

NANOVEU LIMITED
ACN 624 421 085

ENTITLEMENT ISSUE PROSPECTUS

For a pro-rata non-renounceable entitlement issue of 1 Share for every 4 Shares held by those Shareholders registered at the Record Date at an issue price of \$0.045 per Share together with 1 free attaching New Option for every 2 Shares applied for and issued to raise up to \$2,152,800 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Securities offered by this Prospectus should be considered as highly speculative.

IMPORTANT NOTICE

This Prospectus is dated 8 September 2021 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

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

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered by this Prospectus should be considered as highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be made by an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your

financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

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

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

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

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

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

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or

to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

For further information on overseas Shareholders please refer to Section 2.9.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 6.2 for further details.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at <https://www.nanoveu.com/>. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian or New Zealand resident and must only access this Prospectus from within Australia or New Zealand.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 8 6244 9095 during office hours or by emailing the Company at info@nanoveu.com.

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

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Financial forecasts

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

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

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

Electronic sub-registers mean that the Company will not be issuing

certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

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

Photographs and Diagrams

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

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 7.

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

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish

to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

Enquiries

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

CORPORATE DIRECTORY

Directors

Alfred Chong
Executive Chairman and Chief Executive Officer

Michael van Uffelen
Executive Director, Chief Financial Officer and Company Secretary

Steven Apedaile
Non-Executive Director

David John Nicol
Non-Executive Director

Company Secretary

Michael van Uffelen

Registered Office

1/18 Olive Street
SUBIACO WA 6008

Telephone: + 61 8 6244 9095
Email: info@nanoveu.com
Website: www.nanoveu.com

Share Registry*

Automic Registry Services
Level 2, 267 St Georges Terrace
PERTH WA 6000

Telephone (within Australia):
1300 288 664

Telephone (outside Australia):
+61 2 9698 5414
Email: hello@automic.com.au

Legal Advisers

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Auditor

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

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in the Prospectus.

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1. KEY OFFER INFORMATION

1.1 Timetable

Lodgement of Prospectus with the ASIC	8 September 2021
Lodgement of Prospectus and Appendix 3B with ASX	8 September 2021
Ex date	13 September 2021
Record Date for determining Entitlements	14 September 2021
Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed	17 September 2021
Last day to extend the Closing Date	23 September 2021
Closing Date as at 5:00pm*	28 September 2021
Securities quoted on a deferred settlement basis	29 September 2021
Announcement of results of the Offer	1 October 2021
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Securities	5 October 2021
Quotation of Shares issued under the Offer	6 October 2021

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the Securities are expected to commence trading on ASX may vary.

1.2 Summary of the Placement and the Offer

Placement

As announced on 31 August 2021, the Company received firm commitments from sophisticated and professional investors to raise to \$1,350,000 (before costs) (**Placement**) through the issue of up to 30,000,000 Shares at an issue price of \$0.045 per Share (**Placement Shares**) together with one free attaching Option for every two Placement Shares issued (exercisable at \$0.058 on or before two years from the date of issue of the Placement Shares) (**Placement Options**).

The Placement Shares were issued on 6 September 2021 pursuant to the Company's available placement capacity under ASX Listing Rules 7.1 and 7.1A.

Viriathus Capital Pty Ltd (**Viriathus Capital**) acted as Lead Manager to the Placement and will be paid a capital raising fee of 6% of the gross proceeds raised under the Placement. In addition, the Company has agreed to issue 1,000,000 unlisted Options to Viriathus Capital (or its nominees) on the same terms as the Placement Options under the Company's placement capacity under Listing Rule 7.1.

Offer

The Offer is being made as a non-renounceable entitlement issue of one Share for every four Shares held by Eligible Shareholders registered at the Record Date at an issue price of \$0.045 per Share to raise up to \$2,152,800 (before costs) together with one free attaching Option exercisable at \$0.058 on or before two years from the date of issue of the Shares for every 2 Shares issued.

Further details in respect of the Offer are set out in Section 2.

