

1. Company details

Name of entity:	ClearVue Technologies Limited
ABN:	45 071 397 487
Reporting period:	For the year ended 30 June 2023
Previous period:	For the year ended 30 June 2022

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	78% to	63,310
Loss from ordinary activities after tax attributable to the owners of Clearvue Technologies Limited	up	97% to	7,493,092
Loss for the year attributable to the owners of Clearvue Technologies Limited	up	97% to	7,493,092

Dividends

No dividend has been declared or paid for the year ended 30 June 2023(30 June 2022: \$nil).

Brief Explanation of Results

The Company made significant progress in the financial year ended 30 June 2023, by enhancing its leadership and governance with the appointment of Martin Deil as the new Chief Executive Officer, Clifton Smyth as the new Chief Business Development Officer, and Gerd Hoenicke (Germany) and Charles Mowrey (USA) as new board members with industry expertise.

The Company also developed its second generation of product, which simplifies the assembly and materially reduces the cost and time of producing the ClearVue PV energy generating integrated glazing units (IGUs). This product innovation has increased the attractiveness and competitiveness of the Company's offering to potential manufacturing licensees who, with minimal change to their production processes, can produce and distribute ClearVue PV IGUs in their local markets and expand the sales opportunities for the Company.

Furthermore, the Company diversified its product portfolio by in-licensing photovoltaic solutions for the spandrel gap and wall cladding, which can cover the entire building envelope.

The Company showcased its new second generation product and spandrel gap product at a launch event in London in May 2023.

The Company also participated in several important trials and evaluations, such as: thermal and power performance testing with the Singapore Building and Construction Authority's Skylab; a paid-for trial with the Hong Kong government; a paid-for trial in Gröbming, Austria; a small trial with Luxembourg's Building Training Institute; and an Evaluation with the US Air Force in Florida (in partnership with Nodis Pte Ltd) – the Evaluation is currently in its third and final phase with results expected before the end of the calendar year.

The Company has expanded its visual communication capabilities by acquiring the IP and assets of Lusoco B.V., a Netherlands-based company that specialises in outdoor advertising solutions for bus shelters and signage applications. The Company has also hired the founders of Lusoco to enhance its own technical team, product offering and approach in this area.

The Company has continued to market and commercialise its technology in the US and Europe, its key target markets, as it prepares to launch the second-generation product.

No other significant changes occurred in the nature of the Company's activities during the financial year.

The loss for the consolidated entity after providing for income tax amounted to \$7,493,092 (30 June 2022 \$3,806,151).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	2.58	5.75

4. Details of associates and joint venture entities

Name	Country of Incorporation	Ownership Interest	
		2023	2022
ClearVue International Pty Ltd	Australia	100%	100%
ClearVue USA Inc	United States of America	100%	100%
ClearVue (Asia) Pte.Ltd	Singapore	100%	100%
ClearVue Europe BV	Netherlands	100%	100%
Clearvue Europe Holdings BV	Netherlands	100%	-

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

ClearVue Europe BV was established 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 2023 is attached.

8. Signed



Victor Rosenberg
Chairman
Perth

Date: 30 August 2023



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**CLEARVUE TECHNOLOGIES LIMITED
AND ITS CONTROLLED ENTITIES**

ABN 45 071 397 487

Appendix 4E
Preliminary Financial Report

30 June 2023

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	<u>Note</u>	Consolidated 30 Jun 2023 \$	Consolidated 30 Jun 2022 \$
Revenue from contracts with customers		63,310	287,613
Other income		1,152,716	1,121,739
		<u>1,216,026</u>	<u>1,409,352</u>
Royalty expense		(21,483)	-
Expenses			
Consulting expense		(2,629,563)	(1,745,062)
Depreciation and amortisation expense		(343,971)	(207,732)
Employee benefits expense		(1,562,054)	(1,192,188)
Finance costs		(12,777)	(14,786)
Legal fees		(72,447)	(193,429)
Material costs		(618,851)	(591,653)
Share-based payments expense	8	(1,562,838)	(411,787)
Travel expenses		(499,418)	(158,902)
Other expenses		(1,385,716)	(699,964)
		<u>(8,709,118)</u>	<u>(5,215,503)</u>
Loss before income tax		<u>(7,493,092)</u>	<u>(3,806,151)</u>
Income tax expense		-	-
Loss for the year		<u>(7,493,092)</u>	<u>(3,806,151)</u>
Other comprehensive income / (loss)		-	-
Total comprehensive loss for the year		<u>(7,493,092)</u>	<u>(3,806,151)</u>
Loss per share attributable to the owners of the Company (cents)			
Basic loss per share	9	(3.5)	(1.8)

