

1. Company details

Name of entity: Clearvue Technologies Limited
 ABN: 45 071 397 487
 Reporting period: For the year ended 30 June 2019
 Previous period: For the year ended 30 June 2018

2. Results for announcement to the market

| | | | \$ |
|---|----|---------|-----------|
| Revenues from ordinary activities | up | 100% to | 23,029 |
| Loss from ordinary activities after tax attributable to the owners of Clearvue Technologies Limited | up | 116% to | 4,265,316 |
| Loss for the year attributable to the owners of Clearvue Technologies Limited | up | 116% to | 4,265,316 |

Dividends

No dividend has been declared or paid for the year ended 30 June 2019 (30 June 2018: \$nil).

Brief Explanation of Results

During the year ended 30 June 2019, Clearvue Technologies had been focussed on the commercialisation of the Company's technology. The Company entered into a several different Memorandums to further the development and distribution of the Clearvue products in Australia, Europe, Middle East and South Africa. The Company also received its first revenues during the financial year.

There were no other significant changes in the nature of the activities of the Company during the financial year.

The loss for the consolidated entity after providing for income tax amounted to \$4,265,316 (30 June 2018 restated: \$3,685,830).

3. Net tangible assets

| | Reporting period Cents | Previous period Cents |
|---|------------------------|-----------------------|
| Net tangible assets per ordinary security | <u>1.17</u> | <u>3.90</u> |

4. Details of associates and joint venture entities

There are no associates or joint venture entities.

5. Details of entities over which control has been gained or lost during the period

There are no entities over which control has been gained or lost during the period.

6. Audit qualification or review

Details of audit/review dispute or qualification (if any):

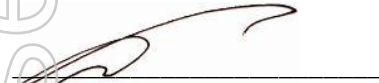
The financial statements are in the process of being audited.

7. Attachments

Details of attachments (if any):

The Preliminary Financial Report of Clearvue Technologies Limited for the year ended 30 June 2019 is attached.

8. Signed



Victor Rosenberg
Chairman
Perth

Date: 30 August 2019



ClearVue^{PV}



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**CLEARVUE TECHNOLOGIES LIMITED
AND ITS CONTROLLED ENTITIES**

ABN 45 071 397 487

Appendix 4E
Preliminary Financial Report

For the year ended 30 June 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 30 JUNE 2019

| | <u>Note</u> | <u>Consolidated</u> <u>30 Jun 2019</u> \$ | <u>Restated</u> <u>Consolidated</u> <u>30 Jun 2018</u> \$ |
|---|-------------|---|--|
| Revenue from contracts with customers | | 23,029 | - |
| Other income | 7 | 1,171,734 | 751,373 |
| | | <u>1,194,763</u> | <u>751,373</u> |
| Expenses | | | |
| Consulting expense | | (607,631) | (298,075) |
| Depreciation and amortisation expense | | (95,986) | (62,326) |
| Employee benefits expense | | (835,127) | (318,271) |
| Finance costs | | (10,271) | (29,814) |
| Legal fees | | (38,030) | (16,375) |
| Material costs | | (596,226) | (6,009) |
| Project costs | | (650,614) | (756,689) |
| Share-based payments expense | | (1,478,492) | (2,305,635) |
| Travel expenses | | (600,907) | (131,450) |
| Other expenses | | (546,795) | (512,559) |
| | | <u>(5,460,079)</u> | <u>(4,437,203)</u> |
| Loss before income tax | | <u>(4,265,316)</u> | <u>(3,685,830)</u> |
| Income tax expense | | - | - |
| Loss for the year | | <u>(4,265,316)</u> | <u>(3,685,830)</u> |
| Other comprehensive income / (loss) | | - | - |
| Total comprehensive loss for the year | | <u>(4,265,316)</u> | <u>(3,685,830)</u> |
| Loss per share attributable to the owners of the Company (cents) | | | |
| Basic earnings per share | 9 | (4.40) | (7.87) |
| Diluted earnings per share | 9 | (4.40) | (7.87) |

