



CLEARVUE TECHNOLOGIES LIMITED

ABN 45 071 397 487

Annual Report to Shareholders

30 June 2018

COMPANY INFORMATION

DIRECTORS

Victor Rosenberg, Executive Chairman
Jamie Lyford, Executive Director
Sean Rosenberg, Non-executive Director
Ivan Wu, Non-executive Director
Stuart Carmichael, Non-executive Director

AUDITORS

Grant Thornton Audit Pty Ltd
Level 43 Central Park
152-158 St Georges Terrace
Perth WA 6000

COMPANY SECRETARY

Brett Tucker

SOLICITORS

Steinepreis Paganin
16 Milligan Street
Perth WA 6000

REGISTERED OFFICE

Ground Floor, 16 Ord Street
West Perth
WA 6005
Australia

SHARE REGISTRY

Registry Direct
PO Box 18366
Collins Street East
Melbourne VIC 8003

PRINCIPAL BANKERS

National Australia Bank Limited

STOCK EXCHANGE LISTING

Shares are listed on the Australian Securities
Exchange (ASX code: CPV)

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EXECUTIVE CHAIRMAN'S LETTER

Dear Shareholders,

On behalf of the board I am delighted to present to you ClearVue Technologies Limited ("ClearVue") Annual Report for the period ended 30 June 2018.

ClearVue is an Australian technology company that operates in the Building Integrated Photovoltaic (BPIV) sector which involves the integration of solar technology into glass and building surfaces. Specifically, ClearVue has developed advanced glass technology that preserves glass transparency to maintain building aesthetics whilst generating electricity from windows. Solar PV cells are incorporated around the edges of an Insulated Glass Unit (IGU) used in windows and the lamination interlayer between the glass in the IGU incorporates ClearVue's patented proprietary nano and micro particles, as well as its spectrally selective coating on the rear external surface of the IGU.

During the last twelve months, and more particularly since ClearVue listed on the Australian Securities Exchange on 25 May 2018, the company has successfully moved forward on multiple fronts including in the technical, commercial, Intellectual Property (IP) and corporate and financial aspects to its business, all being required for the successful market entry of its world leading advanced solar PV windows and glazing.

Highlights during the past 12 months

- ClearVue successfully raised \$5,000,000 in May 2018 as part of its Initial Public Offering (IPO);
- ClearVue signed a Memorandum of Understanding (MOU) with Mirreco to develop carbon-negative residential and commercial solutions that incorporate ClearVue's solar window technology and Mirreco's industrial hemp building materials to create eco-friendly structures;
- ClearVue moved away from dependence on its specifically designed window frames by developing industry standard format Insulated Glass Unit (IGU) window modules for use in multi-vendor window framing solutions; and
- ClearVue's IP and technology development portfolio has continued to expand – some earlier filed patents are now being granted and issued in different countries around the world.

We finished the year in a strong position with positive momentum.

Future Developments

Post year-end, the company announced that it has successfully completed standards testing for its solar window in both Australia and for the European Union and has also completed standards testing for its curtain-wall (building façade) product for Australia and New Zealand.

The company is very much looking forward to the upcoming launch of its products at the Fenestration conference in Port Douglas, Queensland, Glasstec 2018 in Germany in October 2018 and GreenBuild in Chicago in November 2018 when the ClearVue technology and its commercial-ready products will be revealed to the wider world. We think this will be a major turning point for the company.

The company is looking forward to the year ahead and progressing its commercialisation goals, along with its technology and business development plans.

We are excited about the year ahead and delivering on our stated objectives and sharing our continued success with you.

Victor Rosenberg
Executive Chairman

DIRECTORS' REPORT

The directors are pleased to present the audited financial report of Clearvue Technologies Limited ABN 45 071 397 487 ("the Company") for the year ended 30 June 2018.

1. DIRECTORS

The name of the directors in office at any time during or since the end of the year are:

Victor Rosenberg
Sean Rosenberg
Jamie Lyford
Ivan Wu
Stuart Carmichael (appointed 19 January 2018)

The qualifications, experience and special responsibilities of each director are as follows:

Mr Victor Rosenberg
Dip Pham, MPS (SA)
Executive Chairman

Victor started Tropiclas Pty Ltd in 1996 and is its driving force and major shareholder. Victor is a qualified pharmacist with extensive business experience in senior management and sales related positions. He has been in the industry for over 27 years having started and owned a number of private businesses, including pharmaceutical, toiletry and food manufacturing businesses. Victor has previously won an international innovation award for developments in food processing technologies. He consults to a number of public and private companies in the areas of pharmaceuticals, biotechnology and health foods. Victor is presently not a director of any other listed companies, nor held a directorship within the last 3 years before the end of 30 June 2018.