1.3 Key statistics of the Offer

Shares	
Offer Price per Share	\$0.045
Entitlement Ratio (based on existing Shares)	1:4
Shares currently on issue	191,360,005
Shares to be issued under the Offer	47,840,001
Gross proceeds of the issue of Shares	\$2,152,800
Shares on issue Post-Offer	239,200,006¹

Notes:

1. Refer to Section 4.1 for the terms of the Shares.

Options	
Offer Price per New Option	Nil
Option Entitlement Ratio (based on Shares subscribed for)	1:2
Options currently on issue	9,431,328
Options to be issued under the Placement	15,000,000 ¹
Options to be issued to the lead manager of the Placement	1,000,000
New Options to be issued under the Offer	23,920,001 ²
Gross proceeds of the issue of New Options	Nil
Options on issue Post-Offer	49,351,329

Notes:

1. The issue of the Placement Options is subject to Shareholder approval at a meeting to be held in or around October 2021.
2. Refer to Section 4.2 for the terms of the New Options.

1.4 Key Risk Factors

Prospective investors should be aware that subscribing for Securities involves a number of risks and an investment in the Company should be considered as highly speculative. The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 5.

1.5 Directors' Interests in Securities

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below:

Director	Shares	Options	Performance Rights	Share Entitlement	New Option Entitlement
Alfred Chong ¹	42,627,558	Nil	3,000,000	10,656,890	5,328,445
Michael van Uffelen ²	616,500	Nil	2,433,500	154,125	77,063
Steven Apedaile ³	800,280	Nil	230,000	200,070	100,035
David Nicol ⁴	578,000	Nil	230,000	144,500	72,250

Notes:

1. Comprising 42,607,558 Shares and 2,700,000 Performance Rights held directly by Mr Chong and 20,000 Shares and 300,000 Performance Rights held indirectly by Mr Chong's wife.
2. Comprising 616,500 Shares held by Mr van Uffelen's wife, and 2,433,500 Performance Rights held indirectly by Black Tourmaline Pty Ltd of which Mr van Uffelen is a director.
3. Comprising 800,280 Shares and 230,000 Performance Rights held indirectly by Mr and Mrs Apedaile AFT the Apedaile Super Fund and Apedaile Family Trust.
4. Comprising 578,000 Shares and 230,000 Performance Rights held directly by Mr Nicol.

The Board recommends all Shareholders take up their Entitlements. The Board advises that Michael van Uffelen, Steven Apedaile and David Nicole intend to take up their full Entitlements and Alfred Chong intends to take up a part Entitlement.

1.6 Details of Substantial Holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Alfred Chong ¹	42,627,558	22.28
BNP Paribas Nominees Pty Ltd <DRP>	15,881,969	8.30
Citicorp Nominees Pty Limited	8,324,641	4.35

Notes:

1. Comprising 42,607,558 Shares held directly by Mr Chong and 20,000 Shares held indirectly by Mr Chong's wife.

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

1.7 Effect on Control

Based on current shareholding and Entitlements of Shareholders (including substantial Shareholders) as at the date of this Prospectus, regardless of the amount raised under the Offer, no Shareholder will increase their holding, to an amount in excess of 19.9% through applying for their Entitlements.

Further as set out in Section 2.6, on the basis of the allocation policy, no person will acquire, through participation in the Shortfall Offer a holding of Shares of, or increase their holding to, an amount in excess of 19.9% of all the Shares on issue on completion of the Offer.

Further there will be no change to any Shareholder's voting power as a result of the issue of the New Options. Where New Options are exercised into Shares, the voting power of the Shareholders who exercise the New Options will increase. The likelihood of New Options being exercised is dependent on the price of Shares from time to time until the New Options expire.

1.8 Potential dilution on non-participating Shareholders

In addition to potential control impacts set out in Section 1.8, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 20% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

No immediate dilution will occur as a result of the issue of New Options under this Prospectus. However subsequent exercise of any or all of the New Options will result in dilution. Assuming all New Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Offer, are likely to be diluted by an aggregate of approximately 20% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).

