SHAPING YOUR VISION WITH NANO TECHNOLOGY

Nanoveu Limited

(ACN 624 421 085)

Annual Financial Report

for the year ended 31 December 2023

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Company Directory

Directors

Dr Dave Pevcic
Non Executive Chairman

Mr Alfred Chong
Managing Director

Dr Michael Winlo
Non Executive Director

Mr Steven Apedaile
Non-executive Director

Company Secretary

Ms Naomi Haydari

Share Registry

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NVU

ABN:
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5 Spring Street
Perth WA 6000

Solicitors

Steinepreis Paganin
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16 Milligan Street
Perth WA 6000

Letter from the Chairman

Dear Shareholders,

I am delighted to present to you the Annual Report for 2023, providing an overview of the progress and achievements of Nanoveu.

Innovation Driving Success

In 2023, Nanoveu continued to lead in innovation, with a particular focus on our flagship Nanoshield™ products.

NanoShield™ Solar: Empowering Solar Installations

Nanoshield™ Solar has achieved a significant milestone, demonstrating an impressive average power output boost of 25.4% over untreated solar panels during a three-day observation at Daylily Nursery Farm in Tennessee, USA. This success supports our commercialization efforts in the U.S., presenting a more efficient solution for aging solar installations. Nanoveu's advanced coating technology is well-positioned to enhance the performance and energy output of older solar installations, representing a considerable market opportunity.

Strategic Partnership with One Renewable Energy Enterprise Inc

We are excited to announce our exclusive marketing and distribution agreement with One Renewable Energy Enterprise Inc for NanoShield™ Solar in the Philippines. This partnership aligns with Nanoveu's commitment to sustainable solutions and opens doors to a significant market with a solar project pipeline covering 1,100 MW throughout the Philippines.

Antimicrobial Nano Coating: Addressing Critical Challenges

Our Nanoshield™ product suite expanded to include an antimicrobial coating targeting algae growth on photovoltaic solar panels. This coating addresses issues of biofilm formation, algae growth, dirt, and sand adherence, providing an efficient solution for maintaining solar panels in various climates. It reflects our commitment to developing technology that not only performs exceptionally but also addresses real-world challenges.

Nanoshield™ Antiviral: Advancing Aviation Technology

In collaboration with A*STAR, we successfully developed anti-flammable laminates for the aviation industry, incorporating Nanoshield™ Antiviral technology. The positive evaluation for use in commercial airlines opens new avenues to expand Nanoshield™ treated laminates to additional transportation markets, showcasing the versatility and impact of our technology.

NanoShield™ Marine: Pioneering Solutions for the Marine Industry

Our successful testing of the W-series Solar Coating for marine antifouling applications marks a significant achievement. Preventing the growth of aquatic organisms on submerged surfaces, this coating has demonstrated effectiveness in preventing algae and oxidation on aluminum surfaces in saltwater. Ongoing tests in the U.S. and Singapore will further validate and demonstrate the product's effectiveness in diverse marine environments.

EyeFly3D™: Shaping the Future of 3D Technology

In the realm of entertainment and education, our EyeFly3D™ technology continues to make significant strides. Securing substantial purchase orders from Rahum Nanotech Co. Ltd in South Korea highlights the demand for our glasses-free 3D viewing solution. The partnership with Rahum extends beyond the South Korean market, underscoring the potential growth and market reach for Nanoveu's innovative film technology. Spanning over a 12 years of research and development, Nanoveu has recently made significant improvements to this technology platform.

Looking Ahead

As we reflect on the achievements of the past fiscal year, we are excited about the opportunities that lie ahead. Nanoveu's commitment to innovation, sustainability, and meeting global challenges positions us as a key player in the evolving landscape of technology.

I extend my sincere gratitude to each shareholder for your continued support and trust in Nanoveu. Together, we will continue to drive Nanoveu to new heights of success.

Sincerely,

D Pevcic

Dave Pevcic
Non-executive Chairman

Directors' Report

Your Directors submit the financial report of Nanoveu Limited (the Company or Nanoveu) for the year ended 31 December 2023.

Directors

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

Name, qualifications, independence status and special responsibilities	**Experience**
Dr Dave Pevcic (*BSc,BMedicine,BSugery)* *Independent Non-executive Chairman* Appointed 3rd February 2023	Dr. David Pevcic is a medical doctor and businessman, with a principal focus on the resources and technology sectors. David is a Director of Battery Age Minerals Limited (ASX:BM8), Infini Resources Limited (ASX: I88), and the founding director of several privately owned mineral exploration companies which have executed transactions with both ASX and TSX-listed companies. ASX listed company directorships in the past 3 years: -Battery Age Minerals Limited (2 February 2023 to present) -Infini Resources Limited (15 Janaury 2024 to present)
Mr Alfred Chong (*BSc Comp Science, MBA)* *Managing Director and CEO* Appointed 14 February 2018	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 Master's in Business Administration from the University of San Francisco. Directorships in the past 3 years: None
Mr Steven Apedaile (FCA: MAICD) *Independent Non-executive Director* Appointed 14 May 2018	Steve has worked in the accounting profession for over 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. Steve is the non-executive Chairman of Sprintex Limited(ASX:SIX) 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. ASX listed company directorships in the past 3 years: -Sprintex Limited (16 April 2021 to present)

Directors' Report (continued)

Name, qualifications, independence status and special responsibilities	**Experience**
Dr Michael Winlo (MBBS, MBA*)* *Independent Non-executive Director* Appointed 28th March 2023	Dr. Michael Winlo has extensive experience in leading high-growth teams across the biotech, pharmaceutical and technology sectors, and is currently the Managing Director of Emyria Limited (ASX:EMD). Michael is also a Director and former CEO of Linear Clinical Research, a world-class provider of early and late stage pharmaceutical trials. Prior to this he was the health lead for Palantir Technologies (Silicon Valley), one of the worlds largest big data companies. There, he led deployments for health and government organisations across the US and UK. Directorships in the past 3 years: -Emyria Limited (November 2019 to present) -DaorsaVi Limited (October 2023 to present)
Mr Michael van Uffelen *(B Comm, ACA)* *Executive Director* Appointed 14 February 2018 Resigned 20 June 2023	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. Directorships in the past 3 years: -Tian Poh Resources Limited (31 May 2015 to 31 May 2022) -Anson Resources Limited (18 October 2018 to present)

Directors' Report (continued)

Directors' interests

As at the date of this report, the interests of the Directors in the Company were:

	Number of Fully Paid Ordinary Shares	Number of Performance Rights	Number of 4.0c Unlisted Options Expiring 15 June 2025
Dr Dave Pevcic	2,377,285	3,250,000	961,539
Alfred Chong	43,319,866	8,325,000	96,154
Steven Apedaile	2,000,350	2,155,000	500,000
Dr Michael Winlo	346,154	1,000,000	173,077

Directors' Meetings

The number of meetings of Directors held during the financial period and the number of meetings attended by each Director was as follows:

Name	**Number of meetings eligible to attend**	**Number of meetings attended**
Dr Dave Pevcic	5	5
Alfred Chong	5	5
Steven Apedaile	5	5
Dr Michael Winlo	5	5
Michael van Uffelen	1	1

Company Secretary

The company secretary is Naomi Haydari.

The Company secretary was Michael van UIffelen until 20 June 2023.

Dividends

No dividends have been paid or declared since the start of the financial period and the Directors do not recommend the payment of a dividend in respect of the financial period.

Principal Activities

Nanoveu is a technology company developing a range of products for mobile phones and other digital displays. The Company's wholly-owned, flagship product is its Nanoshield antiviral protection which is available in a variety of mobile phone screen covers, mobile phone cases and as a commercial film capable of being applied to a number of surfaces. The product is a clear plastic containing a layer of charged copper nanoparticles which have antiviral and antimicrobial properties. The product is commercially available and sold in a number of countries via Nanoveu's channel partners. Nanoveu also produces EyeFly3D^{TM}, which converts 2D digital displays into 3D without the need for 3D glasses and is currently available for Apple iPhones and Google Pixel 3 phones with some Android models to be released moving forward.

Operating and financial review

Review of Operations

In 2023, Nanoveu progressed a number of Real-World evaluations of its main self-disinfecting product lines, Nanoshield™ Solar and NanoShield™ Marine to reinforce its sales efforts.

Nanoshield™ is a film embedded with copper nanoparticles, offering antiviral and antimicrobial protection for various surfaces. This technology, vital in today's health-conscious world, was continuously developed

Directors’ Report (continued)

and tested this quarter in diverse environments, ranging from solar farms, airlines, marine vessels and public spaces to ensure its effectiveness and adaptability.

Concurrently, EyeFly3D**™**, a film that allows glasses-free 3D viewing on mobile devices, sought new commerical partners during the reporting period. EyeFly3D**™** enhances the user experience in entertainment and education by making 3D technology more accessible and user-friendly.

These ongoing efforts not only demonstrate Nanoveu's commitment to innovation and practicality but also highlight the company's dedication to meeting the evolving needs of a global market.

Operations Summary

- **NanoShield™ Solar Performance:**
    - Nanoshield™ Solar demonstrated a remarkable average power output boost of 25.4% over untreated solar panels during a three-day observation at Daylily Nursery Farm in Tennessee, USA.
    - The product shows potential for significantly increasing power output efficiency, particularly for aging solar installations.
    - This success supports Nanoveu's commercialization efforts in the U.S
- **Antimicrobial Nano Coating Developed for Solar PV Panels:**
    - Nanoshield™ product suite expanded to include an antimicrobial coating targeting algae growth on photovoltaic solar panels.
    - Addresses issues of biofilm formation, algae growth, dirt, and sand adherence, providing a more efficient solution for maintaining solar panels in various climates.
- **NanoShield™ Solar Distribution Agreement for the Philippines:**
    - Nanoveu entered an exclusive marketing and distribution agreement with One Renewable Energy Enterprise Inc for NanoShield™ Solar in the Philippines.
    - The initial term is 3 years, with sales targets of US$0.75m in the first 12 months and US$13m within the first 24 months.
    - One Renewable is actively involved in innovative sustainable solutions, with a substantial solar project pipeline covering 1,100 MW throughout the Philippines.
- **Nanoshield™ Antiviral:**
    - Successful collaboration with A*STAR to develop anti-flammable laminates for the aviation industry, integrating Nanoshield™ Antiviral technology.
    - The research program passed relevant evaluations for use in commercial airlines, offering opportunities to expand Nanoshield™ treated laminates to additional transportation markets.
- **NanoShield™ Marine:**
    - Successful testing of W-series Solar Coating for marine antifouling applications, preventing the growth of aquatic organisms on submerged surfaces.
    - Preliminary tests demonstrated effectiveness in preventing algae and oxidation on aluminum surfaces in saltwater.
    - Ongoing testing in the U.S. and Singapore to further validate and demonstrate the effectiveness of NanoShield™ Marine coating.