See accompanying notes to the consolidated financial statements

CLEARVUE TECHNOLOGIES LIMITED AND ITS CONTROLLED ENTITIES
 ABN 45 071 397 487

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT 30 JUNE 2019

| | <u>Note</u> | <u>Consolidated</u> <u>30 Jun 2019</u> \$ | <u>Restated</u> <u>Consolidated</u> <u>30 Jun 2018</u> \$ |
|--------------------------------|-------------|---|--|
| <u>ASSETS</u> | | | |
| Current Assets | | | |
| Cash and cash equivalents | | 1,376,936 | 3,818,763 |
| Trade and other receivables | | 211,073 | 18,797 |
| Other assets | | 90,208 | 99,791 |
| | | <u>1,678,217</u> | <u>3,937,351</u> |
| Non-Current Assets | | | |
| Plant and equipment | | 128,022 | 108,376 |
| Intangible assets | 3 | 1,877,072 | 1,493,159 |
| Other assets | | 55,354 | - |
| | | <u>2,060,448</u> | <u>1,601,535</u> |
| Total Assets | | <u><u>3,738,665</u></u> | <u><u>5,538,886</u></u> |
| <u>LIABILITIES</u> | | | |
| Current Liabilities | | | |
| Trade and other payables | 4 | 625,855 | 316,952 |
| Provisions | | 81,148 | - |
| | | <u>707,003</u> | <u>316,952</u> |
| Non-Current Liabilities | | | |
| Provisions | | 6,552 | - |
| | | <u>6,552</u> | <u>-</u> |
| Total Liabilities | | <u>713,555</u> | <u>316,952</u> |
| Net Assets | | <u><u>3,025,110</u></u> | <u><u>5,221,934</u></u> |
| <u>EQUITY</u> | | | |
| Share capital | 5 | 10,681,302 | 9,993,302 |
| Share-based payments reserve | 6 | 4,223,027 | 2,842,535 |
| Accumulated losses | | (11,879,219) | (7,613,903) |
| Total Equity | | <u><u>3,025,110</u></u> | <u><u>5,221,934</u></u> |

See accompanying notes to the consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 30 JUNE 2019

| | Share Capital | Share Application Monies | Share- Based Payments Reserve | Accumulated Losses | Total |
|---|------------------|--------------------------------|--|-----------------------|-------------|
| | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2017 | 4,880,646 | 98,000 | 536,900 | (3,928,073) | 1,587,473 |
| Loss for the year | - | - | - | (3,441,590) | (3,441,590) |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive loss for the year | - | - | - | (3,441,590) | (3,441,590) |
| Issue of ordinary shares | 6,530,955 | (98,000) | - | - | 6,432,955 |
| Share issue costs | (1,418,299) | - | - | - | (1,418,299) |
| Issue of listed options | - | - | 225,635 | - | 225,635 |
| Share-based payments | - | - | 2,080,000 | - | 2,080,000 |
| Balance at 30 June 2018 | 9,993,302 | - | 2,842,535 | (7,369,663) | 5,466,174 |
| Prior period adjustment (Note 3) | - | - | - | (244,240) | (244,240) |
| Balance at 30 June 2018 – (Restated) | 9,993,302 | - | 2,842,535 | (7,613,903) | 5,221,934 |
| Balance at 1 July 2018 | 9,993,302 | - | 2,842,535 | (7,613,903) | 5,221,934 |
| Loss for the year | - | - | - | (4,265,316) | (4,265,316) |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive loss for the year | - | - | - | (4,265,316) | (4,265,316) |
| Options exercised | 590,000 | - | - | - | 590,000 |
| Shares issued | 98,000 | - | - | - | 98,000 |
| Share-based payments | - | - | 1,380,492 | - | 1,380,492 |
| Balance at 30 June 2019 | 10,681,302 | - | 4,223,027 | (11,879,219) | 3,025,110 |