For illustrative purposes, the table below shows how the dilution may impact the holdings of Shareholders:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	5.23%	2,500,000	10,000,000	4.18%
Shareholder 2	5,000,000	2.61%	1,250,000	5,000,000	2.09%
Shareholder 3	1,500,000	0.78%	375,000	1,500,000	0.63%
Shareholder 4	400,000	0.21%	100,000	400,000	0.17%
Shareholder 5	50,000	0.03%	12,500	50,000	0.02%
Total	191,360,005		47,840,002		239,200,007

Notes:

1. Assumes full subscription by all other shareholders.
2. This is based on a share capital of 191,360,005 Shares as at the date of the Prospectus and assumes no Options currently on issue or other Shares are issued including New Options or Performance Rights are exercised.
3. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the

resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

2. DETAILS OF THE OFFER

2.1 The Offer

The Offer is being made as a pro-rata non-renounceable entitlement issue of 1 Share for every 4 Shares held by Shareholders registered at the Record Date at an issue price of \$0.045 per Share together with 1 New Option for every 2 Shares subscribed for and issued. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming Shares are issued prior to the Record Date including on exercise or conversion of securities on issue) approximately 47,840,001 Shares and 23,920,001 New Options may be issued under the Offer to raise up to \$2,152,800. No funds will be raised from the issue of the New Options.

As at the date of this Prospectus the Company has 9,431,328 Options on issue some of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to Section 4.2 for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares. The New Options will be exercisable at \$0.058 on or before two years from the date of issue and otherwise on the terms set out in Section 4.2.

The purpose of the Offer and the intended use of funds raised are set out in Section 3.

2.2 What Eligible Shareholders may do

The number of Securities to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form which can be accessed at www.nanoveu.com. Eligible Shareholders may choose any of the options set out in the table below.

Option	Key Considerations	For more information
Take up all of your Entitlement	<p>(a) Should you wish to accept all of your Entitlement, then your application for Securities under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form which can be accessed at www.nanoveu.com. Please read the instructions carefully.</p> <p>(b) Payment can be made by the methods set out in Section 2.3. As set out in Section 2.3, if you pay by BPAY, you do not need to return the Entitlement and Acceptance Form.</p>	Section 2.3 and Section 2.4.

Option	Key Considerations	For more information
<p>Take up all of your Entitlement and also apply for Shortfall Securities</p>	<p>(a) Should you wish to accept all of your Entitlement and apply for Shortfall Securities, then your application for your Entitlement and additional Shortfall Securities under this Prospectus must be made by following the instructions on your personalised Entitlement and Acceptance Form which can be accessed at www.nanoveu.com. Please read the instructions carefully.</p> <p>(b) Payment can be made by the methods set out in Section 2.3. Payment should be made for your Entitlement and the amount of the Shortfall for which you are applying.</p> <p>(c) If you apply for Shortfall Securities beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall Securities is at the Company's absolute discretion as per the allocation policy set out in Section 2.6. Accordingly, your application for additional Shortfall Securities may be scaled-back.</p> <p>(d) The Company's decision on the number of Shortfall Securities to be allocated to you will be final.</p>	<p>Sections 2.3, 2.4 and 2.6.</p>
<p>Take up a proportion of your Entitlement and allow the balance to lapse</p>	<p>If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by completing the personalised Entitlement and Acceptance Form which can be accessed at www.nanoveu.com for the number of Securities you wish to take up and making payment using the methods set out in Section 2.3 below. As set out in Section 2.3, if you pay by BPAY, you do not need to return the Entitlement and Acceptance Form.</p>	<p>Section 2.3 and Section 2.4</p>
<p>Allow all or part of your Entitlement to lapse</p>	<p>If you do not wish to accept any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement by the Closing Date, the Offer to you will lapse.</p>	<p>N/A</p>

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

2.3 Payment options

(a) By BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received by 5:00pm (WST) on the Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.**

Guidance where you have more than one CRN (Shareholding of Shares)

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. **Do not use the same CRN for more than one of your Shareholdings.** This can result in your Application monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any Application in respect of your remaining Shareholdings will not be valid).