See accompanying notes to the consolidated financial statements

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	<u>Note</u>	<u>Consolidated</u> <u>30 Jun 2023</u> \$	<u>Consolidated</u> <u>30 Jun 2022</u> \$
<u>ASSETS</u>			
Current Assets			
Cash and cash equivalents	2	5,164,663	11,753,873
Trade and other receivables	3	1,008,835	941,873
Other assets		382,304	261,112
		<u>6,555,802</u>	<u>12,956,858</u>
Non-Current Assets			
Plant and equipment		316,804	282,517
Right of use asset		158,984	172,220
Intangible assets	4	5,115,101	4,096,043
Other assets		56,682	56,682
		<u>5,647,571</u>	<u>4,607,462</u>
Total Assets		<u>12,203,373</u>	<u>17,564,320</u>
<u>LIABILITIES</u>			
Current Liabilities			
Trade and other payables	5	1,166,876	688,670
Lease liabilities		126,757	71,025
Provisions		107,203	209,423
		<u>1,400,836</u>	<u>969,118</u>
Non-Current Liabilities			
Lease liabilities		30,724	102,823
Provisions		45,492	35,804
		<u>76,216</u>	<u>138,627</u>
Total Liabilities		<u>1,477,052</u>	<u>1,107,745</u>
Net Assets		<u>10,726,321</u>	<u>16,456,575</u>
<u>EQUITY</u>			
Share capital	6	32,360,091	31,373,822
Share-based payments reserve	7	6,039,351	5,742,782
Accumulated losses		(27,673,121)	(20,660,029)
Total Equity		<u>10,726,321</u>	<u>16,456,575</u>

See accompanying notes to the consolidated financial statements

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Share Capital \$	Share-Based Payments Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2021	31,040,246	5,627,363	(17,077,246)	19,590,363
Loss for the year	-	-	(3,806,151)	(3,806,151)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(3,806,151)	(3,806,151)
Options exercised	258,576	(223,368)	223,368	258,576
Share based payments	75,000	336,787	-	411,787
Options issued		2,000		2,000
Balance at 30 June 2022	31,373,822	5,742,782	(20,660,029)	16,456,575
Balance at 1 July 2022	31,373,822	5,742,782	(20,660,029)	16,456,575
Loss for the year	-	-	(7,493,092)	(7,482,499)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(7,493,092)	(7,482,499)
Options exercised	200,000	-	-	200,000
Share based payments	786,269	776,569	-	1,552,245
Performance shares lapsed		(480,000)	480,000	-
Balance at 30 June 2023	32,360,091	6,039,351	(27,673,121)	10,726,321

See accompanying notes to the consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	<u>Note</u>	Consolidated 30 Jun 2023 \$	Consolidated 30 Jun 2022 \$
Cash flows from operating activities			
Loss before income tax		(7,493,093)	(3,806,151)
Adjustment for:			
Effects of currency translation on cash		(108,010)	(207,677)
Depreciation of plant and equipment		140,991	92,544
Amortisation of intangible assets		202,980	115,188
Share based payments		1,562,838	411,787
Operating loss before working capital		<u>(5,694,294)</u>	<u>(3,394,309)</u>
Changes in working capital:			
Decrease/(Increase) in trade receivables		(66,962)	(2,855)
Decrease in other assets		(121,192)	(67,448)
(Decrease)/Increase in trade and other payables		521,103	141,721
Increase in provisions		(92,533)	67,653
Net cash (used in) operating activities		<u>(5,453,878)</u>	<u>(3,255,238)</u>
Cash flows from investing activities			
Patents and trademarks expenditure		(842,464)	(603,322)
Development expenditure		(62,690)	(648,015)
Purchase of plant and equipment		(379,574)	(30,739)
Net cash (used in) investing activities		<u>(1,284,728)</u>	<u>(1,282,076)</u>
Cash flows from financing activities			
Options exercised		200,000	258,576
Options issued		-	2,000
Proceeds from borrowings		-	84,560
Loan repayments		(42,897)	(77,575)
Lease payments		(115,719)	(71,534)
Net cash from financing activities		<u>42,384</u>	<u>196,027</u>
Net (decrease) in cash and cash equivalents		(6,697,222)	(4,341,287)
Effects of currency translation on cash		108,010	207,677
Cash and cash equivalents at beginning of year		11,753,873	15,887,483
Cash and cash equivalents at end of year	2	<u>5,164,661</u>	<u>11,753,873</u>