See accompanying notes to the consolidated financial statements

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CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 30 JUNE 2019

| | <u>Note</u> | <u>Consolidated</u> <u>30 Jun 2019</u> \$ | <u>Restated</u> <u>Consolidated</u> <u>30 Jun 2018</u> \$ |
|--|-------------|---|--|
| Cash flows from operating activities | | | |
| Loss before income tax | | (4,265,316) | (3,685,830) |
| Adjustment for: | | | |
| Depreciation of plant and equipment | | 34,592 | 14,035 |
| Amortisation of intangible assets | | 61,394 | 48,291 |
| Research and development net rebate | | (511,358) | - |
| Share-based payments | | 1,478,492 | 2,305,635 |
| Operating loss before working capital | | <u>(3,202,196)</u> | <u>(1,317,869)</u> |
| Changes in working capital: | | | |
| (Increase) in trade and other receivables | | (2,276) | (91,983) |
| Decrease in other assets | | 9,583 | - |
| Increase in trade and other payables | | 108,994 | 59,365 |
| Increase in provisions | | 87,700 | - |
| Net cash (used in) operating activities | | <u>(2,998,195)</u> | <u>(1,350,487)</u> |
| Cash flows from investing activities | | | |
| Patents and trademarks expenditure | | (280,207) | (233,539) |
| Research and development expenditure | | (615,803) | (729,983) |
| Research and development rebate | | 493,195 | 225,064 |
| Research and development grant received | | 478,777 | 504,918 |
| Proceeds for deposits | | (55,354) | - |
| Purchase of plant and equipment | | (54,238) | (121,655) |
| Net cash (used in) investing activities | | <u>(33,632)</u> | <u>(355,195)</u> |
| Cash flows from financing activities | | | |
| Options exercised | | 590,000 | - |
| Issuance of ordinary shares | | - | 5,528,000 |
| Share issuance cost | | - | (513,344) |
| Net cash from financing activities | | <u>590,000</u> | <u>5,014,656</u> |
| Net increase in bank balances | | (2,441,827) | 3,308,974 |
| Bank balances at beginning of year | | 3,818,763 | 509,789 |
| Bank balances at end of year | | <u>1,376,936</u> | <u>3,818,763</u> |

See accompanying notes to the consolidated financial statements

NOTES TO PRELIMINARY FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2019

These notes form an integral part of and should be read in conjunction with the accompanying financial report:

1. BASIS OF PREPARATION

This preliminary financial report has been prepared in accordance with Australian Securities Exchange Listing Rules as they relate to the Appendix 4E and in accordance with the recognition and measurement requirements of the Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

As such, this preliminary financial report does not include all the notes of the type included in an annual financial report and accordingly, should be read in conjunction with the annual report for the year ended 30 June 2018 and with any public announcement made by Clearvue Technologies Limited during the period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted in the preparation of the financial report are consistent with those of the previous financial year.

2. RESTATEMENT

During the year ended 30 June 2019, it was agreed to restate prior deferred development costs, project revenue and costs associated with the Greenhouse project year (as stated below). The restatement is to ensure that the relevant project revenue and costs are treated appropriately according to AASB 120 Government Grants and Disclosure of Government Assistance. Extracts (being only those line items affected) are disclosed below.

Consolidated Statement of Profit or Loss and Other Comprehensive Income (Extract)

| | Reported 30 Jun 2018 | Adjustment | Restated 30 Jun 2018 |
|---|---------------------------------------|-------------------|---------------------------------------|
| | \$ | \$ | \$ |
| Revenue | 75,143 | (75,143) | - |
| Other income | 432,368 | 319,005 | 751,373 |
| Total revenue | <u>507,511</u> | <u>243,862</u> | <u>751,373</u> |
| Project costs | (268,587) | (488,102) | (756,689) |
| Loss before income tax | (3,441,590) | (244,240) | (3,685,830) |
| Loss for the year, representing total comprehensive loss of the half-year | (3,441,590) | (244,240) | (3,685,830) |
| | Cents | Cents | Cents |
| Basic loss per share | (7.35) | (0.52) | (7.87) |
| Diluted loss per share | (7.35) | (0.52) | (7.87) |

NOTES TO PRELIMINARY FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2019

2. RESTATEMENT (CONT'D)

Consolidated Statement of Financial Position (Extract)

| | Reported Consolidated 30 Jun 2018 | Adjustment | Restated Consolidated 30 Jun 2018 |
|-----------------------------|--|-------------------|--|
| | \$ | \$ | \$ |
| Trade and other receivables | - | 18,797 | 18,797 |
| Total current assets | <u>3,918,554</u> | <u>18,797</u> | <u>3,937,351</u> |
| Intangible assets | 1,756,196 | (263,037) | 1,493,159 |
| Total non-current assets | <u>1,864,572</u> | <u>(263,037)</u> | <u>1,601,535</u> |
| Total assets | <u>5,783,126</u> | <u>(244,240)</u> | <u>5,538,886</u> |
| Net assets | <u>5,466,174</u> | <u>(244,240)</u> | <u>5,221,934</u> |
| Accumulated losses | (7,369,663) | (244,240) | (7,613,903) |
| Total equity | <u>5,466,174</u> | <u>(244,240)</u> | <u>5,221,934</u> |

