legal Fees	\$120,000	\$120,000
Investigating Accountant's Fees	\$15,000	\$15,000
Fees for Intellectual Property Report	\$9,000	\$9,000
Printing and Distribution	\$10,000	\$10,000
Miscellaneous	\$1,958	\$1,958
<b>Total</b>	<b>\$649,556</b>	<b>\$768,806</b>

### Notes:

1. Includes broker commissions to be paid on applications made through a licensed securities dealer or Australian financial services licensee and accepted by the Company (refer to Section 5.12 for further information).

## 11.11 CONTINUOUS DISCLOSURE OBLIGATIONS

Following admission of the Company to the Official List, the Company will be a "disclosing entity" (as defined in Section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information will be publicly released through ASX before it is disclosed to shareholders and market participants. Distribution of other information to shareholders and market participants will also be managed through disclosure to ASX. In addition, the Company will post this information on its website after ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

## 11.12 ELECTRONIC PROSPECTUS

If you have received this Prospectus as an electronic prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at [www.nanoveu.com](http://www.nanoveu.com).

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

## 11.13 FINANCIAL FORECASTS

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

## 11.14 CLEARING HOUSE ELECTRONIC SUB-REGISTER SYSTEM (CHESS) AND ISSUER SPONSORSHIP

The Company will apply to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

## 11.15 PRIVACY STATEMENT

By completing and returning an Application Form, you will be providing personal information directly or indirectly to the Company, the Share Registry, and related bodies corporate, agents, contractors and third party service providers of the foregoing (**Collecting Parties**). The Collecting Parties collect, hold and will use that information to assess your Application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

By submitting an Application Form, you authorise the Company to disclose any personal information contained in your Application Form (**Personal Information**) to the Collecting Parties where necessary, for any purpose in connection with the Offer, including processing your acceptance of the Offer and complying with applicable law, the ASX Listing Rules, the ASX Settlement Operating Rules and any requirements imposed by any Public Authority.

If you do not provide the information required in the Application Form, the Company may not be able to accept or process your acceptance of the Offer.

If the Offer is successfully completed, your Personal Information may also be used from time to time and disclosed to persons inspecting the register of Shareholders, including bidders for your securities in the context of takeovers, public authorities, authorised securities brokers, print service providers, mail houses and the Share Registry.

Any disclosure of Personal Information made for the above purposes will be on a confidential basis and in accordance with the Privacy Act 1988 (Cth) and all other legal requirements. If obliged to do so by law or any Public Authority, Personal Information collected from you will be passed on to third parties strictly in accordance with legal requirements. Once your Personal Information is no longer required, it will be destroyed or de-identified. As at the date of this Prospectus, the Company does not anticipate that Personal Information will be disclosed to any overseas recipient.

Subject to certain exemptions under law, you may have access to Personal Information that the Collecting Parties hold about you and seek correction of such information. Access and correction requests, and any other queries regarding this privacy statement, must be made in writing to the Share Registry at the address set out in the Corporate Directory of this Prospectus. A fee may be charged for access.

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC.



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**Alfred Chong**  
**Executive Chairman**  
**For and on behalf of**  
**Nanoveu Limited**

Where the following terms are used in this Prospectus they have the following meanings:

**\$** means an Australian dollar.

**S\$** means a Singapore dollar.

**Acquisition** means the acquisition of 100% of the issued share capital of Nanoveu by the Company pursuant to the Implementation Agreement.

**A\*STAR** means the Agency for Science, Technology and Research is a statutory board under the Ministry of Trade and Industry of Singapore.

**A\*STAR Intellectual Property** means the Patents and associated software and know-how in relation to thermal and UV nanoimprinting process conditions and nanoimprinted nanostructures for security and 3D features, licenced to Nanoveu pursuant to the Technology Licence Agreement.

**Application Form** means the application form attached to or accompanying this Prospectus relating to the Offer.

**ASIC** means Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

**ASX Listing Rules** means the official listing rules of ASX.

**Board** means the Board of Directors as constituted from time to time.

**Broker Option** means an Option with an exercise price of \$0.20 and a 3 year term and otherwise on the terms and conditions set out in Section 11.4.

**Broker Shares** has the meaning given in Section 4.1(G).

**Chicago Toy Company** means Chicago Toy Company, Inc (a company incorporated in Illinois, United States of America).

**Cleansing Offer** means the offer of 1,000 Shares at an issue price of \$0.20 per Share to raise \$200 pursuant to this Prospectus.

**Cleansing Offer Closing Date** means the closing date of the Cleansing Offer as set out in Section 2 (subject to the Company reserving the right to extend the Cleansing Offer Closing Date or close the Cleansing Offer early).

**Closing Date** means the closing date of the Offer as set out in Section 2 (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

**Closing Dates** means the Closing Date and the Cleansing Offer Closing Date.

**Collins Street Group** means Collins Street Group Pty Ltd (ACN 117 831 062).

**Company** or **Nanoveu Australia** means Nanoveu Limited (ACN 624 421 085).

**Constitution** means the constitution of the Company.

**Convertible Notes** means convertible notes with a face value of \$1 each, convertible into Shares on the terms summarised in Section 10.6.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** means the directors of the Company at the date of this Prospectus.

**Employee Option** means an Option with an exercise price of \$0.20 and a 3 year term and otherwise on the terms and conditions set out in Section 11.3.

**Exposure Period** means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act.

**First Guardian Capital** means First Guardian Capital Pty Ltd (ACN 073 622 741).

**Group** means the Company and each of its subsidiaries following completion of the Acquisition.

**Implementation Agreement** has the meaning given in Section 10.1.

**Joint Lead Managers** means Collins Street Group and First Guardian.

**Noteholder** means a sophisticated or professional investor who has subscribed for Convertible Notes issued by the Company.

**Offer** means the offer of Shares pursuant to this Prospectus as set out in Section 1.

**Offers** means the Offer and the Cleansing Offer.

**Official List** means the official list of ASX.

**Official Quotation** means official quotation by ASX in accordance with the ASX Listing Rules.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Patents** means the patents and patent applications set out in Appendix A of the Intellectual Property Report in Annexure B.

**Prospectus** means this Prospectus.

**Recommendations** means The Corporate Governance Principles and Recommendations (3rd Edition) as published by ASX Corporate Governance Council.

**Section** means a section of this Prospectus.

**Selling Agent** means AE Jarrah Capital Partner Pty Ltd ACN 159 302 842.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of Shares.

**WST** means Western Standard Time as observed in Perth, Western Australia.



Annexure A  
Investigating Accountant's Report



NANOVEU LIMITED  
Investigating Accountant's Report

30 August 2018

30 August 2018

The Directors  
Nanoveu Limited  
1/18 Olive Street  
Subiaco, WA 6008

Dear Directors

## INVESTIGATING ACCOUNTANT'S REPORT

### 1. Introduction

BDO Corporate Finance (WA) Pty Ltd ('BDO') has been engaged by Nanoveu Limited ('Nanoveu' or 'the Company') to prepare this Investigating Accountant's Report ('Report') in relation to the historical financial information and pro forma historical financial information of Nanoveu, for the Initial Public Offering of shares in Nanoveu, for inclusion in the Prospectus. Broadly, the Prospectus will offer up to 30,000,000 Shares at an issue price of \$0.20 each to raise up to \$6,000,000 before costs ('the Offer'). The Offer is subject to a minimum subscription level of 22,500,000 Shares to raise \$4,500,000.

Nanoveu was incorporated on 14 February 2018 for the primary purpose of acquiring Nanoveu Pte Ltd ('the Acquisition'). Nanoveu Pte Ltd ('Nanoveu Singapore') is a Singaporean company which was established in 2012.

Unless otherwise defined in this Report, expressions defined in the Prospectus have the same meaning. BDO Corporate Finance (WA) Pty Ltd ('BDO') holds an Australian Financial Services Licence (AFS Licence Number 316158).

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the financial information to which it relates for any purpose other than that for which it was prepared.

### 2. Scope

You have requested BDO to perform a review engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements

applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

You have requested BDO to review the following historical financial information (together the 'Historical Financial Information') of Nanoveu and Nanoveu Singapore included in the appendices to our report:

- the audited historical Statements of Profit or Loss and Other Comprehensive Income and audited Statements of Cashflows of Nanoveu Singapore for the years ended 31 October 2015, 31 October 2016, 31 October 2017 and for the 14 months ended 31 December 2017;
- the audited historical Statement of Financial Position of Nanoveu Singapore as at 31 October 2015, 31 October 2016, 31 October 2017 and 31 December 2017;
- the Historical Financial Information has been extracted from the audited financial report of Nanoveu Singapore for the 14 months ended 31 December 2017, which was audited by Raffles PAC in accordance with the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standard. Raffles PAC issued a qualified opinion on the financial year ended 31 October 2015 on the inventories due to the inability to observe the Company's annual physical inventory count for the financial year ended 31 October 2015 and there was no sufficient information available for us to assess the carrying value of those inventories and to determine if any provision for impairment losses should be made. Raffles also have expressed a qualified opinion on the investment in subsidiary and associate for the financial year ended 31 October 2015 as the Company did not prepare a set of consolidated financial statements as required under the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards;
- the audited historical Statements of Profit or Loss and Other Comprehensive Income and the audited historical Statement of Cashflows of Nanoveu for the period from incorporation to 30 June 2018; and
- the audited historical Statement of Financial Position of Nanoveu as at 30 June 2018.
- The Historical Financial Information of Nanoveu has been extracted from the financial report for the period from incorporation to 30 June 2018, which was audited by BDO Audit (WA) Pty Ltd ('BDO Audit') in accordance with the Australian Auditing Standards and the Corporations Act 2001. BDO Audit issued an unmodified audit opinion.