See accompanying notes to the consolidated financial statements

NOTES TO CONSOLIDATED PRELIMINARY FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

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 2022 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. CASH AND CASH EQUIVALENTS

	Consolidated 30 Jun 2023	Consolidated 30 Jun 2022
	\$	\$
Cash and cash equivalents	5,164,663	11,753,873

3. TRADE AND OTHER RECEIVABLE

	Consolidated 30 Jun 2023	Consolidated 30 Jun 2022
	\$	\$
Trade receivables	73,371	48,019
R&D rebate receivable	935,464	812,830
Grants receivable	-	81,024
	1,008,835	941,873

NOTES TO CONSOLIDATED PRELIMINARY FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

4. INTANGIBLE ASSETS

	Consolidated 30 Jun 2023 \$	Consolidated 30 Jun 2022 \$
Patents and trademarks	2,795,872	2,096,921
Development asset	2,139,229	1,999,122
	<u>5,115,101</u>	<u>4,096,043</u>
<u>Patents and trademarks</u>		
Cost	3,474,030	2,631,567
Less accumulated amortisation	(678,158)	(534,646)
Carrying amount	<u>2,795,872</u>	<u>2,096,921</u>
Cost		
Balance at 1 July	2,631,567	2,028,245
Additions	842,463	603,322
Balance at 30 June	<u>3,474,030</u>	<u>2,631,567</u>
Accumulated amortisation		
Balance at 1 July	534,646	419,458
Amortisation for the year	143,512	115,188
Balance at 30 June	<u>678,158</u>	<u>534,646</u>
Carrying amount at 30 June	<u>2,795,872</u>	<u>2,096,921</u>
<u>Development asset</u>		
Cost	2,378,696	1,999,122
Less accumulated amortisation	59,467	-
Carrying amount	<u>2,139,229</u>	<u>1,999,122</u>
Cost		
Balance at 1 July	1,999,122	1,351,107
Additions	379,574	648,015
Balance at 30 June	<u>2,378,696</u>	<u>1,999,122</u>
Accumulated amortisation		
Balance at 1 July	-	-
Amortisation for the year	59,467	-
Balance at 30 June	<u>59,467</u>	<u>-</u>
Carrying amount at 30 June	<u>2,139,229</u>	<u>1,999,122</u>
Net carrying amount at 30 June	<u>5,115,101</u>	<u>4,096,043</u>

Intangible assets are stated at cost. The useful life of these patents and trademarks is estimated to be finite. No impairment losses were recognised during the financial year (2022: nil).

NOTES TO CONSOLIDATED PRELIMINARY FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

5. TRADE AND OTHER PAYABLES

	Consolidated 30 Jun 2023	Consolidated 30 Jun 2022
	\$	\$
Trade payables	559,950	369,366
Prepaid revenue	78,636	-
Unacquitted Grant	300,000	-
Other payables	115,404	110,186
Accruals	112,886	209,118
	1,166,876	688,670

6. SHARE CAPITAL

	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	NO. OF SHARES	NO. OF SHARES	\$	\$
<u>Share issued and fully paid</u>				
Balance at 1 July	212,040,344	210,112,365	31,373,822	31,040,246
Options exercised ¹	1,000,000	1,580,380	200,000	258,576
Share based payments ²	4,131,413	347,599	786,268	75,000
Balance at 30 June	217,171,757	212,040,344	32,360,090	31,373,822

¹On 14 October 2022 a total of 1,000,000 fully paid ordinary shares were issued on exercise of unlisted options, each option exercisable at \$0.20.

²On 14 October 2022, 21,008 fully paid ordinary shares were issued at a deemed price of \$0.375

²On 7 December 2022, 4,000,000 fully paid ordinary shares were issued to employees under the Company's employee securities incentive plan.

²On 20 June 2023, 110,405 fully paid ordinary shares were issued at a deemed price of \$0.17.