Consolidated Statement of Cash Flows (Extract)

| | Reported Consolidated 30 Jun 2018 | Adjustment | Restated Consolidated 30 Jun 2018 |
|---|--|-------------------|--|
| | \$ | \$ | \$ |
| <i>Cash flows from operating activities</i> | | | |
| Loss before income tax | (3,441,590) | (244,240) | (3,685,830) |
| Operating loss before working capital | (1,073,629) | (244,240) | (1,317,869) |
| (Increase) / decrease in other receivables | (73,186) | (18,797) | (91,983) |
| Net cash used in operating activities | <u>(1,087,450)</u> | <u>(263,037)</u> | <u>(1,350,487)</u> |
| <i>Cash flows from investing activities</i> | | | |
| Research and development expenditure | (263,038) | (466,945) | (729,983) |
| Research and development rebate | - | 225,064 | 225,064 |
| Research and development grant received | - | 504,918 | 504,918 |
| Net cash used in investing activities | <u>(618,232)</u> | <u>263,037</u> | <u>(355,195)</u> |

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NOTES TO PRELIMINARY FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2019

2. RESTATEMENT (CONT'D)

Notes to the Consolidated Financial Statements (Extract)

| | Reported Consolidated 30 Jun 2018 | Adjustment | Restated Consolidated 30 Jun 2018 |
|--------------------------|--|-------------------|--|
| | \$ | \$ | \$ |
| <i>Intangible assets</i> | | | |
| Research and development | 844,057 | (263,037) | 581,020 |
| Total | <u>1,756,196</u> | <u>(263,037)</u> | <u>1,493,159</u> |
| <i>Other income</i> | | | |
| Rebates and refunds | - | 225,064 | 225,064 |
| Total | <u>432,368</u> | <u>225,064</u> | <u>751,373</u> |

3. INTANGIBLE ASSETS

| | Consolidated 30 Jun 2019 | Restated Consolidated 30 Jun 2018 |
|---------------------------------|-------------------------------------|--|
| | \$ | \$ |
| Patents and trademarks | 1,182,431 | 912,139 |
| Research and development | 694,641 | 581,020 |
| | <u>1,877,072</u> | <u>1,493,159</u> |
| <u>Patents and trademarks</u> | | |
| Cost | 1,433,641 | 1,101,955 |
| Less accumulated amortisation | (251,210) | (189,816) |
| Carrying amount | <u>1,182,431</u> | <u>912,139</u> |
| Cost | | |
| Balance at 1 July | 1,101,955 | 868,416 |
| Additions | 331,686 | 233,539 |
| Balance at 30 June | <u>1,433,641</u> | <u>1,101,955</u> |
| Accumulated amortisation | | |
| Balance at 1 July | 189,816 | 141,525 |
| Amortisation for the year | 61,394 | 48,291 |
| Balance at 30 June | <u>251,210</u> | <u>189,816</u> |
| Balance at 30 June | <u><u>1,182,431</u></u> | <u><u>912,139</u></u> |

NOTES TO PRELIMINARY FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2019

3. INTANGIBLE ASSETS (CONT'D)

| | Consolidated 30 Jun 2019 | Restated Consolidated 30 Jun 2018 |
|-----------------------------------|-------------------------------------|--|
| | \$ | \$ |
| <u>Research and development</u> | | |
| Cost | | |
| Balance at 1 July | 581,020 | 581,020 |
| Additions | 113,621 | - |
| Balance at 30 June | <u>694,641</u> | <u>581,020</u> |
| Accumulated amortisation | | |
| Balance at 1 July | - | - |
| Amortisation for the year | - | - |
| Balance at 30 June | <u>-</u> | <u>-</u> |
| Carrying amount at 30 June | <u>694,641</u> | <u>581,020</u> |
| Net carrying amount | <u>1,877,072</u> | <u>1,493,159</u> |

Intangible assets are stated at cost. The useful life of these patents and trademarks is estimated to be finite.