#### Pro Forma Historical Financial Information

You have requested BDO to review the following pro forma historical financial information (the 'Pro Forma Historical Financial Information') of Nanoveu and Nanoveu Singapore included in the Prospectus:

- the pro forma historical Statement of Financial Position as at 31 December 2017.

The Pro Forma Historical Financial Information has been derived from the historical financial information of Nanoveu and Nanoveu Singapore, after adjusting for the effects of the subsequent events described in Section 6 of this Report and the pro forma adjustments described in Section 7 of this Report. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in Section 7 of this Report, as if those events or transactions had occurred as at the date of the historical

financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information has been compiled by Nanoveu to illustrate the impact of the events or transactions described in Section 6 and Section 7 of the Report on Nanoveu Singapore's financial position as at 31 December 2017. As part of this process, information about Nanoveu's financial position has been extracted by the Company from its financial statements for the period ended 31 December 2017.

### 3. Directors' responsibility

The directors of Nanoveu are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information are free from material misstatement, whether due to fraud or error.

### 4. Our responsibility

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.

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

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.

### 5. Conclusion

#### Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendices to this Report, is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

#### Pro Forma Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in the Appendices to this Report, is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

## 6. Subsequent Events

The pro forma historical statement of financial position reflects the following events that have occurred subsequent to the period ended 31 December 2017:

- Subsequent to 31 December 2017, the Company advanced \$370,356 to Nanoveu Singapore, which is interest free and repayable on demand. Given that our pro forma balance date is 31 December 2017 but incorporates the balance sheet of Nanoveu at 30 June 2018, the cash balance of Nanoveu at 30 June 2018 has been reduced to reflect this loan. Given that this is an intercompany loan and will eliminate on consolidation, we have eliminated the loan receivable and have increased cash in Nanoveu Singapore to reflect this advance. We note that this adjustment only arises as a result of the different timing of the balance sheets of Nanoveu and Nanoveu Singapore which form the basis of the pro forma statement of financial position at 31 December 2017; and
- The Company issued additional convertible notes with a face value of \$300,000. The notes bear interest of 10% and are convertible into ordinary shares at a discount of 35.6% of the Offer price, following the ASX giving its conditional approval to admit the Company to the Official List. Given that the convertible notes are convertible at a 35.6% discount to the Offer price, this gives rise to an additional financing cost of \$334,161, which is expensed through accumulated losses.

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no material transaction or event outside of the ordinary business of Nanoveu Singapore, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

## 7. Assumptions Adopted in Compiling the Pro-forma Statement of Financial Position

The pro forma historical Statement of Financial Position is shown in Appendix 2. This has been prepared based on the Company's Statement of Financial Position as at 31 December 2017, the subsequent events set out in Section 6, and the following transactions and events relating to the Offer under this Prospectus:

- The issue of up to 30,000,000 Shares in the Company, with a minimum subscription of 22,500,000 Shares. The proceeds from shares issued (before costs) as part of the Offer are \$4,500,000 based on the minimum subscription and \$6,000,000 based on the maximum subscription;
- Costs of the Offer are estimated to be \$649,556 based on the minimum subscription and \$768,806 based on the maximum subscription. Given that a portion of the costs of the Offer have been incurred by Nanoveu prior to 30 June 2018, we have only adjusted our pro forma statement of financial position to reflect those costs that will be incurred subsequent to 30 June 2018. The costs directly attributable to the capital raising are between \$391,031 and \$507,281, which are to be offset against the contributed equity. The remaining costs of the Offer being between \$129,697 and \$132,697 have been expensed through accumulated losses;
- Trade and other receivables include deferred IPO costs of \$71,914 which were paid prior to 30 June 2018 and have been treated as a cost directly related to the capital raising. Therefore, as a pro forma adjustment, this has been offset against contributed equity.

- The issue of 90,584,250 shares in the Company to existing shareholders of Nanoveu Singapore, as consideration for the Acquisition;
- The issue of 11,645,953 shares to convertible note holders on conversion of the convertible notes following completion of the Offer. The conversion of the convertible notes has the effect of increasing contributed equity and decreasing financial liabilities by \$1,851,667;
- The total issue of 300,000 shares to Collins Street Group Pty Ltd and First Guardian Capital Pty Ltd, who acted as the joint lead managers to the Offer. The issue of these shares are a direct capital raising cost and have therefore been offset against equity as a pro forma adjustment;
- A cleansing offer of 1,000 shares at \$0.20 each to raise \$200 ('Cleansing Offer'). The Cleansing Offer is included for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company where those issues occur after the Offer has closed. The Cleansing Offer will remain open after the close of the Offer;
- The issue of options to Collins Street Group Pty Ltd and First Guardian Capital Pty Ltd ('Broker Options') following the completion of the Offer. We have considered Broker Options to be a capital raising cost and have therefore offset \$150,750 as a minimum value and \$201,000 as a maximum value against equity in our pro forma adjustment; and
- The issue of options to employees and consultants ('Employee Options') following the completion of the Offer. We have deemed that the issue of Employee Options is not directly related to the capital raising, therefore we have adjusted the accumulated losses account to reflect \$42,739 under the minimum subscription and \$44,398 under the maximum subscription.

## 8. Independence

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the Acquisition or the Offer other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received. BDO is the auditor of Nanoveu and from time to time, BDO may also provide Nanoveu with certain other professional services for which normal professional fees are received.

## 9. Disclosures

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 2 of this Report, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO has not authorised the issue of the Prospectus. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

BDO Corporate Finance (WA) Pty Ltd



Adam Myers

Director

APPENDIX 1  
 NANOVEU LIMITED  
 HISTORICAL FINANCIAL INFORMATION OF NANOVEU PTE LTD  
 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Audited for the 14 months ended 31-Dec-17 S\$	Audited for the 14 months ended 31-Dec-17 A\$
Revenue	4,357	4,176
Cost of sales	(15,084)	(14,457)
Gross loss	(10,727)	(10,281)
Other income	30,778	29,498
Distribution expenses	(73,811)	(70,740)
Administrative expenses	(570,526)	(546,792)
Other expenses	(15,025)	(14,400)
	(628,584)	(602,435)
Loss before income tax	(639,311)	(612,716)
Income tax expense	-	-
Loss after tax and total comprehensive loss for the period	(639,311)	(612,716)
Currency translation differences arising from consolidation	2,233	2,140
Total other comprehensive income	2,233	2,140
Total comprehensive loss for the period	(637,078)	(610,576)

The reviewed Nanoveu Singapore balances for the period ended 31 December 2017 have been converted to Australian Dollars using the SGD/AUD exchange rate of 0.9584 at 31 December 2017, sourced from Bloomberg.

This statement of profit or loss and other comprehensive income shows the historical financial performance of Nanoveu Singapore and is to be read in conjunction with the notes to and forming part of the historical financial information set out in the Appendices to this Report. Past performance is not a guide to future performance.