Directors' Report (continued)

- **EyeFly3D™:**
    - Secured significant purchase orders from Rahum Nanotech Co. Ltd in South Korea, totaling USD$223,000. USD$7,000 was received during 2023 and the remaining balance is due to be received in the first half of FY2024.
    - Focus on developing and enhancing EyeFly3D™ technology for the latest smartphones, enabling glasses-free 3D viewing on OLED-based smartphones.
    - Partnership with Rahum includes funding for a unique patentable mould, extending beyond the South Korean market, highlighting potential growth and market reach for Nanoveu's innovative film technology.

Corporate

- Nanoveu completed a $1.25 Million Equity Placement supported by existing, new institutional and sophisticated investors in May 2023.
- The board was strengthened with the appointment of Dr David Pevcic and Dr Michael Winlo and Non-Executive Chairman and Non-Executive Director, respectively

NanoShield™ Solar

NanoShield™ Solar Performance

The Company achieved a significant milestone by demonstrating the efficacy of its Nanoshield ™ Solar product to increase power output of solar panels. Over a three-day observation period at Daylily Nursery Farm in Tennessee, USA, Nanoshield™ Solar showed an impressive average power output boost of 25.4% compared to untreated solar panels. These results demonstrate the product's potential to significantly increase power output efficiency, especially for aging installations.

This successful demonstration supports Nanoveu's commercialisation efforts in the U.S., starting with the Southeast solar markets. With approximately 23GW of U.S. solar installations nearing the 15-year old mark in the next five years, significant maintenance or upgrades will become necessary. The conventional approach of replacing old panels and wiring is both time-consuming and costly. Nanoveu's advanced, easy-to-apply coating technology presents a more efficient solution, enhancing the performance and energy output of these older installations and representing a considerable market opportunity.

NanoShield™ Solar enters US market with first trial installation

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

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

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

Directors’ Report (continued)

NanoShield^{TM} Solar Distribution Agreement for the Philippines

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

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

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

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

Antimicrobial Nano Coating Developed for Solar PV Panels

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

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

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

Nanoshield^{TM} Antiviral

Aircraft Laminates to Incorporate Nanoshield^{TM} Technology

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

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

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

Directors’ Report (continued)

Nanoshield™ Marine

NanoShield™ W Series Successfully Tested for Marine Antifouling Applications

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

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

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

Nanoshield continued testing and data collection of its Nanoshield-Marine coating in U.S. and Singapore to further validate and demonstrate the effectiveness of the product in preventing marine and algae growth.

Among many specimens and samples tested, Nanoveu was asked to test the product on a micro hydroelectric wheel blade used by HeliosAltas Corporation, a U.S. company, and supplied by Hunting Oil manufacturing company in Singapore. The micro hydro wheels are in constant contact with water and are inundated with algae and lichen growth if left untreated. The test results were resoundingly good and has validated Nanoshield-marine as an economical product for this application.

EyeFly3D™

The Company secured two significant purchase orders from Rahum Nanotech Co. Ltd, based in South Korea, totalling US$223,000 (AUD $350,110)[1] and centred around the development and enhancement of Nanoveu’s EyeFly3D™ technology for the latest range of smartphones. The project is expected to enable glasses-free 3D viewing on OLED-based smartphones. Furthermore, Nanoveu is set to develop specialised software applications to optimise the use of the EyeFly3D™ film for displaying Rahum’s visual content in 3D.

Rahum will fund Nanoveu to produce a unique patentable mould, so that the EyeFly3D™ _film can work across multiple smartphone models. The EyeFly3D™ _film provides unprecedented 3D separation without the common visual aberration (_“ghosting”)_ _seen in lenticular structures. Utilising a new technique developed by Nanoveu, the mould will cater to all OLED structures for both iPhone, Samsung and other, large format models.

The partnership with Rahum is expected to extend beyond the South Korean market, underscoring the potential growth and market reach for Nanoveu’s innovative film technology as well as the Company’s strategic alignment with current tech trends and consumer preferences.

Corporate

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

The Company completed a placement in May 2023 of 48,076,923 fully paid ordinary shares at $0.026 per share to sophisticated investors to raise $1.25 million together with one free attaching unquoted option (exercisable at $0.04 on or before 2 years from date of issue) for every two Shares issued and that Directors had subscribed for an additional $100,000 on the same terms.

RBA AU$1 : US$1 .57 1/11/2023 ASX Announcement 6 November 2023

Directors' Report (continued)

Company Seeking Court Orders to Recommence Trading

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

On 19 March 2024, the Company obtained orders from the Supreme Court rectifying breaches of the Corporations Act in relation to failures to lodge:

(a) cleansing notices in strict compliance with the requirements of sections 708A(5)(e) of the Corporations Act in connection with certain shares issues specified in that announcement; and

(b) its 30 June 2023 half year financial report, director's report and auditors report by the date required in section 320(1) of the Corporations Act (being, 13 September 2023).

On 22 March 2024, the Company announced that its securities would remain suspended from quotation until it had resolved its discussions with the ASX regarding its financial position.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Company to the date of this report, not otherwise disclosed in this report.

Review of financial condition

The Group reported a loss before tax from continuing operations of $2,159,908 (2022: $2,707,301) for the year ended 31 December 2023, a decrease of 20% from the prior year.

Liquidity and capital resources

The Group had $73,069 (2022: $248,142) cash at bank at 31 December 2023.

The consolidated cash flow statement illustrates that there was a decrease in cash and cash equivalents in the year ended 31 December 2023 of $175,073 (2022: $1,765,233) inclusive of cash used in operating activities of $2,005,961 (2022: $1,907,352).

Nanoveu Limited completed an equity placement in January 2024 whereby 35,294,117 Shares were issued at an issue price of $0.017per share to raise $600,000. This also included 35,294,117 free attaching options (exercisable at $0.025 expring 36 months) from the issue date for every 1 Placement Share issued.

Furthermore, the Directors have received assurance from a substantial shareholder of financial support should the Group deem it necessary. The Directors would consider a variety of funding options on the basis of obtaining funding on the best terms for the Group having regard to the timing of expected sales revenues.

Directors' Report (continued)

Business Risk

With months of business development and execution, the Company's focus in two products – the EyeFly3D product and the Nanoshield Solar product has seen some breakthrough.

EyeFly3D

The EyeFly3D product is the Company's first flagship product which has secured renewed interest with the introduction of new Augmented Reality and new advances in nano technology, solving some of the inherent visual problems from earlier generation products. The product has gained traction in South Korea and China while rolling out the technology to the rest of the world will take time and resources. However, for the rest of the world rollout, there is no certainty that the market will accept these products, nor the amount of time needed for thebworldwide roll out. In the meantime, we expect the demand in these two markets to generate revenue and profits for the Company.

The EyeFly3D product consists of two components: the hardware and the software. The technology for the hardware product can be replicated. However, pairing up software to any replicated hardware is not trivial. The Company has complete ownership of its proprietary software.

With any new product innovation, the life cycle for product acceptance has a finite shelf life. With the renewed interest of the Apple Vision Pro Headset products, the Company believes that the cycle for this product category has been renewed.

Nanoshield Solar

1. The products may not meet some customers' expectations until further maturation and refinements.
    a. Nanoveu's solar coatings and products are new and unprecedented and have minimal commercial performance history. We test these products internally and with some industry partners before releasing them into the commercial market, but their full efficacy and effective life are uncertain and may vary for different applications and geographical regions. For example, our coatings may behave differently in subtropical regions compared to arid desert environment which impacts the application process, curing time, finish quality and longevity of the coating. As we gather more data on different applications and address specific issues by reformulation and tweaking of the material, this risk should decrease.
2. Some industrial customers may be hesitant to apply our coatings on new panels due to panel manufacturers' warranty restrictions.
    a. We are working with OEMs to receive approval for our products as safe and intrusive for new panels.
    b. Panels which are 3-5 years old and no longer under OEM's warranty make up most of our addressable market today.
3. Obsolescence

Solar coatings and glass treatments are bound to become a major sub-market in the solar industry as the existing installations age and their output decline and the cost of their maintenance and upkeep increase. This will inevitably invite new players and apply pressure on our offerings. We plan to mitigate this risk by aggressive R&D and building on our existing products and experience as one of the first movers in this market

The Company is also raising capital to support its growth initiative. There is no certainty that this will be done as it is subject to market forces.

Directors' Report (continued)

Business strategies and prospects for future financial years

The Company is deploying its anti-viral protection product for digital screen and flat surfaces via distributors. With distributors engaged in Australia, Malaysia, Singapore, Thailand and the United Kingdom, the Company is actively seeking to expand its distribution network while pursuing sales directly with customers with a global presence and retail customer base.

Development of the EyeFyx vision correction product for digital displays is targeted to progress to product development following which products are intended to be brought to market and distributed via the distribution channels currently being built for the ant-viral protection product, as supplemented by additional distributors.

Additionally, the Company is seeking to deploy vending machines to enable its screens to be installed on mobile phones in a non-touch, clean environment.

Significant events after reporting date

Equity Placement

Nanoveu Limited completed an equity placement in January 2024 whereby 35,294,117 Shares were issued at an issue price of $0.017per share to raise $600,000. This also included 35,294,117 free attaching options (exercisable at $0.025 expring 36 months) from the issue date for every 1 Placement Share issued.

Funds raised under the Placement have been used as follows:
(a) Commercialisation of Solar
(b) Anti microbial
(c) EyeFly 3d Films
(d) Working Capital

Loan Repayment

In conjunction with the Placement in January 2024, Nanoveu repaid an existing unsecured and interest free loan of $150,000 with Sixty Two via the issue Placement Shares and Placement Options on the same terms as the Placement. The Company issued 8,823,529 Placement Shares and 8,823,529 Placement Options.

Other than the matters referred to above, there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the result s of those operations, or the state of affairs of the Group in the future.

Directors' Report

Likely developments and expected results of operations

The Company expects to continue commercialisation of its anti-viral protection product for digital screens and flat surfaces, and complete the first stage of development of EyeFyx, it's vision correction product for digital displays.