Mr Jamie Lyford
BCom, LLB, LLM, PGradDip IT
Executive Director

Jamie has over 20 years experience working in the areas of intellectual property (IP), commercialisation and technology both as an IP and commercialisation lawyer and as a commercialisation adviser. In his work as a lawyer he has worked with a number of well-known local and interstate law and patent firms and internationally with a specialist IT law firm as well as in-house with BHP and multinational IT services provider ATOS. As a commercialisation adviser, Jamie has assisted a number start-up and early stage companies both as an adviser and a director (of which he retains a number of current positions). He has also operated and managed the Western Australian government's Innovation Centre incubator under two separate outsourced consultancy terms where he was responsible for assisting innumerable innovative West Australian businesses on their path to successful commercialisation. Jamie is presently not a director of any other listed companies, nor held a directorship within the last 3 years before the end of 30 June 2018.

DIRECTORS' REPORT

1. DIRECTORS (CONTINUED)

Mr Sean Rosenberg

ICAA

Non-executive Director

Sean is a member of the Institute of Chartered Accountants in Australia, with over 12 years professional experience in finance, auditing and accounting of Listed Corporations. He has 17 years experience in business as both a director and owner of a company involved in the import, export and wholesale of Optical and Sunglass products. Sean's business experience includes product development and sourcing in Asia and Europe, management of national sales teams and business financing. Sean is presently not a director of any other listed companies, nor held a directorship within the last 3 years before the end of 30 June 2018.

Mr Ivan Wu

BASc (ComSc)

Non-executive Director

Ivan is currently a director of ICW Capital, a corporate consulting business in Australia. He has more than 20 years' commercial experience in the utility, technology and resource industries. Ivan was previously a founding director of a private corporate management company in Australia in 2007. He previously held roles of company secretary and directorship in various Australian Securities Exchange (ASX) listed companies. He facilitated the successful listing of Legacy Iron Ore Limited (ASX: LCY), iCandy Interactive Limited (ASX: ICI) and iGlobal Holdings Limited (NSX: IGH).

In recent years, Ivan has been involved in corporate advisory role assisting IPO, corporate restructuring, merger and acquisitions, investor relations and equity capital market for public listed companies. He managed the successful listing of ClarVue Technologies Limited (ASX: CPV) in May 2018. He was a director of listed company iGlobal Holdings Limited up till August 2017, and a director of iCandy Interactive Limited till February 2016.

Mr Stuart Carmichael

BCom, CA

Non-executive Director

Stuart is a Chartered Accountant with over 20 years of experience in the provision of corporate advisory services both within Australia and internationally. Stuart is a principal and director of Ventnor Capital Pty Ltd and Ventnor Securities Pty Ltd which specialises in the provision of corporate and financial advice to small cap ASX listed companies including capital raisings, initial public offerings, corporate restructures and mergers and acquisitions. Stuart graduated from the University of Western Australia with a Bachelor of Commerce degree, gaining experience with KPMG Corporate Finance in Perth and London before joining ASX listed property services and engineering company UGL Limited (ASX:UGL).

Stuart is Non-executive Chairman of Schrole Group Limited (ASX:SCL), Non-executive Chairman of Serpentine Technologies Limited (ASX:S3R) and Non-executive Director of De.mem Limited.

DIRECTORS' REPORT

2. COMPANY SECRETARY

Mr. Brett Tucker
CA

Brett Tucker holds the position of Company Secretary. Mr Tucker is a qualified Chartered Accountant who has acted as Company Secretary to a number of ASX listed and private companies.

REMUNERATION REPORT (AUDITED)

This report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of ClearVue Technologies Limited for the financial year ended 30 June 2018. The information provided in this remuneration report has been prepared in accordance with the requirements of the Corporations Act 2001 and its Regulations, and have been audited as required by Section 308(3C) of the Corporations Act 2001.

Key Management Personnel

The KMP of the Company during or since the end of the financial year were as follows:

Directors	Period of Employment (to present)
Mr Victor Rosenberg, Executive Chairman	Appointed 13 November 1995
Mr Jamie Lyford, Executive Director	Appointed on 27 January 2017
Mr Sean Rosenberg, Non-Executive Director	Appointed on 14 June 2009
Mr Ivan Wu, Non-Executive Director	Appointed on 13 April 2017
Mr Stuart Carmichael, Non-Executive Director	Appointed on 19 January 2018
Executives	Period of Employment
Mr Kim Harmer, Chief Technical Officer	Appointed on 10 January 2018

Remuneration Policy

The Company's remuneration policy for its KMP has been developed by the Board taking into account the size of the Company, the size of the management team, the nature and stage of development of the Company's current operations, and market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

In addition to considering the above general factors, the Board has also placed emphasis on the following specific issues in determining the remuneration policy for KMP:

- Sales contract awards;
- Technology development milestones; and
- The performance of the Company's shares as quoted on the Australian Securities Exchange.