APPENDIX 2  
NANOVEU LIMITED

PRO-FORMA STATEMENT OF FINANCIAL POSITION

		Nanoveu Audited as at 30-Jun-18	Nanoveu Singapore Audited as at 31-Dec-17	Subsequent events	Pro-forma adjustments Min	Pro-forma adjustments Max	Pro-forma after issue Min	Pro-forma after issue Max
	Notes	A\$	A\$	\$	\$	\$	\$	\$
<b>CURRENT ASSETS</b>								
Inventories		-	49,221	-	-	-	49,221	49,221
Trade and other receivables	2	86,583	-	-	(71,914)	(71,914)	14,669	14,669
Other current assets		-	3,816	-	-	-	3,816	3,816
Fixed deposit		-	9,636	-	-	-	9,636	9,636
Loans receivable	3	-	-	(370,356)	-	-	(370,356)	(370,356)
Cash and cash equivalents	4	672,785	70,588	670,356	3,979,472	5,360,222	5,393,201	6,773,951
<b>TOTAL CURRENT ASSETS</b>		<b>759,368</b>	<b>133,261</b>	<b>300,000</b>	<b>3,907,558</b>	<b>5,288,308</b>	<b>5,100,187</b>	<b>6,480,937</b>
<b>NON CURRENT ASSETS</b>								
Plant and equipment		-	7,869	-	-	-	7,869	7,869
Intangible assets		-	209,095	-	-	-	209,095	209,095
<b>TOTAL NON CURRENT ASSETS</b>		<b>-</b>	<b>216,965</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>216,965</b>	<b>216,965</b>
<b>TOTAL ASSETS</b>		<b>759,368</b>	<b>350,225</b>	<b>300,000</b>	<b>3,907,558</b>	<b>5,288,308</b>	<b>5,317,151</b>	<b>6,697,901</b>
<b>CURRENT LIABILITIES</b>								
Trade payables		166,853	35,845	-	-	-	202,698	202,698
Other payables and liabilities		-	23,583	-	-	-	23,583	23,583
Financial liabilities	5	1,885,828	-	(34,161)	(1,851,667)	(1,851,667)	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,052,681</b>	<b>59,428</b>	<b>34,161</b>	<b>(1,851,667)</b>	<b>(1,851,667)</b>	<b>226,281</b>	<b>226,281</b>
<b>TOTAL LIABILITIES</b>		<b>2,052,681</b>	<b>59,428</b>	<b>34,161</b>	<b>(1,851,667)</b>	<b>(1,851,667)</b>	<b>226,281</b>	<b>226,281</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>(1,293,313)</b>	<b>290,797</b>	<b>334,161</b>	<b>5,759,225</b>	<b>7,139,975</b>	<b>5,090,870</b>	<b>6,471,620</b>
<b>EQUITY</b>								
Share capital	6	1	5,534,836	-	5,738,171	7,071,671	11,273,007	12,606,507
Accumulated losses	7	(1,303,385)	(5,245,388)	334,161	(162,364)	(167,023)	(6,376,976)	(6,381,635)
Translation reserve		-	1,349	-	-	-	1,349	1,349
Reserves	8	10,071	-	-	183,418	235,327	193,489	245,398
<b>TOTAL EQUITY</b>		<b>(1,293,313)</b>	<b>290,797</b>	<b>334,161</b>	<b>5,759,225</b>	<b>7,139,975</b>	<b>5,090,870</b>	<b>6,471,620</b>

The audited Nanoveu Singapore balances for the period ended 31 December 2017 have been converted to Australian Dollars using the SGD/AUD exchange rate of 0.9584 at 31 December 2017, sourced from Bloomberg. The pro forma cash and cash equivalents balance above does not account for working capital movements over the period from balance dates until completion. We have been advised that the combined cash position of Nanoveu and Nanoveu Singapore (prior to the Offer) is \$657,254.

The pro-forma statement of financial position after the Offer is as per the statement of financial position before the Offer adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this Prospectus. The statement of financial position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 5 and the historical financial information set out in Appendix 6, Appendix 7, Appendix 8, Appendix 9, Appendix 10, Appendix 11 and Appendix 12.

APPENDIX 3  
NANOVEU LIMITED  
HISTORICAL FINANCIAL INFORMATION OF NANOVEU PTE LTD  
STATEMENT OF CASH FLOWS

	Audited for the 14 months ended 31-Dec-17 S\$	Audited for the 14 months ended 31-Dec-17 A\$
Cash flows from operating activities		
Loss before tax	(639,311)	(612,716)
Adjustments for:		
Interest income	73	70
Bad debts written off	15,025	14,400
Depreciation of plant and equipment	125,988	120,747
Gain on disposal of plant and equipment	-	-
Loss on disposal of associate	-	-
Amortisation of intangible assets	40,086	38,418
Waiver of trade payables	(31,854)	(30,529)
Intangible assets written off	44,337	42,493
Operating cash flow before working capital changes	<u>(445,656)</u>	<u>(427,117)</u>
Changes in working capital:		-
Inventories	(182)	(174)
Trade receivables	(2,228)	(2,135)
Other current assets	4,101	3,930
Amount due from related parties	-	-
Trade payables	(147,322)	(141,193)
Other payables and liabilities	14,124	13,536
Net cash used in operating activities	<u>(577,163)</u>	<u>(553,153)</u>
Cash flow from investing activities		
Purchase of plant and equipment	(2,527)	(2,422)
Proceeds from disposal of plant and equipment	-	-
Fixed deposits	20,100	19,264
Purchase of intangible assets	(5,498)	(5,269)
Net cash generated from/(used in) investing activities	<u>12,075</u>	<u>11,573</u>
Cash flows from financing activities		
Interest received	(73)	(70)
Proceeds from issuance of shares	400,000	383,360
Net cash generated from financing activities	<u>399,927</u>	<u>383,290</u>
Net decrease in cash and bank balances	(165,161)	(158,290)
Cash and bank balances the beginning of the period	238,813	228,878
Cash and bank balances at the end of the period	73,652	70,588

The reviewed Nanoveu Singapore balances for the period ended 31 December 2017 have been converted to Australian Dollars using the SGD/AUD exchange rate of 0.9585 at 31 December 2017, sourced from Bloomberg

APPENDIX 4  
NANOVEU LIMITED  
HISTORICAL FINANCIAL INFORMATION OF NANOVEU PTE LTD  
STATEMENT OF CHANGES IN EQUITY

	Share Capital	Accumulated Losses	Translation Reserve	Total equity
	S\$	S\$	S\$	S\$
As at 1 November 2015	5,275,079	(3,893,117)	-	1,381,962
Issuance of shares	100,000	-	-	100,000
Total comprehensive income	-	(940,640)	(825)	(941,465)
Balance as at 31 October 2016	5,375,079	(4,833,757)	(825)	540,497
Issuance of shares	400,000	-	-	400,000
Total comprehensive loss for the period	-	(639,311)	2,233	(637,078)
Balance as at 31 December 2017	5,775,079	(5,473,068)	1,408	303,419

	Share Capital	Accumulated Losses	Translation Reserve	Total equity
	A\$	A\$	A\$	A\$
As at 1 November 2015	5,056,163	(3,731,553)	-	1,324,611
Issuance of shares	95,850	-	-	95,850
Total comprehensive income	-	(901,603)	(791)	(902,394)
Balance as at 31 October 2016	5,152,013	(4,633,156)	(825)	518,066
Issuance of shares	383,400	-	-	383,400
Total comprehensive loss for the period	-	(612,780)	2,140	(610,639)
Balance as at 31 December 2017	5,535,413	(5,245,936)	1,315	290,827

The reviewed Nanoveu Singapore balances for the period ended 31 December 2017 have been converted to Australian Dollars using the SGD/AUD exchange rate of 0.9585 at 31 December 2017, sourced from Bloomberg

## APPENDIX 5

### NANOVEU LIMITED

#### NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION

##### Summary of significant accounting policies

##### Basis of preparation

The consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in equity of the Company have been drawn up in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements of Nanoveu Singapore are presented in Singapore Dollars (\$\$).

The financial report of Nanoveu is a special purpose financial report prepared for use by the directors and members of the Company. The financial report has been prepared for the purpose of the preparation of the Investigating Accountants Report for inclusion in a prospectus. The directors have determined that the Company is not a reporting entity. Nanoveu is a for-profit entity for the purpose of preparing the financial statements.

The financial report has been prepared in accordance with the recognition and measurement requirements specified by all Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards:

AASB 101: Presentation of Financial Statements

AASB 107: Cash Flow Statements

AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors AASB 1048: Interpretations and Application of Standards

AASB 1054: Australian Additional Disclosures

##### Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2017 including the Amendments to FRS 7 Disclosure Initiative. The adoption of these standards did not have any material effect on the financial statements.

##### Standards issued but not yet effective

The Company has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
FRS 109 Financial Instruments	1 January 2018
FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 116 Leases	1 January 2019

The directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application.

## Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at the end of the reporting period. The financial statements of the subsidiary used in the preparation of the consolidated financial statements are prepared for the same reporting date as the company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

The subsidiary is consolidated from the date of acquisition, being the date on which the Group obtain control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when controls is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss
- Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

## Foreign currency transactions and balances

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

### a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiary and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

## Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs

directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

- Office equipment: 3 Years
- Machinery equipment: 3 Years
- Furniture and fittings: 3 Years
- Computers: 3 Years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

#### Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

#### Acquired licences and trademarks

Trademarks and licences acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 10 years, which is the shorter of their estimated useful lives and periods of contractual rights.

#### Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in-first-out cost method and includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

When necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

#### Financial instruments

##### (a) Financial assets

###### Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, directly attributable transaction costs.

###### Subsequent measurement

###### Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit and loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Loans and receivables comprise trade receivables, other current assets, amount due from a subsidiary and cash and bank balances.

###### De-recognition

A financial asset is de-recognised when the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised in other comprehensive income is recognised in profit or loss.

##### (b) Financial liabilities

###### Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus directly attributable transaction costs.

### Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Such financial liabilities comprise trade payables and other payables and liabilities.

### De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

### Impairment of financial assets

The group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

### Financial assets carried at amortised cost

For financial assets carried at amortised cost, the group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the group determines that no objective evidence of impairment exists for individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying amount of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

### Cash and bank balances

Cash and bank balances are subject to an insignificant risk of changes in value.

## Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

### Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risks and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

## Government grants

Government grants shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as "Other income". Alternatively, they are deducted in reporting that related expenses.

## Employee benefits

### Defined contribution plans

The Group makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

## Taxes

### (a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### (b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### (c) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

#### Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

#### Significant accounting judgments and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

#### Judgments made in applying accounting policies

##### Determination of functional currency

In determining the functional currency of the group, judgment is used by the group to determine the currency of the primary economic environment in which the group operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

##### Key sources of estimation of uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

##### (a) Useful lives of plant and equipment

The useful life of an item of property, plant and equipment is estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful life will be adjusted accordingly.