Environmental legislation

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

Share options, performance rights and performance options

(a) Share options

Options issued and exercised:

During 2023, the following options were issued on as part of a capital raising (see Note 15 for further details):

Issue Date	Expiry Date	Exercise Price	Number Issued	Number Exercised	Number Remaining at 31 December 2023
27 Jan 2023	27 Jan 2026	2.0 cents	50,000,000	-	50,000,000
30 Jan 2023	27 Jan 2026	2.0 cents	3,000,000	-	3,000,000
20 June 2023	15 June 2025	4.0 cents	25,961,546	-	25,961,546

Options on issue:

Unissued ordinary shares of the Company under option:

Terms of Options	Number on Issue at 31 Dec 2023	Number on Issue at 31 Dec 2022
Unlisted options with an exercise price of $0.058 on or before 1 Feb 2024	15,000,000	15,000,000
Unlisted options with an exercise price of $0.020 on or before 27 Jan 2026	53,000,000	-
Unlisted options with an exercise price of $0.040 on or before 15 June 2025	25,961,546	-
Total	93,961,546	15,000,000

Expired options:

During 2023, the following options expired unexercised:

Terms of Options	Number
Unlisted options with an exercise price of $0.058 on or before 6 September 2023	1,000,000
Unlisted options with an exercise price of $0.058 on or before 5 October 2023	5,902,855
Unlisted options with an exercise price of $0.1018 on or before 28 October 2023	3,900,000
Total	10,802,855

(b) Performance rights

Performance rights issued:

30,687,950 Performance Rights were granted to directors, employees and consultants during the full year ended 31 December 2023 with all Performance Rights being approved at the Company's AGM on 31 May 2023.

This comprised of 1,050,000 issued to Juliana Stothard (being a related party of Alfred Chong), 11,125,000 to current Directors, 3,425,000 to Aria van Uffelen (related party of Michael van Uffelen resigned Director), 6,587,950 to employees and 8,500,000 to a third party consultant. The vesting of the Performance Rights is subject to the achievement of the following hurdles:

Tranche	Performance Hurdle	Number	Assumed Probability of achievement	Assumed Achievement Date
Q	The Company achieving A$3,500,000 of total consolidated sales revenue from all its products (Products) by 31 December 2023, as validated from the Company's audited or audit	13,593,975	0%	31 December 2023
R	The Company achieving A$7,000,000 of total consolidated sales revenue from all its products (Products) by 31 December 2024, as validated from the Company's audited or audit reviewed financial reports	13,593,975	100%	31 December 2024
S	Successful submission of a patent by Nanoveu to PCT level by 31 December 2023	1,000,000	100%	31 December 2023
T	Successful submission of a second patent by Nanoveu to PCT level by 31 December 2023	1,000,000	0%	31 December 2023
U	Successful submission of a third patent by Nanoveu to PCT level by 31 December 2023	1,500,000	0%	31 December 2023
Total		30,687,950		

The shares to be issued in the event of vesting of the Performance Rights shall rank pari-passu in all respects with other fully paid ordinary shares in the Company.

Any unvested Performance Rights will lapse 7 years after their date of issue or if the respective performance hurdle is not achieved by the date specified, where applicable.

Performance rights vested but not converted:

During the 2023 year, Tranche S performance rights have vested but not been converted to fully paid ordinary Shares. Tranche D vested in 2021 and Tranche E 2019 vested in but not been converted to fully paid ordinary Shares:

Tranche	Performance Rights Hurdle	Number Vested, Not Converted
D	Completion of production of the first three Android models of at least 100,000 units	210,000
E	12 months from completion of gaming software development kit or launch of first five 3D games introduced to market	420,000
S	Successful submission of a patent by Nanoveu to PCT level by 31 December 2023	1,000,000
Total		1,630,000

Performance rights vested and were converted:

During the 2023 year, the following performance rights have vested and been converted to fully paid ordinary shares:

Tranche	Performance Rights Hurdle	Number Vested, Not Converted
NIL	NIL	-
Total		-

Performance rights forfeited:

The following performance rights were forfeited due to either the holder no longer being employed by the Company or the hurdle not being achieved:

Tranche	Performance Rights Hurdle	Number Forfeited
C	Completion of iPhone Series X production of at least 100,000 units	62,500
F	Securing distribution in China with sales of at least 100,000 units	210,000
K	A$8m of sales revenue across all by 31 December 2022 as validated from audited / reviewed financial reports	2,635,000
L	A$15m of sales revenue across all by 31 December 2023 as validated from audited / reviewed financial reports	2,210,000
O	A$2.7m of EyeFyx product sales revenue by 31 December 2022 as validated from audited / reviewed financial reports	250,000
P	A$5m of EyeFyx product sales revenue by 31 December 2023 as validated from audited / reviewed financial reports	250,000
Q	The Company achieving A$3,500,000 of total consolidated sales revenue from all its products (Products) by 31 December 2023, as validated from the Company's audited or audit	13,593,975
R	The Company achieving A$7,000,000 of total consolidated sales revenue from all its products (Products) by 31 December 2024, as validated from the Company's audited or audit reviewed financial reports	1,712,500
T	Successful submission of a second patent by Nanoveu to PCT level by 31 December 2023	1,000,000
U	Successful submission of a third patent by Nanoveu to PCT level by 31 December 2023	1,500,000
Total		23,423,975

Performance rights on issue:

The following performance rights were on issue:

Tranche	Performance Rights Hurdle	Number on Issue at 31 Dec 2023
C	Completion of iPhone Series X production of at least 100,000 units	147,500
D	Completion of production of the first three Android models of at least 100,000 units	210,000
E	12 months from the completion of gaming software development kit or launch of first five 3D games introduced to market	420,000
F	Securing distribution in China with sales of at least 100,000 units	400,000
R	The Company achieving A$7,000,000 of total consolidated sales revenue from all its products (Products) by 31 December 2024, as validated from the Company's audited or audit reviewed financial reports	11,881,475
Total		13,058,975

(c) Performance options

Nil

Indemnification and insurance of Directors and Officers

The Company has agreed to indemnify all the directors and executive officers against all liabilities to another person (other than the Company or related body corporate) that may arise from their position as officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company has also agreed to indemnify the current Directors of its controlled entities for all liabilities to another person (other than the Company or related body corporate) that may arise from their position, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

Auditor Independence and Non-Audit Services

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' Report.

Non-Audit Services

There were no non-audit services provided during the 2023 year and the directors are of the opinion that the services as disclosed in Note 21 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001.

Proceedings on Behalf of the Company

There are no proceedings on behalf of the Company under section 237 of the Corporations Act 2001 in the financial period or at the date of this report.

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

As lead auditor of Nanoveu Limited for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

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

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

Jackson Wheeler

Director

BDO Audit (WA) Pty Ltd

Perth

3 April 2024

Directors' Report - Remuneration Report (audited)

This remuneration report for the financial year ended 31 December 2023 outlines remuneration arrangements of the Company in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the parent company, and including the executives receiving the highest remuneration.

For the purposes of this report, the term "executive" includes the Chief Executive Officer (CEO), executive directors and senior management and the term "director" refers to non-executive directors only.

Individual key management personnel disclosures

Details of KMPs of the Company are set out below:

Key management personnel

Directors

Dr Dave Pevcic	Non-Exceutive Chairman, appointed 3 Februry 2023
Mr Alfred Chong	Managing Director and CEO, appointed 14 February 2018
Mr Steven Apedaile	Non-Executive Director, appointed 14 May 2018
Dr Michael Winlo	Non-Executive Director, appointed 28 March 2023
Mr Michael van Uffelen	Executive Director, CFO and Company Secretary, appointed 14 February 2018, resigned 20 June 2023

The Remuneration Report is set out under the following main headings:

A. Principles used to determine the nature and amount of remuneration

B. Details of remuneration

C. Service agreements

D. Share-based compensation

E. Option holdings of key management personnel

F. Performance Rights holdings of key management personnel

G. Share holdings of key management personnel

H. Other transactions and balances with key management personnel

A. Principles used to determine the nature and amount of remuneration

Remuneration philosophy

The performance of the Group depends upon the quality of its directors and executives. To prosper, the Group must attract, motivate and retain highly skilled directors and executives.

To this end, the Group embodies the following principles in its compensation framework:

- Provide competitive rewards to attract high calibre executives;
- Link executive rewards to shareholder value; and
- Establish appropriate, demanding performance hurdles in relation to variable executive compensation

Remuneration consists of fixed remuneration and variable remuneration.

Directors' Report - Remuneration Report (audited) (continued)

Fixed Remuneration

Fixed remuneration is reviewed annually by the Board of Directors. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices.

Variable Remuneration

The Group currently has a discretionary variable component to the remuneration of the board and management and intends to introduce a structured variable remuneration plan in the near future.

Remuneration Reviews

The Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the directors, the Managing Director and all other key management personnel.

The Board of Directors assesses the appropriateness of the nature and amount of compensation of key management personnel on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality board and executive team.

Remuneration structure

In accordance with best practice Corporate Governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-executive Director Remuneration

The Board seeks to set aggregate remuneration at a level that provides the Group with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The Constitution specifies that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external shareholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Non-executive directors receive a fee for being a director of the Company. The compensation of non-executive directors for the year ended 31 December 2023 is detailed below.

The total maximum remuneration of non-executive directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, and the Corporations Act, 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 of each non-executive Director. This 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 and non-cash performance incentive such as options and performance rights, subject to necessary shareholder approval, 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 reimbursed reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as directors.

Director Remuneration

Remuneration of each director has been set at $48,000 per annum plus superannuation of 11% which commenced being paid from admission to the Official List of the Australian Securities exchange. In addition, directors were offered performance rights for their services without cash remuneration prior to admission to the Official List of the Australian Securities exchange.

Remuneration for executive roles are separate and in addition to remuneration as a director. Accordingly, executive directors have a director contract and a separate contract for their executive services.

Directors’ Report - Remuneration Report (audited) (continued)

Senior Manager and Executive Director remuneration

Objective

The entity aims to reward executives with a level and mix of compensation commensurate with their position and responsibilities within the entity so as to:

- reward executives for company, business unit and individual performance against targets set to appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link rewards with the strategic goals and performance of the Company; and
- ensure total compensation is competitive by market standards.

Compensation consists of the following key elements:

- Fixed Compensation; and
- Variable Compensation.

The proportion of fixed compensation and variable compensation (potential short term and long term incentives) is established for each key management person by the Directors.

Fixed Compensation

Objective

Fixed compensation is reviewed annually by the Directors. The process consists of a review of individual performance, relevant comparative compensation in the market and internally and, where appropriate, external advice on policies and practices. This review is based on a calendar year cycle and is typically performed in December / January.

Structure

Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans.

Variable Compensation

Objective

The objective of the Variable Compensation is to reward executives in a manner that aligns this element of compensation with the creation of shareholder wealth.