(b) By Cheque

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to “**Nanoveu Limited**” and crossed “**Not Negotiable**”.

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5:00pm (WST) on the Closing Date.

2.4 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety; and
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any Application monies, the application may not be varied or withdrawn except as required by law.

2.5 Minimum subscription

There is no minimum subscription.

2.6 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer (**Shortfall Securities**). The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.045 being the price at which Shares have been offered under the Offer.

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other Eligible Shareholders or other third parties as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Offer.

Eligible Shareholders who wish to subscribe for Securities above their Entitlement are invited to apply for Shortfall Securities under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Securities in accordance with Sections 2.3.

The Board presently intends to allocate Shortfall Securities as follows:

- (a) to Eligible Shareholders who apply for an excess of their full Entitlement, so long as the issue of Shortfall Securities to that Eligible Shareholder would not take their voting power to in excess of 19.99%; and then
- (b) to other parties identified by the Directors, which may include parties who are not currently Shareholders.

No Shares will be issued to a party under the Shortfall Offer if the effect would be to increase that party's voting power in the Company to an amount greater than 19.99%.

The Company reserves the right to issue an Eligible Shareholder a lesser number of Shortfall Securities than applied for or no Shortfall Securities at all. However, the Directors do not intend to refuse an application for Shortfall Securities from Eligible Shareholders other than in circumstances of oversubscription or where acceptance may result in a breach of the Corporations Act. If the number of Shortfall Securities applied for by Eligible Shareholders exceeds the total Shortfall,

the Shortfall Securities will be allocated among applying Eligible Shareholders proportionate to their existing holdings.

All decisions regarding the allocation of Shortfall Securities will be made by the Directors and will be final and binding on all applicants under the Shortfall Offer; as such there is no guarantee that any Shortfall Securities applied for will be issued to Eligible Shareholders.

The Company will have no liability to any Applicant who receives less than the number of Shortfall Securities they applied for under the Shortfall Offer. If the Company scales back any applications for Shortfall Securities under the Shortfall Offer any Application monies will be returned (without interest) as soon as practicable.

2.7 ASX listing

Application for Official Quotation of the Securities offered pursuant to this Prospectus will be made in accordance with the timetable set out at Section 1. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application monies for the Shares within the time prescribed under the Corporations Act, without interest.

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

The Company will not apply for Official Quotation of the New Options issued pursuant to this Prospectus.

2.8 Issue of Securities

Securities issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at Section 1.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Securities issued is less than the number applied for, or where no issue is made surplus Application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

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

Holding statements for Securities issued under the Offer will be mailed as soon as practicable after the issue of Securities and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

2.9 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand unless the Company is satisfied that it is permitted to issue Shares to a Shareholder resident in another jurisdiction by the laws of that Shareholder's country of residence, either unconditionally or after compliance with conditions which the Company regards as acceptable and not unduly onerous or impracticable.

New Zealand

The Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia and New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

3. PURPOSE AND EFFECT OF THE OFFER

3.1 Purpose of the offer

The purpose of the Offer is to raise up to \$2,152,800 before costs.

The funds raised from the Offer are intended to be applied in accordance with the table set out below:

Item	Proceeds of the Offer	\$	%
1.	Sales and marketing	\$800,000	37%
2.	Regulatory approvals	\$100,000	5%
3.	Inventory build	\$500,000	23%
4.	Working capital	\$713,746	33%
5.	Expenses of the Offer ¹	\$39,054	2%
	Total	\$2,152,800	100%

Notes:

1. Refer to Section 6.7 for further details relating to the estimated expenses of the Offer.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives. In the event the Offer is not fully subscribed, operational objectives are likely to be modified, which may result in delay or substantial changes to the Company's future plans.