##### (b) Impairment of loans and receivables

The impairment of trade and other receivables is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables.

In assessing the ultimate realisation of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each customer. If the financial conditions of these customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

#### Acquisition accounting

The acquisition of Nanoveu Singapore by Nanoveu is not to be deemed a business combination, as Nanoveu is not considered to be a business under AASB 3 Business Combinations.

As such, the consolidation of these two companies is on the basis of the continuation of Nanoveu Singapore with no fair value adjustments, whereby Nanoveu Singapore is deemed to be the accounting parent. Therefore, the equity balances of Nanoveu is eliminated against accumulated losses on consolidation.

	Audited 31-Dec-17	Pro-forma after Offer
<b>NOTE 2 TRADE AND OTHER RECEIVABLES</b>		
	\$	\$
Trade and other receivables	-	14,669
Adjustments to arise at the pro-forma balance:		
Audited balance of Nanoveu Singapore at 31 December 2017		-
Audited balance of Nanoveu at 30 June 2018		86,583
Pro-forma adjustments:		
Pre-paid IPO costs subsequently treated as a capital raising cost		(71,914)
		(71,914)
Pro-forma Balance		14,669

	Audited 31-Dec-17	Pro-forma after Offer
<b>NOTE 3 LOAN RECEIVABLE</b>		
	\$	\$
Loan receivable	-	-
Adjustments to arise at the pro-forma balance:		
Audited balance of Nanoveu Singapore at 31 December 2017		-
Audited balance of Nanoveu at 30 June 2018		370,356
Subsequent events:		
Elimination of intercompany advance from Nanoveu to Nanoveu Singapore		(370,356)
		(370,356)
Pro-forma Balance		-

	Audited 31-Dec-17	Pro-forma after Offer Min	Pro-forma after Offer Max
<b>NOTE 4 CASH AND CASH EQUIVALENTS</b>	\$	\$	\$
Cash and cash equivalents	70,588	5,393,201	6,773,951
Adjustments to arise at the pro-forma balance:			
Audited balance of Nanoveu Singapore at 31 December 2017		70,588	70,588
Audited balance of Nanoveu at 30 June 2018		672,785	672,785
Subsequent events:			
Nanoveu issued additional convertible notes		300,000	300,000
Advance from Nanoveu to Nanoveu Singapore		370,356	370,356
		670,356	670,356
Pro-forma adjustments:			
Proceeds from shares issued under this Prospectus		4,500,000	6,000,000
Capital raising costs		(520,728)	(639,978)
Proceeds from shares issued under the Cleansing Offer		200	200
		3,979,472	5,360,222
Pro-forma Balance		5,393,201	6,773,951

	Audited 31-Dec-17	Pro-forma after Offer
<b>NOTE 5 FINANCIAL LIABILITIES</b>	\$	\$
Financial liabilities	-	-
Adjustments to arise at the pro-forma balance:		
Audited balance of Nanoveu Singapore at 31 December 2017		-
Audited balance of Nanoveu at 30 June 2018		1,885,828
Subsequent events:		
Nanoveu issued additional convertible notes		300,000
Finance cost arising from the issue of the convertible notes		(334,161)
		(34,161)
Pro-forma adjustments:		
Conversion of convertible notes		(1,851,667)
		(1,851,667)
Pro-forma Balance		-

		Audited 31-Dec-17	Pro-forma after Offer	Pro-forma after Offer
		\$	Min \$	Max \$
<b>NOTE 6 CONTRIBUTED EQUITY</b>				
Contributed equity		5,534,836	11,273,007	12,606,507
Adjustments to arise at the pro-forma balance:				
	Number of shares (min)	Number of shares (max)		
Audited balance of Nanoveu Singapore at 31 December 2017	1,414,348	1,414,348	5,534,836	5,534,836
Audited balance of Nanoveu at 30 June 2018	1	1	1	1
Pro-forma adjustments:				
Shares issued pursuant to the Offer	22,500,000	30,000,000	4,500,000	6,000,000
Exchange of shares in Nanoveu Singapore	(1,414,348)	(1,414,348)	(5,534,836)	(5,534,836)
Elimination of the fully paid share capital of Nanoveu at 30 June 2018	(1)	(1)	(1)	(1)
Shares issued to Nanoveu Singapore shareholders following the Acquisition	90,584,250	90,584,250	5,534,836	5,534,836
Shares issued pursuant to the Cleansing Offer	1,000	1,000	200	200
Share issued to convertible note holders upon conversion	11,645,953	11,645,953	1,851,667	1,851,667
Shares issued to the Joint Lead Managers	300,000	300,000	-	-
Capital raising costs	-	-	(391,031)	(507,281)
Pre-paid IPO costs subsequently treated as a capital raising cost	-	-	(71,914)	(71,914)
Issue of Broker Options treated as a capital raising cost	-	-	(150,750)	(201,000)
	123,616,854	131,116,854	5,738,171	7,071,671
Pro-forma Balance	125,031,203	132,531,203	11,273,007	12,606,507

	Audited 31-Dec-17	Pro-forma after Offer Min	Pro-forma after Offer Max
<b>NOTE 7 ACCUMULATED LOSSES</b>	\$	\$	\$
Accumulated losses	(5,245,388)	(6,376,976)	(6,381,635)
Adjustments to arise at the pro-forma balance:			
Audited balance of Nanoveu Singapore at 31 December 2017		(5,245,388)	(5,245,388)
Audited balance of Nanoveu at 30 June 2018		(1,303,385)	(1,303,385)
Subsequent events:			
Finance cost arising from the issue of the convertible notes		334,161	334,161
		<u>334,161</u>	<u>334,161</u>
Pro-forma adjustments:			
Costs of the Offer not directly attributable to the capital raising		(129,697)	(132,697)
Issue of Employee Options		(42,739)	(44,398)
Elimination of the fully paid share capital of Nanoveu at 30 June 2018 through accumulated losses		1	1
Elimination of the accumulated losses of Nanoveu for the period ended 30 June 2018		1,303,385	1,303,385
Consolidation of accumulated losses of Nanoveu through accumulated losses		(1,303,385)	(1,303,385)
Consolidation of reserves of Nanoveu through accumulated losses		10,071	10,071
		<u>(162,364)</u>	<u>(167,023)</u>
Pro-forma Balance		<u>(6,376,976)</u>	<u>(6,381,635)</u>

	Audited 31-Dec-17	Pro-forma after Offer	Pro-forma after Offer
		Min	Max
NOTE 8 RESERVES	\$	\$	\$
Reserves	-	193,489	245,398
Adjustments to arise at the pro-forma balance:			
Audited balance of Nanoveu Singapore at 31 December 2017		-	-
Audited balance of Nanoveu at 30 June 2018		10,071	10,071
Pro-forma adjustments:			
Issue of Broker Options treated as a capital raising cost		150,750	201,000
Issue of Employee Options		42,739	44,398
Elimination of the reserves of Nanoveu for the period ended 30 June 2018		(10,071)	(10,071)
		183,418	235,327
Pro-forma Balance		193,489	245,398

#### NOTE 9: OPTIONS

Set out below are the values and terms of the options to be issued to Employees and Brokers.

	Employee Options		Broker Options		Osaat Options
	Minimum Subscription	Maximum Subscription	Minimum Subscription	Maximum Subscription	Subscription
Underlying share price (A\$)	0.200	0.200	0.200	0.200	0.200
Exercise price (A\$)	0.200	0.200	0.200	0.200	0.200
Valuation date	08-Aug-18	08-Aug-18	08-Aug-18	08-Aug-18	08-Aug-18
Expiry date	08-Aug-21	08-Aug-21	08-Aug-21	08-Aug-21	08-Aug-21
Life of the options (years)	3.00	3.00	3.00	3.00	3.00
Volatility	110%	110%	110%	110%	110%
Risk free rate	2.11%	2.11%	2.11%	2.11%	2.11%
Number of options	318,946	331,328	1,125,000	1,500,000	250,000
Value per option (A\$)	0.134	0.134	0.134	0.134	0.134
Value per Tranche (A\$)	42,739	44,398	150,750	201,000	33,500

Set out below are the values and terms of the performance rights to be issued to Directors.

Director Performance Rights		
	Minimum Subscription	Maximum Subscription
Underlying share price (A\$)	0.200	0.200
Exercise price (A\$)	Nil	Nil
Valuation date	08-Aug-18	08-Aug-18
Vesting period (years)	3.00	3.00
Volatility	110%	110%
Risk free rate	2.11%	2.11%
Number of rights	1,100,000	1,100,000
Value per right (A\$)	0.200	0.200
Value per Tranche (A\$)	220,000	220,000

We have adjusted the pro-forma balance sheet to reflect the value of the Broker Options, as the issue is directly attributable as a capital raising expense as part of the Offer and vest immediately. We have also adjusted the pro-forma balance sheet to reflect the value of the Employee Options, as they do not contain any vesting conditions and therefore vest immediately. Therefore, these would be expensed on issue.