Structure

The Group currently has a discretionary variable component to the remuneration of the board and management and intends to introduce a structured variable remuneration plan in the near future.

Use of remuneration consultants

The Group did not use the services of remuneration consultants.

Objective of the remuneration committee

The Group did not have a remuneration committee during the period.

Overview of Group performance

	2023	**2022**	**2021**	**2020**	**2019**
Net loss	($2,159,908)	$(2,707,301	$(2,320,618)	$(1,762,016)	$(3,373,018)
Share price at year end	0.23 cents	0.9 cents	3.2 cents	6.5 cents	5.2 cents
Basic EPS (loss)	(0.6) cents	(1.2) cents	(1.2) cents	(1.3) cents	(2.5) cents

The Group currently has a discretionary variable component to the remuneration of the board and management and intends to introduce a structured variable remuneration plan in the near future.

Directors’ Report - Remuneration Report (audited) (continued)

B. Details of remuneration

Year ended 31 December 2023

Directors	Salary, fees & commissions	Bonus	Non-monetary benefits (v)	Post employ-ment benefits	Share-based payments (vi)	Total	Portion of Remuneration Perform-ance Related
Executive							
Mr Alfred Chong	242,803	-	5,459	9,051	23,588	280,902	9%
Mr Michael van Uffelen (i)	95,640	-	2,315	2,520	-	100,475	0%
Non-executive							
Dr Dave Pevcic (ii)	44,000		4,481	-	15,566	64,047	26%
Mr Steven Apedaile (iii)	48,620	-	4,941	-	9,579	63,140	16%
Dr Michael Winlo (iv)	29,000	-	3,763	3,125	9,579	45,647	23%
Total Directors	**460,063**	**-**	**20,959**	**14,696**	**58,312**	**553,512**	**11%**
Other KMPs							
Nil	-	-	-	-	-	-	-
Total Other KMPs	-	-	-	-	-	-	-
Total KMPs	**460,063**	**-**	**20,959**	**14,696**	**58,312**	**554,030**	**11%**

Compensation is stated on an accruals basis.

(i) Includes remuneration via Black Tourmaline Consulting, a business in which he holds a beneficial interest. Resigned 20 June 2023.

(ii) Includes remuneration via DDPevcic (WA) Pty Ltd, a business in which he holds a beneficial interest. Commenced 3 February 2023.

(iii) Includes remuneration via Apedaile Nominees Pty Ltd, a business in which he holds a benefical interest.

(iv) Commenced 28 March 2023.

(v) Non monetary benefits. Comprises of directors and officers insurance & Medical Insurance for Alfred Chong only.

(vi) Share based payments comprise the amortisation of the measured cost of performance rights issued at grant date. This grant date cost is based on the price of the Company’s shares which is amortised to the estimated date of the hurdle being achieved based on an assessment of the probability of achievement of the hurdles specified in the performance rights. The ultimate benefit received by the participant may be materially different to this calculated value, and may be received at a significantly different time to the date presented in this table.

Directors' Report - Remuneration Report (audited) (continued)

Year ended 31 December 2022

Directors	Salary, fees & commissions	Bonus	Non-monetary benefits (iv)	Post employ-ment benefits	Share-based payments (v)	Total	Portion of Remuneration Perform-ance Related
Executive							
Mr Alfred Chong	184,380	-	9,365	11,880	(20,703)	188,792	-
Mr Michael van Uffelen (i)	146,567	-	7,040	3,870	(20,703)	136,774	-
Non-executive							
Mr Scott Beeton (ii)	29,600	-	1,524	2,960	-	34,084	-
Mr Steven Apedaile (iii)	40,800	-	2,100	4,080	(2,070)	44,910	-
Mr David Nicol (vi)	8,000	-	412	800	(2,070)	7,142	-
Total Directors	**409,347**	**-**	**20,441**	**27,460**	**(45,546)**	**411,703**	**--**
Other KMPs							
Nil	-	-	-	-	-	-	-
Total Other KMPs	-	-	-	-	-	-	-
Total KMPs	**409,347**	**-**	**20,441**	**27,460**	**(45,546)**	**411,702**	**-**

Compensation is stated on an accruals basis.

(i) Includes remuneration via Black Tourmaline Consulting, a business in which he holds a beneficial interest.

(ii) Includes remuneration via Springboard Financial Group Pty Ltd, a business in which he holds a beneficial interest.

(iii) Includes remuneration via Apedaile Nominees Pty Ltd, a business in which he holds a benefical interest.

(iv) Comprises of directors and officers insurance.

(v)Share based payments comprise the amortisation of the measured cost of performance rights issued at grant date. This grant date cost is based on the price of the Company's shares which is amortised to the estimated date of the hurdle being achieved based on an assessment of the probability of achievement of the hurdles specified in the performance rights. The ultimate benefit received by the participant may be materially different to this calculated value, and may be received at a significantly different time to the date presented in this table. The negative value represents the reversal of higher amortisation in prior periods following a reassessment of the probability of performance rights vesting.

(vi) Retired 2 March 2022

Directors’ Report - Remuneration Report (audited) (continued)

C. Service agreements

Agreements with Executives

Alfred Chong – Director and Chief Executive Officer

The Company 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 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 S$150,000 per annum plus the Singaporean Central Provident Fund contribution and a travel allowance of S$12,000 per annum.

During 2023 Mr Chong’s salary increased to S$162,500 per annum due to a cost of living increase. There was also a increase to the travel allowance to S$14,880 per annum.

The standard current prevailing Singapore Central Provident Fund (CPF) rate as set out by the Singapore Central Provident Fund (CPF) also applied.

(c) Incentive Programs: In addition to the Performance Rights he will receive on completion of the Offer, Mr Chong may participate in any incentive plan that the Company may introduce from time to time.

(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 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.

Michael van Uffelen – Director, CFO and Company Secretary

The Company 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, which was amended to $9,500 per month during the 2023 year, plus GST.

(c) Incentive Programs: Black Tourmaline Consulting may participate in any incentive plan that the Company may introduce from time to time.

(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.

Directors' Report - Remuneration Report (audited) (continued)

Agreements with all directors

The Company has entered into agreements with all directors. The material terms of the agreement are as follows:

(a) Director's fees: director's fees at the rate of $48,000 per annum plus superannuation together with reimbursement for out of pocket expenses incurred as a result of engagement as a director.

(b) Termination: Non-Executive Directors may retire at any time and are subject to re-election at the annual general meeting of shareholders in accordance with the Company's policy of at least one third of the Non-Executive Directors being nominated for re-election each year based on the Company's rotation schedule.

D. Share-based compensation

Compensation shares, options and performance rights granted to key management personnel

Key management personnel did receive share-based compensation during the year. Note 7.

Performance rights of key management personnel

The table below shows the number of Performance Rights granted, converted and forfeited during the year.

	Balance at start of year	Granted as remuneration	Converted (i)	Forfeited (ii)	Balance at end of year
Directors					
Dr Dave Pevcic	-	3,250,000	-	(1,625,000)	1,625,000
Mr Alfred Chong	700,000	3,875,000	-	(1,937,500)	2,637,500
Mr Steven Apredaile	155,000	2,000,000	-	(1,125,000)	1,030,000
Dr Michael Winlo	-	2,000,000	-	(1,000,000)	1,000,000
Mr Michael van Uffelen	175,500	3,425,000	-	(3,425,000)	175,500
Total Directors	**1,030,500**	**14,550,000**	**-**	**(9,112,500)**	**6,468,000**

(i) No performance hurdles for any of the Performance Rights were achieved during the year.

(ii) The following tranches were forfeited during the year as the hurdles were not achieved:

a. Tranche K: A$8m of sales revenue across all by 31 December 2022 as validated from audited / reviewed financial reports; and

b. Tranche L: A$15m of sales revenue across all by 31 December 2023 as validated from audited / reviewed financial reports;

c. Tanche Q: The Company achieving A$3,500,000 of total consolidated sales revenue from all its products (Products) by 31 December 2023, as validated from the Company's audited or audit;

d. Tranche T: Successful submission of a second patent by Nanoveu to PCT level by 31 December 2023

e. Tranche U: Successful submission of a third patent by Nanoveu to PCT level by 31 December 2023

Directors' Report - Remuneration Report (audited) (continued)

The vesting of Performance Rights is subject to the following performance hurdles:

Tranche	Performance Hurdle	Dave Pevcic	Alfred Chong	Steven Apedaile	Michael Winlo	Michael van Ufflen
C	Completion of iPhone Series X production of at least 100,000 units	-	100,000	7,500	-	-
D	Completion of production of the first three Android models of at least 100,000 units	-	100,000	7,500	-	58,500
E	Remaining employed/engaged by the Company in June 2021 (this hurdle has been achieved, but the shares are yet to be issued)	-	200,000	15,000	-	117,000
F	Securing distribution in China with sales of at least 100,000 units	-	300,000	-	-	-
R	The Company achieving A$7,000,000 of total consolidated sales revenue from all its products (Products) by 31 December 2024, as validated from the Company's audited or audit reviewed financial reports	1,625,000	1,937,500	1,000,000	1,000,000	-
Total		**1,625,000**	**2,637,500**	**1,030,000**	**1,000,000**	**175,500**

The shares to be issued in the event of vesting of the Performance Rights shall rank pari-passu in all respects with other fully paid ordinary shares in the Company.

Key management personnel did receive share-based compensation during the year.

Refer to Note 7 for the valuation methods used for share-based consideration.

Valuation of share based payments issued to KMP's in 2023 has been included in the remuneration report.

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

Value of each Incentive Performance Right is $0.0260.

Directors' Report - Remuneration Report (audited) (continued)

E. Option holdings of key management personnel

Options issued on a 1 Option for every 2 shares issued in Placement completed in June 2023.

	Balance at start of the financial period	Granted as remuneration	Acquired Placement	Exercised	Expired	Net change other	Balance at the end of financial period / ceasing service
Directors							
Dr Dave Pevcic	-	-	961,539	-	-	961,538	961,538
Mr Alfred Chong	250,000	-	96,154	-	(250,000)	(153,846)	96,154
Mr Steven Apedaile	100,035	-	500,000	-	(100,035)	399,965	500,000
Dr Michael Winlo	-	-	173,077	-	-	173,077	173,077
Mr Michael van Uffelen	77,063	-	192,308	-	(77,063)	115,245	192,308
Total Directors	**427,098**	**-**	**1,923,078**	**-**	**(427,098)**	**1,495,980**	**1,923,078**

F. Share holdings of key management personnel

<u>31 December 2023</u>	Balance at start of the period	On conversion of performance rights	Acquisitions Placement June 2023	Acquisitions Market 2023	Disposals	*Balance at the endof period / date of ceasing to be a KMP*
Directors						
Dr Dave Pevcic	200,000	-	1,923,077	254,208	-	2,377,285
Mr Alfred Chong	43,127,558	-	192,308		-	43,319,866
Mr Seven Apedaile	1,000,350	-	1,000,000		-	2,000,350
Dr Michael Winlo	-	-	346,154		-	346,154
Michael van Uffelen	770,625	-	384,615		-	1,155,240
Total Directors	**45,098,533**	**-**	**3,846,154**	**254,208**	**-**	**49,198,895**

All acquisitions were purchased as part of a Placement completed in June 2023.