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

3.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, will be to:

- (a) increase the cash reserves by \$2,113,746 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer;
- (a) increase the number of Shares on issue from 191,360,005 as at the date of this Prospectus to 239,200,006 Shares; and
- (b) increase the number of Options on issue from 9,431,328 as at the date of this Prospectus to 33,351,329 Options (not including the Placement Options to be issued subject to Shareholder approval and Options to be issued to the lead manager of the Placement).

3.3 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, is set out below.

Shares

	Number
Shares currently on issue	191,360,005
Shares offered pursuant to the Offer ¹	47,840,001
Total Shares on issue after completion of the Offer	239,200,006

Notes:

1. Assumes that all Entitlements are accepted, no Options or Performance Rights are exercised or converted and no other Shares are issued prior to the Record Date.
2. As announced on 29 January 2021, the second share subscription under the placement agreement (**Subscription Agreement**) with Antiviral Technologies Portfolio LLC (the **Investor**) has been made. As a result, the Investor has made an investment of \$600,000 and subscribed for Shares with the value of \$658,500 (**Second Subscription Shares**). The Company has previously received settlement notices from the Investor to subscribe for a total of \$430,000 worth of Second Subscription Shares. The Company may receive further settlement notices for the remainder of the Second Subscription Shares prior to the Closing Date of the Offer.
3. The Investor has also elected to make a further investment of \$400,000 under the Subscription Agreement which is subject to Shareholder approval. As a result, the Company intends to seek Shareholder approval on or before 27 October 2021 for the Investor to have the right to subscribe for Shares with the value of \$439,000 (**Third Subscription**).

Options

	Number
<u>Options currently on issue</u>	
Unquoted Options exercisable at \$0.20 on or before 15 November 2021	2,081,328
Unquoted Options exercisable at various prices on or before various dates	150,000
Unquoted Options exercisable at \$0.10 on or before 22 December 2022	3,300,000
Unquoted Options exercisable at \$0.1018 on or before 28 October 2023	3,900,000
Total Options on issue as at the date of this Prospectus	9,431,328
Options to be issued under the Placement	15,000,000 ¹
Options to be issued to the lead manager of the Placement	1,000,000
New Options to be issued pursuant to the Offer	23,920,001 ²
Total Options on issue after completion of the Offer	49,351,329

Notes:

1. The issue of the Placement Options is subject to Shareholder approval at a meeting to be held in or around October 2021.
2. Refer to Section 4.2 for the terms of the New Options.

Performance Rights

	Number
Performance Rights currently on issue	10,414,500
Performance Rights offered pursuant to the Offer	Nil
Total Performance Rights on issue after completion of the Offer	10,414,500

The capital structure on a fully diluted basis as at the date of this Prospectus would be 211,205,833 Shares and on completion of the Offer (assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date and shareholders approve the Options issued under the Placement) would be 298,965,835 Shares.

No Shares, Options or Performance Rights on issue are subject to escrow restrictions, either voluntary or ASX imposed.

3.4 Pro-forma balance sheet

The reviewed balance sheet as at 30 June 2021 and the unaudited pro-forma balance sheet as at 30 June 2021 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options or convertible securities are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	UNAUDITED 30 June 2021 ¹ \$	PROFORMA Maximum Raise \$	PROFORMA Minimum Raise \$
CURRENT ASSETS			
Cash	2,089,007	4,202,753	2,102,394
Trade and other receivables	264,307	264,307	264,307
Inventories	531,440	531,440	531,440
TOTAL CURRENT ASSETS	2,884,754	4,998,500	2,898,141

	UNAUDITED 30 June 2021 ¹ \$	PROFORMA Maximum Raise \$	PROFORMA Minimum Raise \$
NON-CURRENT ASSETS			
Plant and equipment	75,009	75,009	75,009
TOTAL NON-CURRENT ASSETS	75,009	75,009	75,009
TOTAL ASSETS	2,959,763	5,073,509	2,973,150
CURRENT LIABILITIES			
Creditors and borrowings	851,995	851,995	851,995
TOTAL CURRENT LIABILITIES	851,995	851,995	851,995
TOTAL LIABILITIES	851,995	851,995	851,995
NET ASSETS (LIABILITIES)	2,107,768	4,221,514	2,121,155
EQUITY			
Share capital	16,079,066	18,192,812	16,092,453
Reserves	-13,026,303	-13,026,303	-13,026,303
Retained loss	-944,995	-944,995	-944,995
TOTAL EQUITY	2,107,768	4,221,514	2,121,155