4. TRADE AND OTHER PAYABLES

| | Consolidated 30 Jun 2019 | Consolidated 30 Jun 2018 |
|----------------|-------------------------------------|-------------------------------------|
| | \$ | \$ |
| Trade payables | 578,333 | 287,203 |
| Other payables | 47,522 | 27,379 |
| Accruals | - | 2,370 |
| | <u>625,855</u> | <u>316,952</u> |

NOTES TO PRELIMINARY FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2019

5. SHARE CAPITAL

| | <u>30 Jun 2019</u> | <u>30 Jun 2018</u> | <u>30 Jun 2019</u> | <u>30 Jun 2018</u> |
|---------------------------------------|--------------------------|--------------------------|--------------------------|-------------------------|
| | NO. OF SHARES | NO. OF SHARES | \$ | \$ |
| <u>Share issued and fully paid</u> | | | | |
| Balance at 1 July | 95,020,300 | 61,433,023 | 9,993,302 | 4,880,646 |
| Options exercised ¹ | 2,360,000 | - | 590,000 | - |
| Issue of shares to KMP ² | 350,000 | - | 98,000 | - |
| Issue of shares pre-IPO | - | 4,062,501 | - | 626,000 |
| Issue of shares IPO | - | 25,000,000 | - | 5,000,000 |
| Issue of shares to corporate advisors | - | 4,524,776 | - | 904,955 |
| Share issue costs | - | - | - | (1,418,299) |
| Balance at 30 June | <u>97,730,300</u> | <u>95,020,300</u> | <u>10,681,302</u> | <u>9,993,302</u> |

¹ On the 21 September 2018, 1,860,000 unlisted options were exercised at an exercise price of \$0.25 per option. Subsequently, on the 5 October 2018, 500,000 unlisted options were exercised at an exercise price of \$0.25 per option.

² On 1 February 2019, 350,000 fully paid ordinary shares were issued at nil consideration, pursuant to the Company's Employee Share Plan. The shares were valued at a fair value of \$0.28 per share.

The share capital of the Company consists only of fully paid ordinary shares, the shares do not have a par value. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting of the Company. The balance includes 39,026,956 fully paid ordinary shares that are held in escrow for 24 months from the date of official quotation.

6. SHARE-BASED PAYMENTS RESERVE

| | <u>Consolidated 30 Jun 2019</u> | <u>Consolidated 30 Jun 2018</u> |
|--------------------------------------|-------------------------------------|-------------------------------------|
| | \$ | \$ |
| Share plan for Directors * | 536,900 | 536,900 |
| Options issued to Lead Manager Offer | 225,635 | 225,635 |
| Options issued to Consultants | 1,380,492 | - |
| Performance shares to Directors | 2,080,000 | 2,080,000 |
| | <u>4,223,027</u> | <u>2,842,535</u> |

* The share plan arises on the grant of loan for a term of 10 years to Directors and related parties for the purchase of the Company's ordinary shares under the Clearvue Loan Funded Share Plan in 2017. Amounts are transferred out of the reserve and into share capital when the loans are settled.

NOTES TO PRELIMINARY FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2019

6. SHARE-BASED PAYMENTS RESERVE (CONT'D)

| <i>Movement in Options</i> | NO. OF OPTIONS | \$ |
|--|-------------------|------------------|
| Balance at 1 July 2017 | 54,458,024 | 536,900 |
| Options issued to Lead Managers (Note 9) | 2,500,000 | 225,635 |
| Balance at 1 July 2018 | <u>56,958,024</u> | <u>762,535</u> |
| Options exercised (Note 9) | (2,360,000) | - |
| Options issued to Consultants (Note 9) | 8,550,000 | 1,380,492 |
| Balance at 30 June 2019 | <u>63,148,024</u> | <u>2,143,027</u> |

7. OTHER INCOME

| | Consolidated 30 Jun 2019 \$ | Restated Consolidated 30 Jun 2018 \$ |
|---------------------|-----------------------------------|---|
| Government grant | 423,735 | 429,776 |
| Other grants | 55,042 | 93,941 |
| Rebates and refunds | 683,195 | 225,064 |
| Interest received | 9,762 | 2,592 |
| | <u>1,171,734</u> | <u>751,373</u> |

8. SHARE-BASED PAYMENTS EXPENSE

Shares Issued

On 1 February 2019, 350,000 fully paid ordinary shares were issued at nil consideration to an employee pursuant to the Company's Employee Share Plan. Shares were valued at grant date at \$0.28 per share for a total value of \$98,000.