We have not adjusted the pro-forma balance sheet to reflect the value of the above performance rights, as well as the Osaat Options, as pursuant to IFRS 2: Share Based Payments, the performance rights and the Osaat Options are to be expensed over the vesting period. As the performance rights carry a 2-year vesting period from the date of listing and the Osaat Options carry a 6 and 12 month vesting period from the date of listing, the expense at the pro forma date would not be material.

**NOTE 10: RELATED PARTY DISCLOSURES**

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

**NOTE 11: COMMITMENTS AND CONTINGENCIES**

At the date of the report no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus.

**NOTE 12: NEW IFRS ACCOUNTING STANDARDS - IFRS 16: LEASES, IFRS 9: FINANCIAL INSTRUMENTS AND IFRS 15: REVENUE FROM CONTRACTS WITH CUSTOMERS**

We have assessed the impact of new IFRS standards on the Historical Financial Information and Pro-Forma Financial Information and do not consider them to have a material impact on the financial information presented in our Report.

APPENDIX 6  
NANOVEU LIMITED

HISTORICAL FINANCIAL INFORMATION OF NANOVEU PTE LTD  
STATEMENT OF FINANCIAL POSITION

	Audited as at 31-Dec-17 S\$	Audited as at 31-Oct-17 S\$	Audited as at 31-Oct-16 S\$	Audited as at 31-Oct-15 S\$
<b>CURRENT ASSETS</b>				
Inventories	51,357	51,528	51,175	116,843
Trade and other receivables	-	-	12,797	138,739
Amount due from related parties	-	-	-	23,915
Other current assets	3,982	9,444	8,083	24,550
Fixed deposit	10,054	30,154	30,154	30,000
Cash and bank balances	73,652	92,212	238,813	560,714
<b>TOTAL CURRENT ASSETS</b>	<b>139,045</b>	<b>183,338</b>	<b>341,022</b>	<b>894,761</b>
<b>NON CURRENT ASSETS</b>				
Plant and equipment	8,211	20,831	131,672	288,645
Intangible assets	218,171	225,603	297,096	329,231
Investment in a subsidiary	-	-	-	1,251
Investment in an associate	-	-	-	3,887
<b>TOTAL NON CURRENT ASSETS</b>	<b>226,382</b>	<b>246,434</b>	<b>428,768</b>	<b>623,014</b>
<b>TOTAL ASSETS</b>	<b>365,427</b>	<b>429,772</b>	<b>769,790</b>	<b>1,517,775</b>
<b>CURRENT LIABILITIES</b>				
Trade payables	37,401	43,058	218,810	124,630
Other payables and liabilities	24,607	11,926	10,483	11,927
<b>TOTAL CURRENT LIABILITIES</b>	<b>62,008</b>	<b>54,984</b>	<b>229,293</b>	<b>136,557</b>
<b>TOTAL LIABILITIES</b>	<b>62,008</b>	<b>54,984</b>	<b>229,293</b>	<b>136,557</b>
<b>NET ASSETS/(LIABILITIES)</b>	<b>303,419</b>	<b>374,788</b>	<b>540,497</b>	<b>1,381,218</b>
<b>EQUITY</b>				
Share capital	5,775,079	5,775,079	5,375,079	5,275,079
Accumulated losses	(5,473,068)	(5,399,615)	(4,833,757)	(3,893,861)
Translation reserve	1,408	(676)	(825)	-
<b>TOTAL EQUITY</b>	<b>303,419</b>	<b>374,788</b>	<b>540,497</b>	<b>1,381,218</b>

APPENDIX 7

NANOVEU LIMITED

HISTORICAL FINANCIAL INFORMATION OF NANOVEU PTE LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Audited for the 14 months ended 31-Dec-17 S\$	Audited for the year ended 31-Oct-17 S\$	Audited for the year ended 31-Oct-16 S\$	Audited for the year ended 31-Oct-15 S\$
Revenue	4,357	3,317	33,562	214,237
Cost of sales	(15,084)	(14,808)	(182,753)	(380,907)
Gross loss	(10,727)	(11,491)	(149,191)	(166,670)
Other income	30,778	22,823	51,017	219,723
Distribution expenses	(73,811)	(71,693)	(67,913)	(260,401)
Administrative expenses	(570,526)	(490,472)	(742,314)	(1,170,783)
Other expenses	(15,025)	(15,025)	(32,239)	-
	(628,584)	(554,367)	(791,449)	(1,211,461)
Loss before income tax	(639,311)	(565,858)	(940,640)	(1,378,131)
Income tax expense	-	-	-	-
Loss after tax and total comprehensive loss for the period	(639,311)	(565,858)	(940,640)	(1,378,131)
Currency translation differences arising from consolidation	2,233	149	(825)	-
Total other comprehensive income	2,233	149	(825)	-
Total comprehensive loss for the period	(637,078)	(565,709)	(941,465)	(1,378,131)

APPENDIX 8  
 NANOVEU LIMITED  
 HISTORICAL FINANCIAL INFORMATION OF NANOVEU PTE LTD  
 STATEMENT OF CASH FLOWS

	Audited for the 14 months ended 31-Dec-17 S\$	Audited for the year ended 31-Oct-17 S\$	Audited for the year ended 31-Oct-16 S\$	Audited for the year ended 31-Oct-15 S\$
<b>Cash flows from operating activities</b>				
Loss before tax	(639,311)	(565,858)	(940,640)	(1,378,131)
Adjustments for:				
Interest income	73	-	(154)	-
Bad debts written off	15,025	-	-	-
Bank charges	-	-	-	4,506
Depreciation of plant and equipment	125,988	113,368	168,857	161,830
Gain on disposal of plant and equipment	-	-	(161)	-
Loss on disposal of associate	-	-	3,887	-
Amortisation of intangible assets	40,086	28,376	43,647	39,930
Waiver of trade payables	(31,854)	22,740	-	-
Intangible assets written off	44,337	48,615	-	-
Provision for inventories written back	-	(181)	-	-
Others	-	149	1,170	-
Operating cash flow before working capital changes	(445,656)	(352,791)	(723,394)	(1,171,865)
Changes in working capital:				
Inventories	(182)	(172)	65,668	282,373
Trade receivables	(2,228)	12,797	26,349	(74,499)
Other current assets	4,101	(1,361)	19,330	170,702
Amount due from related parties	-	-	23,915	(22,986)
Trade payables	(147,322)	(198,492)	190,910	(56,798)
Other payables and liabilities	14,124	1,443	(1,444)	(39,934)
Net cash used in operating activities	(577,163)	(538,576)	(398,666)	(913,007)
<b>Cash flow from investing activities</b>				
Purchase of plant and equipment	(2,527)	(2,527)	(13,677)	(204,730)
Proceeds from disposal of plant and equipment	-	-	1,954	-
Fixed deposits	20,100	-	-	-
Purchase of intangible assets	(5,498)	(5,498)	(11,512)	(50,878)
Net cash generated from/(used in) investing activities	12,075	(8,025)	(23,235)	(255,608)
<b>Cash flows from financing activities</b>				
Bank charges paid	-	-	-	(4,506)
Interest received	(73)	-	154	-
Proceeds from issuance of shares	400,000	400,000	100,000	850,015
Net cash generated from financing activities	399,927	400,000	100,154	845,509
Net decrease in cash and bank balances	(165,161)	(146,601)	(321,747)	(323,118)
Cash and bank balances the beginning of the period	238,813	238,813	590,714	883,832
Cash and bank balances at the end of the period	73,652	92,212	268,967	560,714

The above historical Statement of Cash Flows is as presented per the audited financial statements. We note that there is a reconciling difference between the audited Statement of Cash Flows for the year ended 31 October 2015 and the year ended 31 October 2016. This difference is not material, therefore we have not made any adjustments to the historical Statements of Cash Flows.

APPENDIX 9  
 NANOVEU LIMITED  
 HISTORICAL FINANCIAL INFORMATION  
 STATEMENT OF FINANCIAL POSITION

	Audited as at 30-Jun-18 A\$
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	672,785
Trade and other receivables	86,583
<b>TOTAL CURRENT ASSETS</b>	759,368
<b>TOTAL ASSETS</b>	759,368
<b>CURRENT LIABILITIES</b>	
Trade and other payables	166,853
Financial liabilities	1,885,828
<b>TOTAL CURRENT LIABILITIES</b>	2,052,681
<b>TOTAL LIABILITIES</b>	2,052,681
<b>NET ASSETS/(LIABILITIES)</b>	(1,293,313)
<b>EQUITY</b>	
Share capital	1
Accumulated losses	(1,303,385)
Reserves	10,071
<b>TOTAL EQUITY</b>	(1,293,313)

This statement of financial position shows the historical financial performance of the Company and is to be read in conjunction with the notes to and forming part of the historical financial information set out in the Appendices to this Report. Past performance is not a guide to future performance.