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

NOTES TO CONSOLIDATED PRELIMINARY FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

7. SHARE-BASED PAYMENTS RESERVE

	Consolidated 30 Jun 2023 \$	Consolidated 30 Jun 2022 \$
Share plan for Directors ¹	536,900	536,900
Performance rights to Directors	3,840,000	3,840,000
Options issued to Consultants	893,414	396,019
Options issued under CSIP	353,545	98,941
Options issued under ESOP	24,570	-
Options issued to Lead Manager of placement	390,922	390,922
Performance shares to Directors	-	480,000
	<u>6,039,351</u>	<u>5,742,782</u>

¹The 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.

	NO. OF OPTIONS	NO. OF PERFORMANCE RIGHTS	NO. OF PERFORMANCE SHARES	\$
<i>Movements in Share based payment reserve</i>				
Balance at 1 July 2021	13,275,247	10,000,000	3,000,000	5,627,363
Options issued to consultants ¹	2,000,000	-	-	237,846
Options issued to consultants – cash consideration ¹				2,000
Options issued under IOP ²	3,000,000			98,941
Options exercised ³	(1,580,380)	-	-	(223,368)
Balance at 30 June 2022	<u>16,694,867</u>	<u>10,000,000</u>	<u>3,000,000</u>	<u>5,742,782</u>

¹On 23 September 2021, 2,000,000 unlisted options exercisable at \$0.75, expiring 30 June 2024 were issued at cash consideration of \$2,000 pursuant to a corporate advisory agreement, ratified by shareholders on 25 November 2021

²On 3 February 2022, 3,000,000 unlisted options exercisable at \$0.37, expiring 2 February 2024 were issued to US CEO. The options comprise vesting milestones of 500,000 tranche 1 options (VWAP of AUD \$1.50 per Share for at least 30 days), 500,000 tranche 2 options (introduction and procuring a strategic alliance), 500,000 tranche 3 options (introduction and securing a strategic investment), 500,000 tranche 4 options (securing a commercial deployment) and 1,000,000 tranche 5 options (commence up-listing of its OTCQB US listing onto the NASDAQ), within 18 months from date of grant. Options were issued under the Company's incentive option plan

³On 22 July 2021, 23 September 2021, 19 October 2021, 15 December 2021 and 2 February 2022, a total of 580,380 fully paid ordinary shares were issued on exercise of unlisted options, each option exercisable at \$0.20.

³On 9 November 2021 a total of 1,000,000 fully paid ordinary shares were issued on exercise of unlisted options, each option exercisable at \$0.145.

NOTES TO CONSOLIDATED PRELIMINARY FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

7. SHARE-BASED PAYMENTS RESERVE – continued

	NO. OF OPTIONS	NO. OF PERFORMANCE RIGHTS	NO. OF PERFORMANCE SHARES	\$
<i>Movements in Share based payment reserve</i>				
Balance at 1 July 2022	16,694,867	10,000,000	3,000,000	5,742,782
Vesting options issued	-	-	-	244,010
Options issued to consultants ¹	8,000,000	-	-	497,396
Options exercised ²	(1,000,000)	-	-	-
Options expired ³	(8,144,867)	-	-	-
Options issued under ESOP ⁴	500,000	-	-	24,570
Options issued under IOP ⁶	3,000,000	-	-	10,593
Performance shares cancelled ⁵	-	-	(3,000,000)	(480,000)
Balance at 30 June 2023	19,050,000	10,000,000	-	6,039,351

¹On 20 June 2023, 2,500,000 unlisted options exercisable at \$0.30 per option, expiring 30 November 2024 were issued pursuant to a corporate advisory agreement.

¹On 20 June 2023, 2,500,000 unlisted options exercisable at \$0.40 per option, expiring 30 November 2025 were issued pursuant to a corporate advisory agreement.

¹On 20 June 2023, 3,000,000 unlisted options exercisable at \$0.50 per option, expiring 30 November 2025 were issued pursuant to a corporate advisory agreement.

²On 14 October 2022 a total of 1,000,000 fully paid ordinary shares were issued on exercise of unlisted options, each option exercisable at \$0.20.

³On 31 December 2022, 8,144,867 unlisted options exercisable at \$0.20 per option, expiring 31 December 2022 lapsed unexercised

⁴On 20 June 2023, 500,000 unlisted options exercisable at \$0.30 per option, expiring 30 November 2024 were issued under the company's employee securities investment plan.