Performance Shares Issued

On 16 January 2018, 13,000,000 performance shares were issued to two of the Directors on achievement of certain milestones. Mr V Rosenberg was issued 1,000,000 Class A Performance Shares, 3,000,000 Class B Performance Shares and 6,000,000 Class C Performance Shares. Mr Lyford was issued 1,000,000 Class D Performance Shares, 1,000,000 Class E Performance Shares and 1,000,000 Class F Performance Shares. Performance shares are subject to escrow for 24 months from the date of official quotation.

Each Class A Performance Share, Class B Performance Share, Class C Performance Share, Class D Performance Share, Class E Performance Share and Class F Performance Share (together and each being a Performance Share) is a share in the capital of the Company.

NOTES TO PRELIMINARY FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

8. SHARE-BASED PAYMENTS EXPENSE (CONT'D)

The conversion of shares are dependent on the following:

Class A Performance Shares

- (A) In the event that the aggregate of the value of the ClearVue Orders and the ClearVue Payments is equal to or greater than \$2,000,000 within a period of 24 months commencing on the date the Company is admitted to the Official List (Listing Date) (Class A Milestone 1), each Class A Performance Share will convert into one Share; or
- (B) In the event that Class A Milestone 1 is not satisfied but the aggregate of the value of the ClearVue Orders and the ClearVue Payments is equal to or greater than \$7,000,000 within a period of 36 months from the Listing Date (Class A Milestone 2), each Class A Performance Share will convert into one Share; or
- (C) In the event that neither Class A Milestone 1 or Class A Milestone 2 is satisfied but the aggregate of the value of the ClearVue Orders and the ClearVue Payments is equal to or greater than \$17,000,000 within a period of 48 months from the Listing Date, each Class A Performance Share will convert into one Share.

Class B Performance Shares

- (A) In the event that the aggregate of the value of the ClearVue Orders and the ClearVue Payments is equal to or greater than \$5,000,000 within a period of 24-36 months from the Listing Date (Class B Milestone 1), each Class B Performance Share will convert into one Share; or
- (B) In the event that Class B Milestone 1 is not satisfied but the aggregate of the value of the ClearVue Orders and the ClearVue Payments is equal to or greater than \$7,000,000 within a period of 36 months from the Listing Date (Class B Milestone 2), each Class B Performance Share will convert into one Share; or
- (C) In the event that neither Class B Milestone 1 or Class B Milestone 2 is satisfied but the aggregate of the value of the ClearVue Orders and the ClearVue Payments is equal to or greater than \$17,000,000 within a period of 48 months from the Listing Date, each Class B Performance Share will convert into one Share.

Class C Performance Shares

- (A) In the event that the aggregate of the value of the ClearVue Orders and the ClearVue Payments is equal to or greater than \$10,000,000 within a period of 36-48 months from the Listing Date (Class C Milestone 1), each Class C Performance Share will convert into one Share; or
- (B) In the event that Class C Milestone 1 is not satisfied but the aggregate of the value of the ClearVue Orders and the ClearVue Payments is equal to or greater than \$17,000,000 within a period of 48 months from the Listing Date, each Class C Performance Share will convert into one Share.

Class D Performance Shares

- (A) In the event the Company executes two Agreements within a period of 12 months from the Listing Date (Class D Milestone 1), each Class D Performance Share will convert into one Share; or
- (B) In the event that the Class D Milestone 1 is not satisfied but the Company executes four Agreements within a period of 24 months from the Listing Date, each Class D Performance Share will convert into one Share (Class D Milestone 2); or

NOTES TO PRELIMINARY FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

8. SHARE-BASED PAYMENTS EXPENSE (CONT'D)

- (C) In the event that neither Class D Milestone 1 or Class D Milestone 2 is satisfied but the Company executes six Agreements within a period of 36 months from the Listing Date, each Class D Performance Share will convert into one Share.