Notes:

1. From 30 June 2021 Half-year Report, adjusted for placement of 30,000,000 shares at \$0.045, net of costs.

4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

4.1 Rights and liabilities attaching to Shares

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

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

(a) General meetings

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

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

(b) Voting rights

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

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

(c) Dividend rights

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

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

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

(d) **Winding-up**

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

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

(e) **Shareholder liability**

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

(f) **Transfer of shares**

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

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

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

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

(i) **Alteration of constitution**

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

4.2 Terms of New Options

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each New Option will be \$0.058 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) two years from the date of issue (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment

of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).

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

Within 5 Business Days after the Exercise Date, the Company will:

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

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

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

An New Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the New Option can be exercised.

(l) **Transferability**

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

5. RISK FACTORS

5.1 Introduction

The Securities offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

5.2 Company specific

(a) Potential for dilution

Upon implementation of the Offer, assuming all Entitlements are accepted, no other Shares are issued including New Options or Performance Rights are exercised prior to the Record Date the number of Shares in the Company will increase from 191,360,005 currently on issue to 239,200,007 and the number of Options in the Company will increase from 9,431,328 to 33,351,329 (not including the Placement Options to be issued and Options to be issued to the lead manager of the Placement). This means that immediately after the Offer each Share will represent a significantly lower proportion of the ownership of the Company.

Further if the New Options are subsequently exercised and Shares are issued on exercise of those New Options, each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company, a Share or an Option will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.042 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

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

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

(c) **Intellectual property rights**

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

The Company may be forced to litigate to enforce or defend its intellectual property rights against infringement and unauthorised use by competitors, and to protect our trade secrets. In so doing, the Company's intellectual property may be put at risk of being invalidated, unenforceable, or limited or narrowed in scope. Further, an adverse result in any litigation or defence proceedings may place pending applications at risk of non-issuance. In addition, if any licensor fails to enforce or defend their intellectual property rights, this may adversely affect the Company's ability to develop and commercialise the Company's current and future products and prevent competitors from making, using, and selling competing products. Any such litigation could be very costly and could distract management from focusing on operating the Company's business. Further, because the content of much of the Company's intellectual property concerns cannabis and other activities that are not legal in some state jurisdictions, we may face additional difficulties in defending our intellectual property rights.

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

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

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

(e) **Third party relationship risk**

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

(f) **Competition risk**

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

(g) **Reliance on key personnel**

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

(h) **Exchange rate movement**

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

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

(i) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its

operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(j) **Going Concern**

The Company's half year report (**Financial Report**) includes a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern.

Notwithstanding the 'going concern' qualification included in the Financial Report, the Directors believe that upon the successful completion of the Offer, the Company will have sufficient funds to adequately meet the Company's current short term working capital requirements.

In the event that the Offer is not completed successfully there is significant uncertainty as to whether the Company can continue as a going concern which is likely to have a material adverse effect on the Company's activities.

(k) **Climate Risk**

There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:

- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
- (ii) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

(l) **Coronavirus (COVID-19)**

The outbreak of the coronavirus disease (**COVID-19**) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The COVID-19 pandemic may also give rise to issues, delays or restrictions in product processing and packaging and the Company's ability to deliver products to customers, which may result in cost increases or adverse impacts on sales. In addition, the effects of COVID-19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders or the COVID-19 pandemic may also give rise to issues, delays or restrictions in relation to land access and the Company's ability to freely move people and equipment to and from exploration projects may cause delays or cost increases. The effects of COVID-19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders.

The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on its revenue channels and any adverse impact on the Company. If any of these impacts appear material prior to close of the Offer, the Company will notify investors under a supplementary prospectus.