⁵On 31 December 2022, 3,000,000 unlisted performance shares lapsed due to conditions not being met and have become incapable of being satisfied.

⁶On 23 May 2023, 3,000,000 unlisted options exercisable at \$0.2475, expiring 12 July 2027 were granted to the CEO. The options comprise vesting milestones of 500,000 tranche 1 options (VWAP of \$1.00 per share for at least 30 days), 500,000 tranche 2 options (introducing and procuring a strategic alliance), 500,000 tranche 3 options (VWAP of \$1.50 per share for at least 30 days), 500,000 tranche 4 options (securing a commercial deployment) and 1,000,000 tranche 5 options (commence up-listing of its OTCQB listing into the NASDAQ). Options were issued as part of the company's incentive option plan.

NOTES TO CONSOLIDATED PRELIMINARY FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

7. SHARE-BASED PAYMENTS RESERVE – continued

Options

The following share-based payment arrangements were in place during the current and prior periods:

	Number	Grant date	Expiry date	Exercise price \$	Fair value at grant date \$	Vesting date
CPVAG	800,000	23/12/2020	22/12/2023	0.25	0.195	Vests at the date of grant
CPVAF	1,750,000	18/11/2020	11/07/2024	0.1425	0.223	Vests at the date of grant
CPVAI	2,000,000	23/09/2021	30/06/2024	0.75	0.163	Vests at the date of grant
CPVAJ	3,000,000	03/02/2022	02/02/2024	0.37	0.12	Vests as per note ¹
CPVAK	500,000	20/06/2023	30/11/24	0.30	0.049	Vests at date of grant
CPVAL	2,500,000	20/06/2023	30/11/2024	0.30	0.049	Vests at the date of grant
CPVAM	2,500,000	20/06/2023	30/11/2025	0.40	0.062	Vests at the date of grant
CPVAN	3,000,000	20/06/2023	30/11/2026	0.50	0.073	Vests at the date of grant
CPVAO	3,000,000	23/5/2023	12/7/2023	0.2475	0.19	Vests as per note ²

¹On 3 February 2022, 3,000,000 unlisted options exercisable at \$0.37, expiring 2 February 2024 were issued to US CEO. The options comprise vesting milestones of 500,000 tranche 1 options (VWAP of AUD \$1.50 per Share for at least 30 days), 500,000 tranche 2 options (introduction and procuring a strategic alliance), 500,000 tranche 3 options (introduction and securing a strategic investment), 500,000 tranche 4 options (securing a commercial deployment) and 1,000,000 tranche 5 options (commence up-listing of its OTCQB US listing onto the NASDAQ), within 18 months from date of grant.

Options were issued under the Company's incentive option plan.

²On 23 May 2023, 3,000,000 unlisted options exercisable at \$0.2475, expiring 12 July 2027 were granted to the CEO. The options comprise vesting milestones of 500,000 tranche 1 options (VWAP of \$1.00 per share for at least 30 days), 500,000 tranche 2 options (introducing and procuring a strategic alliance), 500,000 tranche 3 options (VWAP of \$1.50 per share for at least 30 days), 500,000 tranche 4 options (securing a commercial deployment) and 1,000,000 tranche 5 options (commence up-listing of its OTCQB listing into the NASDAQ). Options were issued as part of the company's incentive option plan.

There has been no alteration of the terms and conditions of the above share-based payment arrangement since grant date.

NOTES TO CONSOLIDATED PRELIMINARY FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

7. SHARE-BASED PAYMENTS RESERVE – continued

The following table illustrates the number and weighted average exercise prices of and movements in share options issued during the year:

	2023		2022	
	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$
Outstanding at the beginning of year	11,694,867	0.195	13,275,247	0.191
Granted during the year	11,500,000	0.36	5,000,000	0.522
Exercised during the year	(1,000,000)	0.20	(1,580,380)	0.164
Expired during the year	(8,144,867)	0.20	-	-
Outstanding at the end of year	19,050,000	0.378	16,694,867	0.293
Exercisable at the end of year	13,050,000	0.41	11,694,867	0.195

The share options outstanding at the end of the year had a weighted average exercise price of \$0.293 (2021: \$0.191) and a weighted average remaining contractual life of 397 days (2021: 321 days).