APPENDIX 10  
NANOVEU LIMITED  
HISTORICAL FINANCIAL INFORMATION  
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Audited for the period from incorporation to 30-Jun-18 A\$
Other income	445
Administration expenses	(108,661)
Listing fees	(128,914)
Finance costs	(685,828)
Impairment of loan receivable	(370,356)
Share based payment expense	(10,071)
(Loss) before income tax	<u>(1,303,385)</u>
Income tax expense	<u>-</u>
(Loss) for the period	<u>(1,303,385)</u>
Other comprehensive income/(loss)	(1,303,385)
Items that may be reclassified to profit or loss	-
Total comprehensive (loss) for the period	<u>(1,303,385)</u>

This statement of profit or loss and other comprehensive income shows the historical financial performance of the Company and is to be read in conjunction with the notes to and forming part of the historical financial information set out in the Appendices to this Report. Past performance is not a guide to future performance.

APPENDIX 11  
NANOVEU LIMITED  
HISTORICAL FINANCIAL INFORMATION  
STATEMENT OF CHANGES IN EQUITY

	Share Capital	Accumulated Losses	Share Based Payment Reserve	Total
	\$	\$	\$	\$
Balance at 14 February 2018 (incorporation)	-	-	-	-
Loss for the 5 month period	-	(1,303,385)	-	(1,303,385)
Shares issued	1	-	-	1
Share issue expenses	-	-	-	-
Share based payments	-	-	10,071	10,071
Balance at 30 June 2018	1	(1,303,385)	10,071	(1,293,313)

This statement of changes in equity shows the historical financial performance of the Company and is to be read in conjunction with the notes to and forming part of the historical financial information set out in the Appendices to this Report. Past performance is not a guide to future performance.

APPENDIX 12  
 NANOVEU LIMITED  
 HISTORICAL FINANCIAL INFORMATION  
 STATEMENT OF CASH FLOWS

	Audited for the period from incorporation to 30-Jun-18 A\$
Cash flows from operating activities	
Payments to suppliers and employees	(92,896)
Interest received	445
Net cash used in operating activities	<u>(92,451)</u>
Cash flow from investing activities	
Loans advanced	(370,356)
Net cash used in investing activities	<u>(370,356)</u>
Cash flows from financing activities	
Issue of convertible notes	1,200,000
Share issue expenses	(64,408)
Net cash generated from financing activities	<u>1,135,592</u>
Net decrease in cash held	672,785
Cash at incorporation	-
Cash at the end of the financial period	<u><u>672,785</u></u>

This statement of cash flows shows the historical financial performance of the Company and is to be read in conjunction with the notes to and forming part of the historical financial information set out in the Appendices to this Report. Past performance is not a guide to future performance.



Annexure B  
Intellectual Property Report

The Board of Directors  
Nanoveu Limited  
Unit 1, 18 Clive Street  
Subiaco WA 6008

29 August 2018

Dear Sirs

**Due Diligence Report for a Prospectus for Nanoveu Limited**  
**Our Ref: G117881**

**1. Summary**

This intellectual property report (“Report”) has been prepared at the request of the directors of Nanoveu Limited, which has agreed to acquire 100% of the issued capital of Nanoveu Pte Ltd (“Nanoveu”). The Report provides information on the current status of the patents and patent applications licensed by Nanoveu and trade marks owned by Nanoveu for inclusion in a Prospectus to be lodged at the Australian Securities & Investments Commission by Nanoveu Limited.

The Report sets out details of the various granted patents and pending patent applications shown in ‘**Appendix A**’ and trade marks shown in ‘**Appendix B**’, as well as their status as at the date indicated in the Report. The Report is correct to the best of our knowledge as at the date of the Report, subject to the limitations and qualifications set out in Section 5 of the Report (in particular, subject to the limited sources of information described in Section 5.1 of the Report).

**2. INTELLECTUAL PROPERTY**

**2.1. Meaning of Intellectual Property**

The term “intellectual property” refers to the collection of registrable and non-registrable rights, including rights in patents, designs, trade marks, plant varieties, copyright, confidential information and trade secrets. Intellectual property shares many of the characteristics associated with real and personal property. For example, intellectual property is an asset, and as such it can be bought, sold, licensed, exchanged, or gratuitously given away like any other form of property. Further, the intellectual property owner, in this instance Temasek Polytechnic and Agency for Science, Technology and Research, has the right to prevent the unauthorised use or sale of the property.

This Report deals only with intellectual property in the form of patents, patent applications and trade marks.

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## 2.2. Patents

Patent rights constitute an important component of intellectual property. Patents cover inventions and provide a monopoly in exchange for an inventor's full disclosure of his or her invention to the public. A patent provides protection for novel (new), inventive (non-obvious) and useful inventions for a limited period, typically 20 years (subject to the payment of renewal fees). Patents may be granted in respect of new or improved products and methods in almost all areas of current scientific, commercial and industrial activities. However, as there is no such thing as a worldwide patent, patents must be obtained in every country where protection is required. In many countries the test for patentability is different from that in Australia.

Commercialisation of patented products and processes may require any party other than the patent owner wishing to use such developments to obtain a licence (e.g., Nanoveu), subject to payment of royalties.

## 2.3. Inventorship and Ownership

Typically, a patent for an invention may only be granted to the inventor(s), or to a person who has entitlement to the invention by way of assignment or other means. The ownership and entitlement of Temasek Polytechnic and Agency for Science, Technology and Research ("A\*STAR"), the licensors, to the patents and patent applications in **Appendix A** is discussed in more detail below in Section 4.1.

## 2.4. Process for Obtaining Patent Protection

In most countries of the world the process of protecting patent rights begins with the submission of a patent application comprising a patent specification describing the invention. Filing an Australian patent application (provisional or complete) or other initial patent application in an overseas country, which permits such a filing, satisfies this requirement. Countries that allow Australian applicants to file such applications include the United Kingdom and the United States.

A fundamental requirement of the patent system is that the invention is novel and inventive at the time of filing, relative to what was publicly known or used at the date of the application. Accordingly, it is imperative that the specification contains a full disclosure of the invention. A patent specification generally consists of a description of the invention and so-called "claim(s)", which define the scope of the invention. The description also typically provides background information, such as a description of existing products, manufacturing or testing methods or processes and related problems, which enables an Examiner and others to assess the application for inventiveness.

Once the initial application has been filed, further applications in other overseas countries must be filed within twelve (12) months, pursuant to an International Treaty called the Paris Convention, otherwise rights to the invention may be lost in these countries. In this regard, the Paris Convention provides that the filing of an initial patent application establishes a priority date

for the invention in all other countries which are party to this Convention, including countries such as the United States, Japan and Australia, as well as jurisdictions such as the European Union.

The filing of further patent applications in overseas countries may be pursued individually or in some instances by filing an application with a regional patent office that does the work for a number of countries, such as the European Patent Office and the African Regional Industrial Property Organisation. Under such regional systems, an applicant requests protection for the invention in one or more countries, and each country decides as to whether to offer patent protection within its borders. The World Intellectual Property Organization-administered Patent Cooperation Treaty ("PCT") provides for the filing of a single international patent application which has the same effect as national applications filed in the designated countries. An applicant seeking protection may file one application and request protection in as many signatory states as needed.

It should be noted that at present there are 189 member states that are party to the PCT and if patent protection is required in a country that is not party to the PCT then individual applications must be filed in these countries by the twelve (12) month anniversary of the initially filed application. Countries that are not party to the PCT include Taiwan and Argentina.

Applications filed individually in countries rather than via the PCT are examined under the national laws of those countries. However, a PCT application is considered under the terms of the PCT. Once the PCT application has been filed it is subjected to what is called an "international search", carried out by one of the major patent offices. The search results are then communicated to the patent applicant in an "international search report", which is a listing of published documents that might affect the patentability of the invention claimed in the international application. On the basis of the international search report the applicant may decide to withdraw the application. However, if the PCT application is not withdrawn, it is, together with the international search report, published by the International Bureau.

If the applicant decides to continue with the international application, then within thirty (30) months of the provisional patent application filing date, national patent applications need to be filed. The applicant can also request preliminary examination, which is a report prepared by one of the major patent offices that gives a preliminary and non-binding opinion on the patentability of the claimed invention.

Once the PCT process has been completed then the national or regional phase is undertaken, as the PCT application itself does not mature into patents. The applicant may choose to enter one or more of the countries designated in the original PCT application. Entry into the national phase is essentially the same as filing a national application in the first instance. Thus, the standard documentation and fee requirements will need to be satisfied in each country, and for non-English speaking countries that will include translating the PCT specification into the language of the relevant country. Failure to enter the national phase within the thirty (30) month period will result in abandonment of the ability to secure patent protection in most PCT countries.

The national or regional applications progress under the jurisprudence and legislation of each country or region. In most jurisdictions, such as Australia, Europe, United States and Japan, examination by the relevant patent office comprises an examination of the art to which the invention pertains as it existed at the priority date of the application. This examination establishes what is referred to as the “state of the art”. The patent application is measured against the state of the art and an assessment is made regarding whether the invention described in the application is novel, inventive and useful. Therefore, the time required to complete the process of examination differs from country-to-country and the scope or protection may differ depending upon the law of each country. In general, it will take several years from the date of application until the patent is actually granted.