5.3 Industry specific

(a) **Technology risk**

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

(b) **User experience risk**

The Company's business model is primarily based on recurring service revenue arising from technology users and customers. Notwithstanding efforts placed on the user interface and experience, a poor user

experience may occur and may affect growth of customer numbers and repeat purchases.

(c) **Unforeseen expenditure risk**

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

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

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

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

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

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

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

(f) **Contractual disputes**

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

(g) **Government regulation risk**

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

Compliance with government regulations may also subject the Company to additional fees and costs.

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

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

5.4 General risks

(a) Economic conditions and other global or national issues

General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations.

(b) Market conditions

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

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

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

(c) Litigation risks

The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(d) **Dividends**

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

(e) **Taxation**

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

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

(f) **Reliance on key personnel**

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

5.5 Speculative investment

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Securities offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Securities.

Before deciding whether to subscribe for Securities under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

6. ADDITIONAL INFORMATION

6.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

6.2 Continuous disclosure obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
8 September 2021	Investor Webinar Presentations
7 September 2021	Notice under Section 708A(5)(e) of the Corporations Act 2001

Date	Description of Announcement
7 September 2021	Application for quotation of securities
31 August 2021	Half Yearly Report and Accounts
31 August 2021	Proposed issue of securities - NVU
31 August 2021	Proposed issue of securities - NVU
31 August 2021	Placement and Entitlement Issue
27 August 2021	Trading Halt
23 August 2021	Nanoveu Continues Global Expansion with Antiviral Face Masks
23 August 2021	Pause in Trading
11 August 2021	ANZ distributor signs agreement with Linfox Armaguard
2 August 2021	Response to ASX Aware Letter
29 July 2021	Quarterly Activities/Appendix 4C Cash Flow Report
28 July 2021	Nestle Research validates Nanoshield with SARS-CoV-2 testing
8 July 2021	Change of Director's Interest Notice
8 July 2021	Appendix 3G
8 July 2021	Notification of cessation of securities - NVU
2 July 2021	Top 20 securityholders
2 July 2021	Results of Meeting
2 July 2021	AGM Presentation
1 July 2021	Customskins Deployment To Commence Across Singapore
30 June 2021	AGM Attendance and COVID-19 Restrictions
15 June 2021	Nanoshield antiviral protection drives record sales
25 May 2021	Notice of Annual General Meeting/Proxy Form
21 May 2021	Expiry of Performance Options
6 May 2021	Nanoveu to Pursue US Sales with EPA Approval
30 April 2021	Notice Required Under ASX Listing Rule 3.13.1
29 April 2021	Appendix 4C - quarterly
27 April 2021	Exclusive Distribution Agreement for Indian Market
6 April 2021	Appendix 2A
1 April 2021	Disclosure Document
1 April 2021	Ceasing to be a substantial holder
31 March 2021	Update on Performance Rights
30 March 2021	Becoming a substantial holder

Date	Description of Announcement
26 March 2021	Investor Webinar Presentation
25 March 2021	Proposed issue of Securities - NVU
25 March 2021	Issue of Incentive Performance Rights
25 March 2021	Nestle Professional to Apply Nanoshield Protectors
25 March 2021	Pause in Trading
23 March 2021	Exclusive Distribution Agreement for the Philippines
11 March 2021	International Distribution Agreements Accelerate
25 February 2021	Appendix 4G and Corporate Governance Statement
25 February 2021	Annual Report to shareholders

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.nanoveu.com.

6.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	\$0.065	23 August 2021
Lowest	\$0.042	7 September 2021
Last	\$0.043	8 September 2021

6.4 Interests of Directors

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

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

(c) the Offer,

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

(d) as an inducement to become, or to qualify as, a Director; or

(e) for services provided in connection with:

(i) the formation or promotion of the Company; or

(i) the Offer.

Security holdings

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus, together with their respective Entitlement, is set in Section 1.5.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$300,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors as disclosed in the Company's Annual Report.