The fair value of the equity-settled share options listed below is estimated as at the date of grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted

The conversion of the performance rights is dependent on the following:

	CPVAK	CPVAL	CPVAM	CPVAN
Dividend yield (%)	-	-	-	-
Expected volatility (%)	93.39	93.39	93.39	93.39
Risk-free interest rate (%)	5.0	5.0	5.0	5.0
Expected life of option (years)	1.45	1.45	2.45	3.45
Exercise price (cents)	30	30	40	50
Grant date share price(cents)	17	17	17	17

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value

NOTES TO CONSOLIDATED PRELIMINARY FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

7. SHARE-BASED PAYMENTS RESERVE – continued

The conversion of the performance rights is dependent on the following:

(i) **Class A Performance Rights**

- (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 of issue of the Performance Rights (**Issue Date**) (**Class A Milestone 1**), each Class A Performance Right will vest and be convertible 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 Issue Date (**Class A Milestone 2**), each Class A Performance Right will vest and be convertible 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 Issue Date, each Class A Performance Right will vest and be convertible into one Share.

(ii) **Class B Performance Rights**

- (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 to 36 months from the Issue Date (**Class B Milestone 1**), each Class B Performance Right will vest and be convertible 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 Issue Date (Class B Milestone 2), each Class B Performance Right will vest and be convertible 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 Issue Date, each Class B Performance Right will vest and be convertible into one Share.

(iii) **Class C Performance Rights**

- (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 to 48 months from the Issue Date (**Class C Milestone 1**), each Class C Performance Right will vest and be convertible 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 Issue Date, each Class C Performance Right will vest and be convertible into one Share.

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FOR THE YEAR ENDED 30 JUNE 2023

7. SHARE-BASED PAYMENTS RESERVE – continued

The fair value of the performance rights is estimated as at the date of grant using the Black-Scholes model taking into account the terms and conditions upon which the rights were granted.

Dividend yield (%)	-
Expected volatility (%)	100
Risk-free interest rate (%)	0.625
Vesting probability (%)	80
Performance period (years)	4.00
Exercise price (cents)	-
Grant date share price	0.48

The performance requirements are non-vesting conditions as there is no service requirement and therefore the fair value was expensed immediately.

Performance shares

The Performance Shares in the relevant class will convert into Shares upon satisfaction of the milestones as follows:

(i) **Class D Performance Shares:**

- (C) 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
- (D) 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
- (E) In the event that the Class D Milestone 1 or the Class D Milestone 2 are not 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.

(ii) **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

In the event that the Class E Milestone 1 or the Class E Milestone 2 are not 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 Shareⁱ

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FOR THE YEAR ENDED 30 JUNE 2023

7. SHARE-BASED PAYMENTS RESERVE – continued

(iii) 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.

8. SHARE-BASED PAYMENTS EXPENSE

	Consolidated 30 Jun 2023 \$	Consolidated 30 Jun 2022 \$
Shares issued to staff (ESOP) ¹	760,000	60,000
Shares issued to consultants ²	26,269	15,000
Options issued to consultants ³	497,396	237,846
Options issued under CSIP ⁴	254,603	98,941
Options issued under ESOP ⁵	24,570	-
	<u>1,562,838</u>	<u>411,787</u>

¹On 7 December 2022, 4,000,000 fully paid ordinary shares were issued to employees under the employee share plan. Shares issued under the Company's Employee Securities incentive Plan in recognition of service.

²On 14 October, 21,008 fully paid ordinary shares were issued at deemed price of \$0.36

²On 20 June 2023, 110,405 fully paid ordinary shares were issued at deemed price of \$0.17

³On 20 June 2023, 2,500,000 unlisted options exercisable at \$0.30 per option, expiring 30 November 2024 were issued pursuant to a corporate advisory agreement.

³On 20 June 2023, 2,500,000 unlisted options exercisable at \$0.40 per option, expiring 30 November 2025 were issued pursuant to a corporate advisory agreement.

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FOR THE YEAR ENDED 30 JUNE 2023

9. LOSS PER SHARE

	Consolidated 30 Jun 2023	Consolidated 30 Jun 2022
	\$	\$
Loss after income tax used in calculating basic and diluted earnings per share	(7,493,092)	(3,806,151)
	No.	No.
Weighted average number or ordinary shares used in calculating basic and diluted earnings per share	215,014,429	211,153,859
	Cents	Cents
Basic loss per share	(3.5)	(1.8)
Diluted loss per share	(3.5)	(1.8)

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