G. Other transactions and balances with Key Management Personnel

Apart from the above item and reimbursements for expenses paid on behalf of the Company, director and fees paid directly or indirectly to director related entities, there were no transactions or balances with KMP during the years ended 31 December 2023 and 2022.

H. Voting and comments made at the Company's Annual General Meeting

At the Annual General Meeting held on 31 May 2023, 98.4% of votes cast were in favour of the adoption of the Company's remuneration report for the 2022 financial year. The Company did not receive any comments at the Annual General Meeting on its remuneration report.

END OF THE AUDITED REMUNERATION REPORT

Directors' Report - Remuneration Report (audited) (continued)

Signed in accordance with a resolution of the Directors:

Alfred Chong
Managing Director and CEO
3 April 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 $	2022 $
Revenue from contracts with customers	6	102,537	159,512
Revenue		**102,537**	**159,512**
Cost of sale of goods	11	(77,271)	(87,177)
Gross profit (loss)		**25,266**	**72,335**
Other operating income	6	27,583	23,043
Selling and distribution expenses	6	(423,162)	(1,134,651)
Administration expenses	6	(1,608,131)	(1,503,852)
Research costs	6	(17,717)	(9,156)
Share based payment expense	7	(149,098)	100,992
Impairment	6	-	(46,683)
Operating profit (loss)		**(2,145,259)**	**(2,497,972)**
Finance income	6	-	1,136
Finance costs		(14,649)	(176,296)
(Loss) before income tax		**(2,159,908)**	**(2,673,132)**
Income tax expense	8	-	-
(Loss) for the year		**(2,159,908)**	**(2,673,132)**
Other comprehensive income / (loss)			
Items that may be reclassified to profit or loss:			
- Foreign currency differences on translation of foreign operations		(54,315)	(54,309)
		(54,315)	(54,309)
Total comprehensive (loss) for the year		**(2,214,223)**	**(2,618,823)**
Loss per share – basic and diluted attributable to the members of Nanoveu Limited	5	(0.6)	(1.2)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	2023 $	2022 $
CURRENT ASSETS			
Cash and cash equivalents	9	73,069	248,142
Other receivables	10	270,899	125,574
Inventories	11	-	-
Total Current Assets		**343,968**	**373,716**
NON-CURRENT ASSETS			
Plant and equipment		76,207	62,598
Intangible Assets		20,715	-
Right of use asset	12	72,105	-
Total Non-current Assets		**169,027**	**62,598**
TOTAL ASSETS		**512,995**	**436,314**
CURRENT LIABILITIES			
Trade and other payables	13	384,213	257,860
Lease liability	12	69,327	-
Financial liability	14	-	300,000
Provisions		12,930	12,930
Loan		150,000	-
Total Current Liabilities		**616,470**	**570,790**
NON-CURRENT LIABILITIES			
Lease liability		5,935	**-**
Total Non-Current Liabilities		**5,935**	**-**
TOTAL LIABILITIES		**622,405**	**570,790**
NET ASSETS		**(109,410)**	**(134,476)**
EQUITY			
Issued capital	15	19,718,575	17,737,687
Accumulated losses		(18,559,346)	(16,942,483)
Reserves		(1,268,639)	(929,680)
TOTAL EQUITY		**(109,410)**	**(134,476)**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 $	2022 $
Cash flows from Operating Activities			
Receipts from customers		125,256	159,512
Government grant received		-	23,043
Payments to suppliers and employees		(2,136,077)	(2,091,043)
Interest received		4,860	1,136
Net cash (used in) operating activities	9(b)	**(2,005,961)**	**(1,907,352)**
Cash Flows from Investing Activities			
Purchase of plant and equipment		-	-
Term deposit redeemed		-	-
Net cash (used in) / investing activities		**-**	**-**
Cash Flows from Financing Activities			
Proceeds from the issuance of shares	15	1,980,888	475,000
Interest Free Loan Proceeds	14	150,000	-
Payment of Equity Facility		(300,000)	(326,129)
Share Issue Expenses		-	(6,752)
Net cash (used in) / provided by financing activities		**1,830,888**	**142,119**
Net increase (decrease) in cash held		(175,073)	(1,765,233)
Cash at the beginning of the financial year		248,142	2,013,375
Cash at the end of the financial year	9	**73,069**	**248,142**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Issued Capital	Accumulated Losses	Option Reserve	Common Control Reserve	Share Based Payment Reserve	Foreign Currency Translation Reserve	Total
	$	$	$	$	$	$	$
Balance at 1 January 2022	16,769,439	(14,269,349)	363,380	(1,710,087)	317,493	113,727	1,584,603
Loss for the year	-	(2,673,132)		-	-	54,309	(2,618,823)
Total comprehensive loss for the year	-	(2,673,132)		-	-	54,309	(2,618,823)
Transactions with owners in their capacity as owners:							
Shares issued	475,000	-	-	-	-	-	475,000
Share issue expenses	(6,752)	-	-	-	-	-	(6,752)
Equity Facility transaction costs	-	-	36,849	-	-	-	36,849
Equity Facility Conversion	500,000	-	-	-	-	-	500,000
Share based payments	-	-	-	-	(100,992)	-	(100,992)
Adjustment 2022	-	-	-	-	-	(4,359)	(4,359)
Balance at 31 December 2022	**17,737,687**	**(16,942,483)**	**400,229**	**(1,710,087)**	**216,501**	**163,677**	**(134,476)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Issued Capital	**Accumulated Losses**	**Option Reserve**	**Common Control Reserve**	**Share Based Payment Reserve**	**Foreign Currency Translation Reserve**	**Total**
	$	$	$	$	$	$	$
Balance at 1 January 2023	17,737,687	(16,942,483)	400,229	(1,710,087)	216,501	163,577	(134,476)
Loss for the year	-	(2,159,908)	-	-	-	-	(2,159,908)
OCI-FX Translation	-	-	-	-	-	(54,315)	(54,315)
	-	(2,159,908)	-	-	-	(54,315)	(2,214,223)
Transactions with owners in their capacity as owners:							
Adjustment to Prior Year	13,329	59,444	(20,760)	-	14,471	-	66,484
Transfer to Retained Earnings-Option Reserve	-	146,464	(146,464)	-	-	-	-
Transfer to Retained Earnings-SBPR	-	336,989	-	-	(336,989)	-	-
Share Placement	1,874,958	-	-	-	-	-	1,874,958
Share based payments-Options	135,000	-	-	-	-	-	135,000
Share based payments-Performance Rights	135,000 -	-	-	-	148,098	-	283,098 148,098
Shares issued on conversion of options	150,000	-	-	-	-	-	150,000
Share issue expenses	(136,258)	-	-	-	-	-	(136,258)
Share issue expenses - Options	(56,000)	-	56,000	-	-	-	-
Write Off NVU USA	(148)	148	-	-	-	-	-
Share Options on conversion BHP Parabis	6	-	-	-	-	-	6
Balance at 31 December 2023	**19,718,575**	**(18,559,346)**	**289,005**	**(1,710,087)**	**43,081**	**109,362**	**(109,410)**

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

(i) As a result of the capital reorganisation an equity account called ‘Common Control Reserve’ exists. This equity account represents the carrying value of the net liabilities of Nanoveu Limited prior to the date of completion of the capital reorganisation.

Notes to the Financial Statements

1. CORPORATE INFORMATION

The consolidated financial statements of Nanoveu Limited and its subsidiaries (collectively, the Group) for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 3 April 2024. Nanoveu Limited (the Company or the parent) is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The principal activity of the Company was the deployment of nanotechnology for consumer applications.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation of the financial report

This general purpose financial report has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. Nanoveu Limited is a for profit entity for the purposes of preparing the financial statements.

2.2 Basis of Measurement and Reporting Conventions Including Capital Reorganisation

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

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

2.3 Going concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Group incurred a loss for the year ended 31 December 2023 of $2,159,908 (2022: $2,707,301) and net cash outflows from operating activities of $2,005,961(2022: $1,907,352). Current liabilities exceed current assets by $272,502 at 31 December 2023.

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

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

- The Directors of Nanoveu Limited have assessed the likely cash flow for the 12 month period from date of signing this financial report and its impact on the Group and believe there will be sufficient funds to meet the Group’s working capital requirements as at the date of this report, based on the belief that additional funds will be receipted via product sales to finance the Company’s activity;
- Nanoveu Limited completed an equity placement in January 2024 whereby 35,294,117 Shares were issued at an issue price of $0.017per share to raise $600,000. This also included 35,294,117 free attaching options (exercisable at $0.025 expring 36 months) from the issue date for every 1 Placement Share issued;
- The Group has historically demonstrated its ability to raise funds to satisfy its immediate cash requirements;
- Furthermore, the Directors have received assurance from a substantial shareholder of financial support should the Group deem it necessary;and

Notes to the Financial Statements

- The Directors would consider a variety of funding options on the basis of obtaining funding on the best terms for the Group having regard to the timing of expected sales revenues.

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

2.4 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption, and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group’s voting rights and potential voting rights.

The group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity

holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

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 derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.5 Summary of material accounting policies

(a) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or

Notes to the Financial Statements

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

(b) Fair value of assets and liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques.

These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Valuation techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability, The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities;

- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value; or

- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Notes to the Financial Statements

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Fair value hierarchy

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

(a) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or

(b) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

(c) Revenue recognition

Revenue is recognised on the sale of products. Revenue recognised is subject to the reversal constraint and is only recognised to the extent that it is highly probably of not reversing. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude, and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

When recognising revenue from the sale of goods to customers is recognised when control of the goods has passed to the customer, which is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains the benefit of the goods.

Interest income

Notes to the Financial Statements

Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(d) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

(e) Income tax

Current tax assets and liabilities 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 by reporting date.