Director	Remuneration for year ended 31 December 2020	Proposed remuneration for year ended 31 December 2021
Alfred Chong	288,041 ¹	252,537 ⁵
Michael van Uffelen	201,703 ²	190,448 ⁶
Steven Apedaile	70,496 ³	50,535 ⁷
David Nicol	71,811 ⁴	50,535 ⁸

Notes:

1. Consists of \$220,041 in salary, fees and commissions, \$8,520 in directors and officers insurance, \$14,500 in post-employment benefits and \$44,980 in amortisation of

performance rights.

2. Consists of \$137,500 in salary, fees and commissions, \$5,161 in directors and officers insurance, \$4,560 in post-employment benefits and \$54,482 in amortisation of performance rights.
3. Consists of \$48,000 in salary, fees and commissions, \$1,909 in directors and officers insurance, \$4,560 in post-employment benefits and \$16,027 in amortisation of performance rights.
4. Consists of \$48,000 in salary, fees and commissions, \$1,909 in directors and officers insurance, \$4,560 in post-employment benefits and \$17,342 in amortisation of performance rights.
5. Consists of \$220,041 in salary, fees and commissions, \$8,520 in directors and officers insurance, \$14,500 in post-employment benefits and \$32,496 in amortisation of performance rights.
6. Consists of \$162,000 in salary, fees and commissions, \$5,161 in directors and officers insurance, \$4,560 in post-employment benefits and \$28,448 in amortisation of performance rights.
7. Consists of \$48,000 in salary, fees and commissions, \$1,909 in directors and officers insurance, \$4,560 in post-employment benefits and \$2,535 in amortisation of performance rights.
8. Consists of \$48,000 in salary, fees and commissions, \$1,909 in directors and officers insurance, \$4,560 in post-employment benefits and \$2,535 in amortisation of performance rights.

6.5 Interests of experts and advisers

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

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

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

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

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

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$20,000 (excluding GST and disbursements) for these services.

6.6 Consents

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

Each of the parties referred to in this Section:

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

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus.

BDO Audit (WA) Pty Ltd has given its written consent to being named as auditor to the Company in this Prospectus and the inclusion of the 30 June 2021 reviewed statement of financial position of the Company in Section 3.4. BDO Audit (WA) Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

6.7 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$39,054 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	8,848
Legal fees	20,000
Printing and distribution	5,000
Miscellaneous	2,000
Total	39,054

6.8 Directors' Authorisation

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

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



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

7. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at Section 1 (unless extended).

Company means Nanoveu Limited (ACN 624 421 085).

Constitution means the constitution of the Company as at the date of this Prospectus.

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

CRN means Customer Reference Number in relation to BPAY®.

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

Eligible Shareholder means a Shareholder as at the Record Date who is eligible to participate in the Offer and who is not an Ineligible Shareholder.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Exercise Price means the exercise price of the New Options being \$0.058.

Ineligible Shareholder means a Shareholder as at the Record Date whose registered address is not situated in Australia or New Zealand or in another jurisdiction if the Company is satisfied that it is permitted to issue Securities to a Shareholder resident in another jurisdiction by the laws of that Shareholder's country of residence, either unconditionally or after compliance with conditions which the Company regards as acceptable and not unduly onerous or impracticable.

New Option means an Option issued on the terms set out in Section 4.2.

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Placement means the issue of 30,000,000 Shares and 15,000,000 Options to professional and sophisticated investors as announced by the Company on 31 August 2021.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at Section 1.

Section means a section of this Prospectus.

Securities means Shares and/or Options as the context requires.

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

Shareholder means a holder of a Share.

Shortfall means the Securities not applied for under the Offer (if any).

Shortfall Application Form means the Shortfall Offer application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall Securities on the terms and conditions set out in Section 2.6.

Shortfall Securities means those Securities not applied for under the Offer (if any) and offered pursuant to the Shortfall Offer.

Viriathus Capital means Viriathus Capital Pty Ltd (ACN 113 959 596) (AFSL 297950).

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