Class E Performance Shares

- (A) In the event the Company executes two Agreements within a period of 12-24 months from the Listing Date (Class E Milestone 1), each Class E Performance Share will convert into one Share; or
- (B) In the event that Class E Milestone 1 is not satisfied but the Company executes four Agreements within a period of 24 months from the Listing Date, each Class E Performance Share will convert into one Share (Class E Milestone 2); or
- (C) In the event that neither Class E Milestone 1 or Class E Milestone 2 are satisfied but the Company executes six Agreements within a period of 36 months from the Listing Date, each Class E Performance Share will convert into one Share.

Class F Performance Shares

- (A) In the event the Company executes two Agreements within a period of 24-36 months from the Listing Date (Class F Milestone 1), each Class F Performance Share will convert into one Share; or
- (B) In the event that Class F Milestone 1 is not satisfied but the Company executes six Agreements within a period of 36 months from the Listing Date, each Class F Performance Share will convert into one Share.

At 30 June 2019 and at the date of lodgement of this report the conversion milestones for the Performance Shares have not been met and therefore no Performance Shares have been converted into fully paid ordinary shares.

| Grant Date | Performance Shares | Issue Price | \$ |
|-----------------|--------------------|-------------|-----------|
| 16 January 2018 | 13,000,000 | 0.16 | 2,080,000 |

Options Issued

On 16 May 2018, 2,500,000 options to the value of \$225,635 were issued to Ventnor Capital Pty Ltd as the Lead Manager on completion of the IPO. Each option entitles the holder to subscribe for one fully paid ordinary share in the capital of the Company upon exercise of the option.

On the 21 December 2018, 8,550,000 unlisted options exercisable at \$0.25 per option, with a total fair value of \$1,380,492, were issued to consultants of the Company for services provided. All the options vested on grant date.

The Company has measured the fair value of the options granted during the current financial year by adapting a Black-Scholes option pricing model using the following inputs:

| Grant Date | Expiry Date | Exercise Price | Share Price | Volatility | Risk Free Rate |
|-------------|-------------|----------------|-------------|------------|----------------|
| 21 Dec 2018 | 21 Jun 2021 | \$0.25 | \$0.28 | 96.65% | 1.97% |

NOTES TO PRELIMINARY FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2019

8. SHARE-BASED PAYMENTS EXPENSE (CONT'D)

2019

| Grant Date | Expiry Date | Exercise Price | Balance at the start of the year | Granted | Exercised | Expired / Forfeited / Other | Balance at the end of the year |
|------------|-------------|----------------|----------------------------------|-----------|-------------|-----------------------------|--------------------------------|
| 21/06/2017 | 21/06/2021 | \$0.25 | 54,458,024 | - | (2,360,000) | - | 52,098,024 |
| 16/05/2018 | 21/06/2021 | \$0.25 | 2,500,000 | - | - | - | 2,500,000 |
| 21/12/2018 | 21/06/2021 | \$0.25 | - | 8,550,000 | - | - | 8,550,000 |
| | | | 56,958,024 | 8,550,000 | (2,360,000) | - | 63,148,024 |

2018

| Grant Date | Expiry Date | Exercise Price | Balance at the start of the year | Granted | Exercised | Expired / Forfeited / Other | Balance at the end of the year |
|------------|-------------|----------------|----------------------------------|-----------|-----------|-----------------------------|--------------------------------|
| 21/06/2017 | 21/06/2021 | \$0.25 | 54,458,024 | - | - | - | 54,458,024 |
| 16/05/2018 | 21/06/2021 | \$0.25 | - | 2,500,000 | - | - | 2,500,000 |
| | | | 54,458,024 | 2,500,000 | - | - | 56,958,024 |

9. LOSS PER SHARE

| | Consolidated 30 Jun 2019 \$ | Restated Consolidated 30 Jun 2018 \$ |
|---|-----------------------------------|---|
| Loss after income tax used in calculating basic and diluted earnings per share | (4,265,316) | (3,685,830) |
| | No. | No. |
| Weighted average number or ordinary shares used in calculating basic and diluted earnings per share | 96,974,766 | 46,825,717 |
| | Cents | Cents |
| Basic loss per share | (4.40) | (7.87) |
| Diluted loss per share | (4.40) | (7.87) |