With respect to regional applications, like the European application, this involves filing a single application designating any of the countries that are signatories to the Paris Convention covering that region. The single application is subjected to examination, and assuming that the application is allowed, it will proceed to the grant phase. The applicant can then elect to have patents validated in all or some of the originally designated countries, and the individual patents then function as though they were patents granted under standard national procedures.

### **2.1. Granted Patents: Renewal fees, validity, exploitation and enforcement**

Once a patent has been granted renewal fees will need to be paid, otherwise the patent will cease. It should also be noted that grant of a patent does not guarantee that the patent is valid or enforceable, and Griffith Hack provides no assurance that the pending patent applications owned by Temasek Polytechnic and A\*STAR will be granted or will be held valid and enforceable following grant, and likewise that the granted patents are valid and enforceable.

Notwithstanding the issue regarding guaranteed enforceability, once a patent has been granted and throughout the lifetime of a patent, the proprietor has the exclusive rights to use the patented technology. This means that they can decide to exclusively use it for their own benefit (for instance, by means of application in their own products) and prevent others from using it. Alternatively, they can allow others to use it under the terms of a license agreement (e.g., the license agreement from Temasek Polytechnic and Exploit Technologies Pte Ltd (the commercialisation arm of A\*STAR) to Nanoveu). The terms of the license agreement generally define the limited scope of the use of the patents and patent applications and the consideration to be paid for the use of it.

Enforcement of patent rights varies from country-to-country. The remedies for unauthorised use (patent infringement) available to the patent owner often include an injunction, which effectively stops further infringement of the patent, damages or account of profits, and costs. In some countries the patent owner can also file criminal complaints against the infringer.

### 3. PATENT PORTFOLIO AS AT 28 MAY 2018

Temasek Polytechnic and Agency for Science, Technology and Research are the applicants or owner of the following:

- Patent Family associated with PCT/SG2013/000507 ("Patent Family 1")
- Patent Family associated with PCT/SG2013/000340 ("Patent Family 2")

Temasek Polytechnic and A\*STAR have used the Paris Convention and the PCT described above by filing the patents and patent applications listed in the **attached** an overview for each Patent Family including an ownership diagram and filing diagram (**Appendix A**).

#### 3.1. Patent Family 1 - Method of Forming A Film With a Lenticular Lens Array

This family consists of 2 granted patents in Singapore and Taiwan, and 2 pending patent applications in the United States and China. It cannot be assumed that the pending patent applications (or any applications stemming from them) will proceed to grant.

Dependent on requirements in the different jurisdictions, there may be differing scopes of patent in different jurisdictions. Below is the main patent claim of the PCT patent application.

*"1. A method of forming a film with a lenticular lens array, the method comprising:  
providing a substrate;  
providing a mold having a plurality of nano-scale to micro-scale cavities that form the lenticular lens array on the substrate;  
having the mold contact the substrate; and  
forming the lenticular lens array by allowing portions of the substrate to partially fill the plurality of cavities."*

We are satisfied that all applications were filed within the regulated time limits and in accordance with the formalities requirements. In some circumstances, when applications are filed outside of the regulated time limits and not in accordance with the formalities then this can lead to their invalidity.

First, A\*STAR and Temasek Polytechnic filed the provisional application in Singapore on 29 November 2012.

Subsequently, the PCT Application was filed within 12 months (according to the Paris Convention) on 29 November 2013. We have reviewed the Priority Document Notification which confirms the relationship between the provisional application and the PCT Application.

As discussed above, Taiwan does not form part of the Patent Cooperation Treaty (PCT), so as a result, the Taiwanese application was also filed in accordance with the Paris Convention at the same time as the PCT Application, that is 29 November 2013. We reviewed the Derwent database and confirm the status of the Taiwanese patent (now granted and alive). The status of

the Taiwanese patent was also confirmed directly from the Taiwanese Intellectual Property Office.

The US, Singapore and Chinese applications were filed as national phase applications from the PCT Application. The Singapore application is now granted, and the US and Chinese applications are still pending. These statuses were confirmed directly from the local patent office websites (IP<sup>2</sup>SG, USPTO, and SIPO respectively).

The World Intellectual Property Organisation's (WIPO's) website, patentscope, does not list the Chinese application as a national phase filing. As a result, we reviewed the Derwent database and confirm that indeed the Chinese application was filed as a national phase filing from the PCT Application.

### **3.2. Patent Family 2 - Optical Grating**

This patent family consists of 2 granted patents in China and Singapore, and 3 pending patent applications in the United States, Japan, and Europe.

Dependent on requirements in the different jurisdictions, there may be differing scopes of patent in different jurisdictions. Below is the main patent claim of the US pending application.

*"1. An optical grating comprising:  
a substrate comprising:  
a plurality of protrusions with a space in between any two adjacent protrusions; and  
a cap provided on at least one of the plurality of protrusions at an end that is furthest from the substrate, wherein the cap has a higher degree of optical attenuation compared to the substrate material and wherein the combination of each protrusion and the respective cap thereon has a generally symmetric cross-sectional profile."*

We are satisfied that all patent applications were filed within the regulated time limits and in accordance with the formalities requirements.

First, A\*STAR and Temasek Polytechnic filed the provisional application in Singapore on 10 August 2012.

Subsequently, the PCT Application was filed within 12 months (according to the Paris Convention) on 12 August 2013. We reviewed the Priority Document Notification which confirms the relationship between the provisional application and the PCT Application.

All applications were filed as national phase applications from the PCT Application. The Singapore application is now granted, and the US, Chinese, Japanese and European applications are still pending. Except for Japan, the statuses of these application were

confirmed directly from the local patent office websites (IP<sup>2</sup>SG, USPTO, SIPO and EPO respectively).

The World Intellectual Property Organisation's (WIPO's) website, patentscope, does not list the Chinese application as a national phase filing. As a result, we reviewed the Derwent database and confirm that indeed the Chinese application was filed as a national phase filing from the PCT Application.

#### **4. FURTHER ISSUES**

##### **4.1. Ownership**

###### **i. Patent Family 1**

Typically, a patent for an invention may only be granted to the inventor(s), or to a person who has entitlement to the invention by way of assignment or other means from the inventor(s). We have examined whether there are any issues regarding ownership by or entitlement of and Temasek Polytechnic and A\*STAR with respect to this patent family and we are satisfied that unencumbered ownership and entitlement with respect to the subject matter of this patent family is held by Temasek Polytechnic and A\*STAR. We are also satisfied that Exploit Technologies Ptd Ltd ("ETPL") and Temasek Polytechnic are entitled to license the patents and patent applications in Patent Family 1 to Nanoveu.

The inventors listed on the PCT Application are Been Soon Tan, Chee Fatt Frank Chan, Yun Xu, Bee Khuan Jaslyn Law, Yee Chong Loke, and Hong Yee Low. The inventors executed assignment documents assigning their rights respectively to their employers, Temasek Polytechnic and Agency for Science, Technology and Research (A\*STAR). We have reviewed the assignment documents and confirm that the assignors (the inventors) are indeed entitled to assign the subject matter of Patent Family 1 entitled "*Method of Forming A Film With Lenticular Lens Array*". These assignment documents also cover all patents and applications in the family.

ETPL is the commercialisation arm of A\*STAR. We have reviewed information on ETPL and A\*STAR provided on their website and are satisfied of the existence of this relationship.

We have reviewed the licence agreement executed by ETPL, Temasek Polytechnic and Nanoveu which sets out the relevant patents and patent applications in Part 2 Schedule 1. It includes the patents and patents applications forming Patent Family 1.

It is important to note that there are legal mechanisms by which third parties can bring evidence that they have sole or joint entitlement to an invention and any patent application or patent obtained for that invention. Apart from Temasek Polytechnic and A\*STAR, we are unaware of the existence of any such third party in relation to the patent applications set out in Appendix A.

To the best of our knowledge, to date, there has been no third party challenge to the validity or ownership of the patents/patent applications in Patent Family 1.

## ii. Patent Family 2

Again, we have examined whether there are any issues regarding ownership by or entitlement of Temasek Polytechnic and A\*STAR with respect to the patents and patent applications in Patent Family 2 and we are satisfied that unencumbered ownership and entitlement with respect to the subject of this patent family is held by A\*STAR and Temasek Polytechnic. We are also satisfied that ETPL and Temasek Polytechnic are entitled to license the patents and patent applications in Patent Family 2 to Nanoveu.

The inventors listed on the PCT Application are Been Soon Tan, Chee Fatt Chan, Yun Xu, Bee Khuan Jaslyn Law, and Hong Yee Low. The inventors executed assignment documents assigning their rights respectively to their employers, Temasek Polytechnic and Agency for Science, Technology and Research (A\*STAR). We have reviewed the assignment documents and confirm that the assignors (the inventors) are indeed entitled to assign the subject matter of Patent Family 2 entitled "Optical Grating". These assignment documents also cover all patents and patent applications in the patent family.

As detailed above, we are satisfied that EPTL is the commercialisation arm of A\*STAR.

We have reviewed the licence agreement executed by ETPL, Temasek Polytechnic and Nanoveu which sets out the relevant patents and patent applications in Part 2 Schedule 1 including the patents and patents applications forming Patent Family 2.