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

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to 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 at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

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

Notes to the Financial Statements

(f) Other taxes

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax ('GST') except:

- when the GST incurred on a purchase of goods and 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, which 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.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(g) Foreign currency translation

The financial report is presented in Australian dollars, which is the Group's presentation and functional currency. The functional currencies of the subsidiaries are United States dollars and Singapore Dollars. Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot dates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in other comprehensive income (OCI) until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates 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 is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Australian dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

(h) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Notes to the Financial Statements

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(i) Trade and other receivables

Trade receivables are amounts due from customers for products sold in the ordinary course of business. Trade receivables are measured at the amount of consideration that is unconditional. The Group holds trade receivables with the objective to collect the contractual cash flows and measures them at amortised cost.

The Group will apply the simplified impairment methodology permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(j) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials: purchase cost on a first-in/first-out basis; and
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course

(k) Plant and equipment

Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

- Office equipment 3 years
- Plant, machinery and equipment 3 years
- Furniture and fittings 3 years
- Computers 3 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is de-recognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(l) Intangible assets

Research and development costs

Research costs are expensed as incurred. An intangible asset arising from development expenditure on an internal project is recognised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefit from the related project.

(m) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(n) Loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised.

Convertible notes

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost or fair value. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period to get ready for their intended use or sale. Borrowing costs cease to be capitalised upon the earlier of extinguishment of the liability or the commencement of commercial production from the qualifying asset.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(o) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily

takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating long service leave are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Notes to the Financial Statements

(q) Share-based payment transactions

The Group provides benefits to employees (including senior executives) and consultants of the Group in the form of share-based payments, whereby employees and consultants render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees and consultants are measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using an option pricing model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of profit or loss and other comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition. If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

(r) Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with duration of twelve months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option; and
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and

Notes to the Financial Statements

- The amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

(s) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(t) Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing the profit attributable to the owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(u) Segment Reporting

The Group predominantly deploys nanotechnology applications for consumer devices. For management purposes, the Company is organised geographically into two operating segments being the Americas and the Asia plus Head Office. All of the Company's activities are inter-related and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial results of the Company as a whole.

2.6 Changes in Accounting Policies and Disclosures

New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

New standards and interpretations not yet adopted

There are no standards that are not yet effective that would be expected to have a material impact on the Group in the current or future reporting periods and on future transactions.

Notes to the Financial Statements

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Share-based payment transactions:

The Group measures the cost of equity-settled share-based payments which are performance shares at fair value at the grant date based on the expected issue price of the securities upon admission to the Official List of the Australian Securities Exchange.

The Group measures the cost of equity-settled share-based payments which are options at fair value at the grant date using an option pricing model, taking into account the terms and conditions upon which the instruments were granted. The fair value is determined by a valuation using a Black Scholes Option Pricing Model, using the assumptions detailed in Note 15.

The Group issued option, performance rights and performance options during the year ended 31 December 2023 based on the conditions set out in Note 15. The Group follows the guidelines of AASB 2 ‘Share Based Payments’ and takes into account non-market vesting conditions and estimates the probability and expected timing of achieving the vesting conditions. For Full terms of the securities issued see Note 15.

4. SEGMENT REPORTING

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

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

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

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Also, the Group’s financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

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

Year Ended 31 December 2023	**Americas**	**Asia**	**Corporate and Head Office**	**Total Segments**	**Adjustments and Eliminations**	**Consolidated**
Revenue						
External customers	-	102,537	-	102,537	-	102,537
Inter-segment	-	-	-	-	-	-
Total revenue (i)	-	102,537	-	102,537	-	102,537
Income/(expenses)						
Depreciation and amortisation	-	(168,625)	-	(168,625)	-	(168,625)
Segment profit/(loss)	-	(1,018,539)	(1,141,372)	(2,159,911)	3	(2,159,908)
Total assets	-	464,068	48,925	512,994	1	512,995
Total liabilities	-	(233,351)	(389,054)	(622,405)	-	(622,405)

Notes to the Financial Statements

Year Ended 31 December 2022	Americas	Asia	Corporate and Head Office	Total Segments	Adjustments and Eliminations	Consolidated
Revenue						
External customers	882	780,332	-	781,214	-	781,214
Inter-segment	-	-	-	-	-	-
Total revenue (i)	882	780,332	-	781,214	-	781,214
Income/(expenses)						
Depreciation and amortisation	-	(116,879)	-	(116,879)		(116,879)
Segment profit/(loss)	(58,236)	(2,062,037)	432	(2,119,841)	(1)	(2,119,841)
Total assets	442	942,337	1,810,851	2,753,630	(41)	2,753,589
Total liabilities	(6,147)	(125,362)	(1,037,476)	(1,168,986)	-	(1,168,986)

Inter-segment revenues are eliminated upon consolidation and reflected in the ‘adjustments and eliminations’ column. All other adjustments and eliminations are part of detailed reconciliations presented further below.

Adjustments and eliminations

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

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

5. LOSS PER SHARE

	2023 $	2022 $
Basic and diluted loss per share (cents per share)	(0.6)	(1.2)

The loss and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:

Loss for the year	(2,159,908)	(2,707,301)
Weighted average number of shares outstanding during the year used in the calculations of basic loss per share:	375,333,605	230,337,848

There is no dilution of shares due to options as the potential ordinary shares are not dilutive and are therefore not included in the calculation of diluted loss per share.

Notes to the Financial Statements

6. RESULT FOR THE PERIOD

	2023 $	2022 $
Revenue from contracts with customers		
Sale of goods	102,537	159,512
	102,537	159,512
Other operating income		
Government grant	-	23,043
Other income	27,583	-
	27,583	23,043
Selling and distribution expenses		
Advertising and marketing	155,237	207,033
Employee expenses	273,838	269,644
Industry shows	-	-
Website	-	-
Sundry expenses	(5,913)	-
	423,162	476,677
Administration expenses		
Audit fees	89,288	41,849
Consulting fees	221,787	921
Depreciation and amortisation	168,625	45,016
Director and employee expenses	731,088	894,469
Investor relations	53,633	-
Accounting, ASX & ASIC Fees	54,035	-
Legal fees	110,152	82,876
Licence fees	15,488	-
Office rental	(55,398)	73,417
Travel expenses	11,404	-
Sundry expenses	208,025	365,848
	1,608,130	1,503,474
Research costs		
Research costs (a)	16,372	9,536
Employee expenses	1,345	-
	17,717	9,536
Impairment		
Other assets	-	586,119
Other assets-investment in a joint arrangement	-	152,741
	-	738,860
Finance income		
Interest income	4,713	1,136
	4,713	1,136

Notes to the Financial Statements

7. SHARE BASED PAYMENT

During the year ended 31 December 2023 a total share-based payment expense of $149,098 was recognised as an expense through profit and loss (2022: 100,992).

Value of each Incentive Performance Right is $0.0260.

During the year 30,687,950 (2022: nil) Performance Rights were issued for nil cash consideration, including 14,550,000 (2022: nil) Performance Rights issued to Key Management Personnel.

The table below shows the number of Performance Rights granted, converted and forfeited during the year.

	Balance at start of year	**Granted as remuneration**	**Converted (i)**	**Forfeited (ii)**	**Balance at end of year**
Directors					
Dr Dave Pevcic	-	3,250,000	-	(1,625,000)	1,625,000
Mr Alfred Chong	700,000	3,875,000	-	(1,937,500)	2,637,500
Mr Steven Apredaile	155,000	2,000,000	-	(1,125,000)	1,030,000
Dr Michael Winlo	-	2,000,000	-	(1,000,000)	1,000,000
Mr Michael van Uffelen	175,500	3,425,000	-	(3,425,000)	175,500
Total Directors	**1,030,500**	**14,550,000**	**-**	**(9,112,500)**	**6,468,000**

Refer to Note 15.

Share Issue Expenses

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

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

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

The amount recognised as a capital raising cost for the above Shares and Options during the FY 2023 period was $135,000.

Option Expense

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

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

The amount recognised as a capital raising cost for the above options during the FY 2023 period was $56,000.

Notes to the Financial Statements

8. INCOME TAX

(a) Income tax recognised in profit/loss

No income tax is payable by the Company as it recorded a loss for income tax purposes for the period.

(b) Numerical reconciliation between income tax expense and the loss before income tax.

The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:

	2023	**2022**
	$	**$**
Accounting loss before tax	(2,159,908)	(2,707,301)
Income tax benefit at 25% (i)	539,977	544,785
Unrecognised tax losses	(539,977)	(544,785)
Income tax expense	-	-

(c) Unrecognised deferred tax balances

Tax losses @ 25% (i)	(16,063,350)	(12,029,815)
Other	35,913	(44,340)
Net unrecognised deferred tax (asset) / liability at 25% (i)	(16,027,436)	(12,074,155)

A deferred tax asset attributable to income tax losses has not been recognised at balance date as the probability criteria disclosed in Note 2.5(e) is not satisfied and such benefit will only be available if the conditions of deductibility also disclosed in Note 2.5(e) are satisfied.

(i) Reflects the tax rate of the Company. The corporate tax rate in Singapore is 17%.

9. CASH AND CASH EQUIVALENTS

	2023	**2022**
	$	**$**
Cash at bank	73,069	248,142
	73,069	248,142

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Notes to the Financial Statements

(a) Reconciliation to the Statement of Cash Flows

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and at bank.

Cash and cash equivalents as shown in the statement of cash flows are reconciled to the related items in the balance sheet as follows:

	2023 **$**	**2022** **$**
Cash and cash equivalents	73,069	248,142

(b) Reconciliation of loss after income tax to net cash flows from operating activities:

		2023 **$**	**2022** **$**
Loss for the year		(2,159,908)	(2,707,301)
Non cash flow items in loss for the year:			
-	Depreciation and amortisation		45,016
-	Non-cash finance costs (see Note 13)	-	176,296
-	Share based payment	(149,098)	(100,992)
-	Leased Asset	(32,232)	-
-	Impairment	-	738,860
-	Foreign currency difference	-	(97,479)
-	Other Non-Current Asset	72,105	-
Changes in operating assets and liabilities:			
-	(Increase) / decrease in other assets	-	(649,491)
-	(Increase) in inventory	-	469,298
-	(Decrease) / increase in trade and other payables	253,464	218,366
-	Increase in provisions	-	75
-	Other Liabilities	9,708	-
Cash flow used in operating activities		(2,005,961)	(1,907,352)

10. TRADE AND OTHER RECEIVABLES

	2023 **$**	**2022** **$**
Current:		
Trade receivables	1,639	23,831
GST receivables	-	-
Prepayments	232,172	11,790
Other	37,088	80,971
	270,899	116,592

Prepayments from Fusion Resonance Intellectual Sdn Bhd account for $202,510 of the total prepayments reported in 2023. The prepayment is for prepaid products. It is recognised as a deduction when the actual product is delivered to the customer.