Remuneration Committee

Due to the current size of the Company, the Board did not implement a Remuneration Committee during the year, as such the Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the Directors and the executive team.

Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive Director and executive remuneration is separate and distinct.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (CONTINUED)

Non-executive Director Remuneration

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

The ASX Listing Rules specify that the aggregate remuneration of non-executive Directors shall be determined from time to time by a general meeting. The Constitution states that the Company may pay to the Non-Executive Directors a maximum total amount of director's fees, determined by the Company in general meeting, or until so determined, as the Directors resolve. Fees for the Non-Executive Directors' are presently set at \$350,000 per annum including superannuation. These fees cover main board activities only. Non-Executive Directors may receive additional remuneration for other services provided to the Company.

The Non-Executive salary remuneration became effective from the date of the appointment of the Company to the Official List of the Australian Securities Exchange.

Executive Remuneration

The Company's remuneration policy is to provide a fixed remuneration component and a short and long term performance based component. The Board believes that this remuneration policy is appropriate given the considerations discussed in the section above and is appropriate in aligning executives' objectives with shareholder and business objectives.

Fixed Remuneration

Fixed remuneration consists of base salaries, as well as employer contributions to superannuation funds and other non-cash benefits. Fixed remuneration is reviewed annually by the Board. The process consists of a review of company and individual performance, relevant comparative remuneration externally and internally and, where appropriate, external advice on policies and practices.

Performance Based Remuneration – Short Term Incentive

The Board has not implemented a system where Executives are entitled to annual cash bonuses. The Company may provide pay performance bonuses to Executives as determined by the Board from time to time. No bonuses were paid or are payable in relation to the 2018 financial year.

Performance Based Remuneration – Long Term Incentive

Company Performance Shares and Options

The Board has previously chosen to issue Performance Shares (where appropriate) to some executives as a key component of the incentive portion of their remuneration, in order to attract and retain the services of the executives and to provide an incentive linked to the performance of the Company.

In the future the Board may grant Options to executives and key consultants to provide incentive based remuneration, with exercise prices at and/or above market share price (at the time of agreement). As such, Incentive Options granted to executives will generally only be of benefit if the executives perform to the level whereby the value of the Company increases sufficiently to warrant exercising the Incentive Options granted. It is considered the performance of the executives and the performance and value of the Company are closely related.

The Company prohibits executives entering into arrangements to limit their exposure to Performance Shares or Incentive Options granted as part of their remuneration package.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (CONTINUED)

Long-Term Incentive Plans

The Company has implemented an Employee Incentive Plan and a Loan Funded Share Plan.

Employee Incentive Plan

Under the Employee Incentive Plan, the Company may grant options to subscribe for Shares entitling the holder to be issued Shares on terms and conditions set by the Board at its discretion.

The material terms of the Employee Incentive Plan are as follows:

- (a) The purpose of the Plan is to:
- assist in the reward, retention and motivation of eligible persons;
 - to align the interests of eligible persons more closely with the interests of shareholders, by providing an opportunity for eligible persons receive an equity interest in the form of Awards; and
 - to provide eligible persons with the opportunity to share in any future growth in value of the Company.
- (b) The following persons can participate in the Plan if the Board makes them an offer to do so:
- a director;
 - a full-time or part-time employee;
 - a contractor; or
 - a casual employee of the Company or an associated body corporate and includes a person who may become an eligible person within (i) to (iv) above subject to accepting an offer of engagement for that role.
- (c) Plan Options issued under the Plan are subject to the terms and conditions set out in the Rules, which include:
- Vesting Conditions – which are time-based criteria, requirements or conditions (as specified in the offer and determined by the Board) which must be met prior to Awards vesting in a participant, which the Board may throughout the course of the period between the grant of an Award and its vesting, waive or accelerate as the Board considers reasonably appropriate;
 - Performance Conditions – which are conditions relating to the performance of the Group and its related bodies corporate (and the manner in which those conditions will be tested) as specified in an offer and determined by the Board; and
 - Exercise Conditions – which are criteria, requirements or conditions, as determined by the Board or under the Plan, which must be met (notwithstanding the satisfaction of any Vesting Conditions and/or Performance Conditions) prior to a Participant being entitled to exercise vested Awards in accordance with clauses 8 and 9. Clause 8 prohibits the disposal of any incentive plan 12 months from the date the Plan Shares were issued to the holder, unless there is prior written approval of the Directors, or pursuant to an IPO or Takeover. Subject to the approval of the Directors, the employee may request that Plan Shares be allotted to a Related Entity of the employee under Clause 9.
- (d) In accordance with ASIC Class Order 14/1000, the total Awards that may be issued under the Plan will not exceed 5% of the total number of Shares on issue. In calculating this limit, Awards issued to participants under the Plan other than in reliance upon this Class Order are discounted.
- (e) The Board has the unfettered and absolute discretion to administer the Plan.
- (f) Awards issued under the Plan are not transferable and will not be quoted on the ASX.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (CONTINUED)

The Rules otherwise contain terms and conditions considered standard for long-term incentive plan rules of this nature.