It is important to note that there are legal mechanisms by which third parties can bring evidence that they have sole or joint entitlement to an invention and any patent application or patent obtained for that invention. Apart from Temasek Polytechnic and A\*STAR, we are unaware of the existence of any such third party in relation to the patent applications set out in Appendix A.

To the best of our knowledge, to date, there has been no third party challenge to the validity or ownership of the patents/patent applications in Patent Family 2.

## 4.2. Third Party Rights

It is possible that the technology in respect of which the patent applications in the patent families have been filed falls within the scope of, and may thus infringe, a patent of a third party. We have not conducted any searches or taken any further steps to identify any patents which may be infringed by the exploitation of the products referred to in the patents/applications included in this Report.

### **4.3. Enforceability**

Once a patent has been granted, the owner may initiate infringement proceedings against an alleged infringer of the property. Patent infringement proceedings cannot be initiated on the basis of a pending application. Filing an application does not mean that the applicant is free to commercialise the invention, as it is possible that the intellectual property rights or common law rights of another party may be infringed by doing so.

As at 28 May 2018 we are not aware of an application referred to in this report being the subject of any opposition or litigation. We have not, however, conducted an infringement search in order to attempt to identify rights of any other parties.

### **4.4. Validity of Patent Applications**

The ultimate validity of the claims of patent can be guaranteed and can be challenged:

- (a) during examination;
- (b) in opposition proceedings once the application has been examined and found allowable;
- (c) in court during revocation proceedings brought by a third party; or
- (d) during infringement proceedings initiated against an alleged infringer by the patentee.

As not all of the patent rights set out in section 3 are granted i.e. some are still pending patent applications that will undergo examination in due course, it cannot be assumed that these applications (or any applications stemming from them) will proceed to grant or, if grant is achieved, that the claims will remain in their present form. It is possible, for example, that the scope of the claims of the pending patent applications may be restricted during examination of the application. However, for the patents that have granted the claims as granted are now unlikely to be amended unless as a result of third-party action as a result of, for example, infringement litigation.

## **5. LIMITATIONS AND QUALIFICATIONS**

### **5.1. Information sources**

In preparing this Report, in addition to reviewing our internal databases, we relied upon information contained in relevant publicly available databases. Griffith Hack is not responsible for the accuracy of the information available in public databases and accordingly cannot guarantee the accuracy of this information.

### **5.2. Jurisdictional requirements**

Each jurisdiction has its own laws and particular requirements that need to be met for the grant and maintenance of patents. Accordingly, the assessment patentability varies from jurisdiction-to-jurisdiction, and inventions which may be granted and registrable in one jurisdiction may be

excluded from grant and registration in another. Moreover, the different jurisdictional requirements may result in variation of the scope of patent protection obtained for the same patent in different jurisdictions.

The outcome of examination of the patent application by the office of one jurisdiction is not binding on the office of any other jurisdiction. Similarly, international PCT searches and examination reports are not binding on national patent applications during examination in the national phase. Examination of patent applications often occurs at different times in different jurisdictions. This means there is also a risk that a patent may be granted on application in one jurisdiction, and that a third party patent may subsequently be cited during examination of another patent application that has been filed elsewhere.

In some jurisdictions there is a duty to disclose certain information to the relevant patent office. This information can include relevant prior art information known to the applicant or its agents or search results issued in respect of corresponding foreign applications. Failure to disclose such information may adversely affect the validity and/or enforceability of the patent.

We further note that there may be changes to patent law in a particular jurisdiction from time-to-time which may have an impact on patents in the relevant country.

### **5.3. Patentability search limitations**

A patentability search, such as international searches carried out by various patent offices under the PCT procedure, cannot be guaranteed to locate all prior art that may exist which is potentially relevant to the assessment of novelty and inventive step of a claimed invention. Such searches are generally computer-based searches and are dependent on the database search strategy and the coverage provided by the databases used. For example, the databases may not cover older published documents and/or certain jurisdictions. Further, all patentability searches are subject to the accuracy of records, as well as the indexing and classification of the subject matter comprising the records. The scope of each search is also dependent on the search strategy utilised and, for example, the keyword(s) selected for the search. Accordingly, although patentability searches provide a reasonable indication of patentability, it is not possible to guarantee that every relevant prior art record has been located and considered. As a result, any conclusions regarding the validity of the claims of a particular patent based on patent office searches should be regarded as indicative rather than conclusive.

Further, non-provisional patent applications are not normally published until at least 18 months from the earliest acceptable priority date. Accordingly, a patentability search would not normally identify any third party patent application that is potentially relevant to the assessment of patentability that has a priority date which is less than 18 months prior to the date of the patentability search. Delays between official publication and the incorporation of information into the relevant database can also occur, which means that some documents may not be located in a patentability search.

#### **5.4. Patentability of an invention**

Besides documentary prior art, public use of an invention and non-confidential oral disclosures before the priority date of a patent application may also be relevant to the assessment of patentability of invention to which the patent application relates. As patentability searches are conducted on published documents, they would not locate such other forms of prior art disclosures.

Commercialisation or secret use of an invention in a jurisdiction by, or with the authority of, a patent applicant (or their predecessor in title) before the priority date of a patent application that has been filed in the jurisdiction by the applicant in respect of the invention, can also be relevant to the patentability of intervention and the validity of any patents that may ultimately be granted on the application. Such commercial exploitation or secret use would not normally be identified by documentary patentability searches of publicly accessible databases.

#### **5.5. Opposition Proceedings**

Some jurisdictions, such as Australia, allow for accepted patent applications to be opposed by a third party. Others, for example Europe, have post-grant opposition. Successful opposition proceedings may result in some or all of the claims of an application being refused. Successful opposition proceedings to a granted patent may result in some or all of the claims being held invalid or restricted in breadth.

#### **5.6. Entitlement to claimed priority date**

In Australia, for subject matter contained in a non-provisional patent application to be entitled to the priority date established by a corresponding priority patent application or provisional patent application there must be a “real and reasonably clear disclosure” of the subject matter in the priority application. Similar provisions apply in other jurisdictions. Subject matter disclosed in a non-provisional patent application that is not contained in a corresponding priority application is generally only entitled to the filing date of the non-provisional application as a priority date.

#### **5.7. Renewal fees**

Nanoveu recognises that renewal fees must be paid in order to maintain its patents and trade marks. At the time of preparing this report no patents or trade marks have lapsed for the failure to pay renewals.

### **6. Trade Marks**

A trade mark is a way of identifying a unique product or service.

Australian trade mark law is based on common-law use-based rights as well as the Trade Marks Act 1995 (Cth). Use-based rights are less certain than registration, and depend on the mark

having developed a reputation in the region in which a company seeks to enforce its common-law trade mark. Thus, registration provides advantages such as constructive notice and nationwide rights.

Section 17 of the Trade Marks Act defines a trade mark as “a sign used, or intended to be used, to distinguish goods or services dealt with or provided in the course of trade by a person from goods or services so dealt with or provided by any other person”. Accordingly trademarks are not restricted to logos and the like.

The procedure to register a trade mark in Australia is much the same as other countries. A completed application is filed with IP Australia. Examination of the application is undertaken to ensure compliance with formalities and substantive requirements. If an application is accepted, it will be published for opposition purposes for three months, during which time third parties may oppose registration on certain grounds. If there are no oppositions, or any oppositions are overcome, a certificate of registration will be issued.

The term of registration in Australia is 10 years, which may be extended for additional periods of 10 years. Failure to use a registered trade mark for a period of three years or more may expose the registration to cancellation on the grounds of non-use.

We were advised that Nanoveu has 15 registered trade marks. We performed a full search of the WIPO trade mark database, the Australian trade mark database, New Zealand trade mark database, Hong Kong trade mark database and the United States trade mark database for trade marks in the name of “NANOVEU PTE. LTD” and found there were 17 trade marks. However, 2 trade marks have been refused and one has been removed from the register. Therefore, there are 14 registered trade marks in the name of Nanoveu. Full details of the trade marks retrieved through this search are included in Appendix B.

## **7. Qualifications & Independence**

Griffith Hack is a firm of patent and trade mark attorneys and lawyers that provide advice in relation to all aspects of intellectual property. Griffith Hack has extensive experience protecting and defending intellectual property rights and commercialising products and services. Griffith Hack provides a comprehensive intellectual property service through its patent and trade mark attorney practices, law firm, consultancy arm and through its partnership with a major international renewal service.

Griffith Hack has no interest in Nanoveu Limited or Nanoveu, other than fees for professional work done. Griffith Hack has no involvement in the preparation of the Prospectus by Nanoveu Limited, other than the preparation of this Report. Griffith Hack is therefore considered independent of Nanoveu Limited for the purpose of preparing this Report and gives its consent for inclusion of this Report in the Prospectus.



The people responsible for preparing this Report are Tony Mizzi, Principal of Griffith Hack Patent & Trade Mark Attorneys, and Jennifer Wyndham-Wheeler, Associate of Griffith Hack Patent & Trade Mark Attorneys.

Yours sincerely

A handwritten signature in black ink, appearing to be "A. P. Mizzi".

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A handwritten signature in blue ink, appearing to be "Jennifer Wyndham-Wheeler".

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