Notes to the Financial Statements

11. INVENTORIES

	2023	2022
	$	$
Current:		
Trading goods	-	3,877
Work in progress	-	582,242
Provision for inventory obsolescence	-	(586,119)
	-	-
Inventories recognised as an expense in cost of sales	77,271	87,141
	77,271	87,141

12. RIGHT OF USE ASSET AND LEASE LIABILITY

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

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

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

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

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

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

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

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

Non Current Asset $72,105 as at 31 December 2023

Current Lease Liabiity $69,327 as at 31 December 2023

Non Current Lease Liability $5,935 as at 31 December 2023

13. TRADE AND OTHER PAYABLES

	2023	2022
	$	$
Current:		
Trade payables	384,213	257,860
Unearned income	-	-
Accrued expenses	-	-
Other current liabilities	-	-
	384,213	257,860

Notes to the Financial Statements

14. FINANCIAL LIABILITIES

-NIL shares issued during the Full Year 2023

-Payment of the following amounts was completed during the full-year ended 31 Dec 2023

Antiviral Technologies Portfolio LLC facility agreement

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

-NIL shares issued during the Full Year 2023

-Payment of the following amounts was completed during the full-year ended 31 Dec 2023

$300,000 Total Paid January 2023, February 2023, March 2023, May 2023 ($60,000 per month)

NIL remaining to pay at 31 December 2023

Interest Free Loan Sixty Two Capital Pty Ltd

During the period the Group obtained an unsecured and interest free loan of $150,000 from Sixty Two Capital Pty Ltd.

The interest free loan has subsequently in conjunction with the Placement in January 2024, been repaid via the issue of Placement Shares and Placement Options on the same terms as the January 2024 Placement. The Company issued 8,823,529 Placement Shares and 8,823,529 Placement Options.

15. ISSUED CAPITAL

(a) Ordinary shares

	As at 30/06/2023	**As at 31/12/2022**
Paid up capital – ordinary shares	21,166,095	19,011,520
Capital raising costs	(1,447,520)	(1,273,833)
	19,718,575	17,737,687

	Date	**Number of shares**	**$**
31 December 2023 movements in issued capital:			
Balance at 1 January 2023		280,770,275	17,737,687
Placement Shares 27th January 2023		52,500,000	525,000
Placement Shares 30th January 2023		6,000,000	60,000
Placement Shares 4th May 2023		48,076,923	1,250,000
Placement Shares 12th May 2023		7,500,000	150,000
Placement Shares 20th June 2023		3,846,154	100,000
Placement Shares 20th June 2023		2,884,615	75,000
Adjustment December 2022			13,329
TOTAL		401,577,967	19,911,016
Share Issue Expenses			(192,726)
Balance at 31 December 2023		401,577,967	19,718,290

Notes to the Financial Statements

(b) Share Options

Options on issue:

At 31 December 2023, unissued ordinary shares of the Company under option were:

Terms of Options	Number on Issue
Unlisted options with an exercise price of $0.058 on or before 1 Feb 2024	15,000,000
Unlisted options with an exercise price of $0.020 on or before 27 January 2026	53,000,000
Unlisted options with an exercise price of $0.040 on or before 15 June 2025	25,961,546
(a) Total	93,961,546

Weighted average exercise prices:

The following table illustrates the number (No.) and weighted average exercise prices of and movements in share options issued as compensation during 2023 and 2022:

	2023 No	2023 Weighted average exercise price	2022 No	2022 Weighted average exercise price
Outstanding at the beginning of the year	29,102,855	6.9 cents	9,431,328	12 cents
Granted during the year	78,961,546	-	21,902,855	5.8 cents
Forfeited during the year	-	-	2,081,328	20 cents
Exercised during the year	-	-	-	-
Expired during the year	14,102,855	-	-	-
Outstanding at the end of the year	93,961,546	2.4 cents	29,102,855	6.9 cents
Exercisable at the end of the year	93,961,546	2.4 cents	29,102,855	6.9 cents

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

This included the below listed shares and options. Options noted below are considered free-attaching consistent with the terms of the related rights issue. No cash payment was made and the value of the shares granted were accounted for as capital raising costs within equity.

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

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

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

The amount recognised as a capital raising cost for the above options during the FY 2023 period was $56,000.

(c) Performance Rights

Notes to the Financial Statements

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

Tranche	**Performance Hurdle**	**Number**	**Assumed Probability of achievement**	**Assumed Achievement Date**	**Expense FY 2023**
NVUPRQ	Tranche Q The Company achieving A$3,500,000 of total consolidated sales revenue from all its products (Products) by 31 December 2023, as validated from the Company's audited or audit reviewed financial reports	13,593,975	0%	-	-
NVUPRR	Tranche R The Company achieving A$7,000,000 of total consolidated sales revenue from all its products (Products) by 31 December 2024, as validated from the Company's audited or audit reviewed financial reports	13,593,975	100%	31 Dec 2024	$113,812.02
NVUPRS	Tranche S Successful submission of a patent by Nanoveu to PCT level by 31 Dec 2023	1,000,000	100%	31 Dec 2023	$26,000.00
NVUPRT	Tranche T Successful submission of a second patent by Nanoveu to PCT level by 31 Dec 2023	1,000,000	0%	31 Dec 2023	$3,714.29
NVUPRU	Tranche U Successful submission of a third patent by Nanoveu to PCT level by 31 December 2023	1,500,000	0%	31 Dec 2023	$5,571.43
Total		30,687,950			$149,098

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

Value of each Incentive Performance Right is $0.0260.

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

Notes to the Financial Statements

PERFORMANCE RIGHTS (continued)

The following is a summary of the rights over the year:

Tranche	Performance Hurdle	Opening	Granted	Expired	Converted	Closing
C	Completion of IPhone Series X production of a t 100,000 untis	223,000		75,500		147,500
D	Completion of production of the first three Android models of at least 100,000 units	217,500		7,500		210,000
E	12 months from completion of gaming development kit or launch of first five 3D games introduced to market	434,000		14,000		420,000
F	Securing distribution in China with sales of at least 100,000 units	610,000		210,000		400,00
L	$A15m of sales revenue across all by 31 December 2023 as validated from audited/reviewed financial reports.	2,260,000		2,260,000		Nil
P	$A2.7m of EyeFlyx product sales revenue by 31 December 2023 as validated from audited/reviewed financial reports.	250,000		250,000		Nil
Q	The Company achieving A$3,500,000 of total consolidated sales revenue from all its products (Products) by 31 December 2023, as validated from the Company's audited or audit	Nil	13,593,975	13,593,975		Nil
R	The Company achieving A$7,000,000 of total consolidated sales revenue from all its products (Products) by 31 December 2024, as validated from the Company's audited or audit reviewed financial reports	Nil	13,593,975			13,593,975
S	Successful submission of a patent by Nanoveu to PCT level by 31 December 2023	Nil	1,000,000			1,000,000

Notes to the Financial Statements

PERFORMANCE RIGHTS (continued)

Tranche	Performance Hurdle	Opening	Granted	Expired	Converted	Closing
T	Successful submission of a second patent by Nanoveu to PCT level by 31 December 2023	Nil	1,000,000	1,000,000		Nil
U	Successful submission of a third patent by Nanoveu to PCT level by 31 December 2023	Nil	1,000,000	1,000,000		Nil

The shares to be issued in the event of vesting of the Performance Rights shall rank pari-passu in all respects with other fully paid ordinary shares in the Company.

Any unvested Performance Rights will lapse 7 years after their date of issue or if the respective performance hurdle is not achieved by the date specified, where applicable.

Valuation of Performance Rights

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

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

The following table lists the assumptions to the model used to value performance rights for the year ended 31 December 2023.

Number Issued	Grant Date	Assumed Stock Price at Grant Date (cents)	Issue Price (cents)	Value Per Performance Share (cents)
30,687,950	20/06/2023	2.6	nil	2.6

The performance rights have a 7 year expiry date. The date at which the performance hurdle is assumed to be achieved has been estimated based on the target date for the performance hurdle to be achieved. If the milestone is not satisfied on or before expected achievement dates, the Performance Rights will expire.

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

Notes to the Financial Statements

16. RELATED PARTIES

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(a) Subsidiaries

The consolidated financial statements include the financial statements of Nanoveu Limited and the subsidiaries listed in the following table:

Name	**Country of Incorporation**	**% Equity interest 2023**	**% Equity interest 2022**
Nanoveu Pte Ltd	Singapore	100%	100%
Nanoveu Sdn Bhd	Malaysia	100%	0%

The Group's related parties are as follows:

(i) Key management personnel (‘KMP’):

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of that Group are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 17 Key Management Personnel Disclosures.

Other transactions with KMP and their related entities are shown below.

(ii) Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(iii) Apart from reimbursements for expenses paid on behalf of the Group, director and fees paid directly or indirectly to director related entities, there were no transactions or balances with KMP during the years ended 31 December 2023 and 2022.

17. KEY MANAGEMENT PERSONNEL

	2023	**2022**
	$	**$**
Remuneration paid:		
Short-term employee benefits	460,063	409,347
Superannuation & CPF	14,696	27,460
Share-based payments	58,312	-
Non-monetary benefits – directors’ and officers’ & Medical insurance	20,959	20,441
	554,030	457,248

Please see the Remuneration Report for further details.

Notes to the Financial Statements

18. PARENT ENTITY INFORMATION

(a) Information relating to Nanoveu Limited

	2023 $	2022 $
Current assets	48,925	69,304
Non-current assets	-	-
Total assets	48,925	69,304
Current liabilities	239,054	418,974
Non-current liabilities	150,000	-
Total liabilities	389,054	418,974
Net assets	(340,129)	(349,670)
Contributed equity	19,540,853	17,423,425
Reserves	438,103	783,107
Accumulated losses	(20,319,085)	(18,556,202)
Total shareholders’ equity	(340,129)	(349,670)
Loss for the parent entity	(1,762,883)	(2,159,046)
Total comprehensive income of the parent entity	(1,762,883)	(2,159,046)

(b) Guarantees

No guarantees have been entered into by the Company in relation to the debts of its subsidiaries. As at 31 December 2023 the parent entity had no contingent liabilities.

(c) Commitments

Commitments of the Company as at reporting date are disclosed in note 19 to the financial statements.

19. COMMITMENTS

The Group does not have any commitments not disclosed elsewhere in these financial statements.

Notes to the Financial Statements

20. FINANCIAL RISK MANAGEMENT

The Group's financial situation is not complex. Its activities may expose it to a variety of financial risks in the future: market risk (including currency risk and fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. At that stage the Group's overall risk management program will focus on the unpredictability of the financial markets and seek to minimise potential adverse effects on the financial performance of the Group.

The Group holds the following financial assets and liabilities:

	2023 $	2022 $
Financial Assets		
Cash and cash equivalents	73,069	248,142
Trade and other receivables	270,899	23,831
	343,968	271,973
Financial Liabilities		
Trade and other payables	384,213	379,775
Lease liability	75,262	-
Financial liability	-	300,000
	384,213	679,775

(a) Market risk

Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from cash and cash deposits. Deposits at variable rates expose the Group to cash flow interest rate risk. Deposits at fixed rates expose the Group to fair value interest rate risk. During the period, the Group's deposits at variable rates were denominated in Australian and Singaporean Dollars. The Group does not use derivatives to mitigate these exposures.

As at the reporting date, the Group had the following variable rate deposits and there were no interest rate swap contracts outstanding:

	2023 weighted average interest rate %	2023 Balance $	2022 weighted average interest rate %	2022 Balance $
Cash and cash equivalents	0.01%	73,069	0.01%	248,142
Trade receivables	-	1,826	-	23,831
Net exposure to cash flow interest rate risk		74,895		271,973

The Group adopts a policy of ensuring that as far as possible it maintains excess cash and cash equivalents in high bearing accounts.

Sensitivity

During the period, if interest rates had been 50 basis points higher or lower than the prevailing rates realised, with all other variables held constant, there would be an immaterial change in post-tax profit for the year.

Notes to the Financial Statements

Foreign currency risk

The Group is exposed to currency risk primarily through having operations in Singapore which incur expenses denominated in a currency other than the reporting currency. The currency giving rise to this risk is Singaporean Dollars.

The following table details the Group's exposure at the reporting date to currency risk arising from recognised liabilities denominated in Singaporean Dollars.

	2023	**2022**
	$	**$**
Trade and other payables	158,089	379,775
	158,089	379,775

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in Singaporean Dollars exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including embedded derivatives.

	Change in SGD Exchange Rates	**Effect on Profit Before Tax**	**Effect on Equity**
2023	+10%	(15,809)	-
	-10%	15,809	-
2022	+10%	(35,226)	-
	-10%	35,226	-

The movement in the pre-tax effect is a result of a change in the fair value of monetary assets and liabilities denominated in USD.

(b) Credit risk

The Group has no significant concentrations of credit risk. Cash transactions are limited to high credit quality financial institutions, being major banks in Australia and Singapore.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures on outstanding receivables and committed transactions. In relation to other credit risk areas management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

At the reporting date, there are no impaired trade receivables, and no trade receivables past due but not impaired.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised at the beginning of this note.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group will aim at maintaining flexibility in funding by accessing appropriate committed credit lines available from different counterparties where appropriate and possible. Surplus funds when available are generally only invested in high credit quality financial institutions in highly liquid markets.

Notes to the Financial Statements

The carrying value of trade and other payables is deemed to represent contractual cashflows due to their short term maturity. Financial liabilities and nil contractual cashflow.

(d) Capital Risk Management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders. The capital structure of the Group consists of equity attributable to equity holders, comprising issued capital and accumulated losses.

The Board reviews the capital structure on a regular basis and considers the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through new share issues as well as the issue of debt, if the need arises.

21. AUDITORS' REMUNERATION

	2023 $	2022 $
Amounts received or due and receivable by the auditors for:		
- *Auditing or reviewing the financial report;*		
-BDO Audit (WA) Pty Ltd Half-Year 2023	51,727	-
-BDO Audit (WA) Pty Ltd Full-Year 2023	36,500	33,000
-Other Auditors	-	8,849
	88,227	41,849

22. EVENTS AFTER THE REPORTING DATE

Company Seeking Court Orders to Recommence Trading

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

On 19 March 2024, the Company obtained orders from the Supreme Court rectifying breaches of the Corporations Act in relation to failures to lodge:

(a) cleansing notices in strict compliance with the requirements of sections 708A(5)(e) of the Corporations Act in connection with certain shares issues specified in that announcement; and

(b) its 30 June 2023 half year financial report, director's report and auditors report by the date required in section 320(1) of the Corporations Act (being, 13 September 2023).

On 22 March 2024, the Company announced that its securities would remain suspended from quotation until it had resolved its discussions with the ASX regarding its financial position.

Equity Placement

Nanoveu Limited completed an equity placement in January 2024 to new and existing sophisticated and professional investors to raise $600,000 (before costs) through the placement of 35,294,117 fully paid ordinary shares (Shares) in the Company (Placement) at an issue price of $0.0173 per Share (Placement Share), together with 1 free attaching unquoted option (exercisable at $0.025 expring 36 months from the issue date of the Placement Share) (Placement Option) for every 1 Placement Share issued (Placement).

Funds raised under the Placement will be used as follows:

(a) Commercialisation of Solar
(b) Anti microbial
(c) EyeFly 3d Films
(d) Working Capital

Notes to the Financial Statements

Loan Repayment

In conjunction with the Placement in January 2024, Nanoveu repaid an existing unsecured and interest free loan of $150,000 with Sixty Two via the issue Plaecment Shares and Placement Options on the same terms as the Placement. The Company issued 8,823,529 Placement Shares and 8,823,529 Placement Options.

Other than the matters referred to above, there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the result s of those operations, or the state of affairs of the Group in the future.

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the financial year ended on that date; and
- in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable having regard to the matter in note 2.3;

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Alfred Chong

Managing Director and CEO

3 April 2024

INDEPENDENT AUDITOR'S REPORT

To the members of Nanoveu Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Nanoveu Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information and the directors' declaration.
In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2.3 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Accounting for share-based payments

Key audit matter	How the matter was addressed in our audit
As disclosed in Note 15 to the Financial Report, during the financial year ended 31 December 2023, the Group agreed to issue performance rights to key management personnel, employees and consultants, which have been accounted for as share-based payments. In addition, options were issued for capital raising costs. Refer to Note 2.5 (q), Note 3, Note 7 and Note 15 to the Financial Report for a description of the accounting policy and Note 3 for the significant estimates and judgements applied to these arrangements. Share-based payments are a complex accounting area and due to the complex and judgemental estimates used in determining the fair value of the share-based payments, we consider the accounting for share-based payments to be a key audit matter	Our procedures included, but were not limited to the following: • Reviewing the relevant agreements to obtain an understanding of the contractual nature and terms and conditions of the share-based payment arrangements; • Holding discussions with management to understand the share-based payment transactions in place; • Reviewing management's determination of the fair value of the share-based payments granted, considering the appropriateness of the valuation methodology used; • Assessing inputs used in the calculation of the fair value of rights and options granted; • Assessing the allocation of the share-based payment expense over the relevant vesting period; and • Assessing the adequacy of the related disclosures in Note 2.5 (q), Note 3, Note 7, and Note 15 to the Financial Report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 31 December 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 21 to 29 of the directors' report for the year ended 31 December 2023.

In our opinion, the Remuneration Report of Nanoveu Limited, for the year ended 31 December 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Jackson Wheeler

Director

Perth, 03 April

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 27 February 2024.

(a) Distribution of equity securities

The number of security holders by size of holding in each class are:

	Quoted Fully Paid Ordinary Shares	Unquoted Options 1/2/24 Expiry, $0.058 Exercise	Unquoted Options 27/1/26 Expiry, $0.020 Exercise
1 - 1,000	21	-	-
1,001 - 5,000	36	-	-
5,001 - 10,000	148	-	-
10,001 - 100,000	381	10	2
> 100,000	228	26	27
Totals	**814**	**36**	**29**

(b) Substantial shareholders

The names of the substantial shareholders disclosed to the Company as substantial shareholders are:

Ordinary shareholders

Holder Name	Number	%
Sufian Ahmad	74,221,817	16.65%

(c) Unmarketable parcels

There were 334 holders, with a total share holding of 3,434,307 ordinary shares, of less than a marketable parcel of ordinary shares.

ASX ADDITIONAL INFORMATION

(d) Twenty largest holders of quoted equity securities

Position	Holder Name	Holding	% IC
1	Sufian Ahmad	74,221,817	16.65%
2	Bilal Ahmad	54,623,529	12.26%
3	Alfred Chong	43,337,999	9.72%
4	KOBALA INVESTMENTS PTY LTD <FERNANDO EDWARD FAMILY A/C>	19,287,310	4.33%
5	CLAYTON CAPITAL PTY LTD	14,705,650	3.30%
6	DR ROSAMUND JULIAN BANYARD & MR PHILLIP STANLEY HOLTEN <R BANYARD SUPER FUND A/C>	13,767,563	3.09%
7	BNP PARIBAS NOMS PTY LTD UOBKH A/C R'MIERS	12,727,500	2.86%
8	MR AHMED NOMAN	8,125,966	1.82%
9	CITICORP NOMINEES PTY LIMITED	7,770,724	1.74%
10	BERGEN GLOBAL OPPORTUNITY FUND LP	7,500,000	1.68%
10	MR ROBERT ANTHONY MARTIN <MARTIN FAMILY A/C>	7,500,000	1.68%
11	MR FADI DIAB	7,352,941	1.65%
12	MR DEAN BRETT BLANKFIELD <DEAN BLANKFIELD A/C>	5,961,538	1.34%
13	MR PHILLIP STANLEY HOLTEN	5,733,153	1.29%
14	MR SIAVASH KHOSROWSHAHI & MRS ZAHRA-NAHID KHOSROWSHAHI <S KHOSROWSHAHI FAMILY A/C>	5,530,000	1.24%
15	HENDRIK ANTOON LIMITED	5,345,438	1.20%
16	MR AGHA SHAHZAD PERVEZ	4,705,883	1.06%
17	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	4,402,761	0.99%
18	MR MOBEEN IQBAL	4,330,340	0.97%
19	MR COREY JAY SANDERS	3,874,466	0.87%
20	TANTULA PTY LTD <EDWARDS FAMILY S/F A/C>	3,857,349	0.87%
	Total	**314,661,927**	**70.60%**
	Total issued capital - selected security class(es)	**445,695,613**	**100.00%**

ASX ADDITIONAL INFORMATION

(e) Unquoted equity securities shareholdings greater than 20%

Class and Holder Name	**Holding**	**%**
Unlisted options, $0.020 exercise, 27 January 2026 expiry		
MR SUFIAN AHMAD <SIXTY TWO CAPITAL A/C>	18,725,000	35.33%

(f) Additional ASX Required Disclosures not Made Elsewhere

In accordance with Listing Rule 4.10, the Company confirms there is no current on-market share buy-back.