There were no options issued under the Employee Incentive Plan during the year (2017: Nil).

Loan Funded Share Plan

Under the Loan Funded Share Plan, the Company may grant Shares to a participant and may provide a loan to facilitate the acquisition of the Plan Shares. The terms of the loan and price of the Shares is determined by the Board.

The material terms of the Loan Funded Share Plan are as follows:

- (a) The purpose of the Plan is to:
- assist in the reward, retention and motivation of eligible persons;
 - to align the interests of eligible persons more closely with the interests of shareholders, by providing an opportunity for eligible persons to increase their ownership interest in the Company; and
 - to provide eligible persons with the opportunity to share in any future growth in value of the Company.
- (b) The following persons can participate in the Plan if the Board makes them an offer to do so:
- a director;
 - a full-time or part-time employee;
 - any other person who the Board determines is eligible to participate in the Plan.
- (c) Loans offered under the Plan to facilitate the acquisition of Plan Shares will be interest free and end on 10 years from the Share Grant Date, or earlier in accordance with the Plan Rules.
- (d) The total Shares that may be issued under the Plan in the previous five years, excluding any offers made in accordance with s708 of the Corporations Act, will not exceed 10% of the total number of Shares on issue.
- (e) The Board has the unfettered and absolute discretion to administer the Plan.
- (f) Shares issued under the Plan are not transferable.

The Rules otherwise contain terms and conditions considered standard for loan funded share plan rules of this nature.

There were no Shares issued under the Loan Funded Share Plan during the current financial year. During the year ended 30 June 2017, shares were issued under the Loan Funded Share Plan to the following participants:-

Holder	Position	No of shares	Loan amount
Victor Rosenberg	Executive Chairman	1,000,000	\$150,000
Jamie Lyford	Executive Director	1,950,000	\$292,500
Sean Rosenberg	Non-Executive Director	125,000	\$18,750
Ian Rosenberg	Former Non-Executive Director	125,000	\$18,750

All loans are outstanding at 30 June 2018 and at the date of this report.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (CONTINUED)

The remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Executive Director Service Agreements

The Company has entered into employment agreements with each of Victor Rosenberg and Jamie Lyford dated 18 January 2018 respectively, pursuant to which the Company has engaged Victor Rosenberg as Executive Chairman and Jamie Lyford as Executive Director. The material terms and conditions of the Employment Agreements are summarised below:

(a) Term:

The Employment Agreements commence on the date of the Company's admission to the Official List (on 23 May 2018) and each Employment Agreement continues until terminated in accordance with its terms.

(b) Remuneration:

Mr Rosenberg and Mr Lyford will receive from the commencement of their respective appointments, annual salaries of approximately \$200,000 and \$170,000 respectively.

(c) Incentive Programs:

The Executives may participate in any incentive plan that the Company may introduce from time to time.

(d) Termination:

The Company may immediately terminate the employment of Messrs Rosenberg and Lyford by written notice for a number of standard events including, but not limited to, if at any time such Executive:

- (i) commits a serious or repeated or continual breach of the obligations under their Executive Agreement;
- (ii) is guilty of any serious misconduct or serious neglect or dishonesty in the discharge of their duties under their Executive Agreement; or
- (iii) act in a manner which, in the reasonable opinion of the Company, brings the name or reputation of the Company or any member of the Company group into serious disrepute or prejudices the interests of the business of the Company.

The Company or the Executives may terminate the Executive Agreements for any reason by giving 6 months' written notice. The Employment Agreements contains other standard terms and conditions expected to be included in contracts of this nature.

Consultancy Agreement

The Company signed a corporate advisory mandate dated 23 January 2017 with ICW Capital (ICW), a company controlled by Ivan Wu, a Director, to act as corporate adviser in relation to the Initial Public Offering and for a minimum period of 12 months upon the Company being admitted to the Official List subject to a formal agreement being agreed between the parties.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (CONTINUED)

Under the terms of this engagement the Company agreed to appoint Ivan Wu as a Director and agreed to:

- (a) pay ICW a monthly fee of \$12,000 from the Commencement Date;
- (b) a fee of 6% of the total funds raised under a pre-IPO seed raising from new investors; and
- (c) issue ICW with such amount of Shares which equals 5% of the total issued share capital of the Company on the date the Company is admitted to the Official List. (excluding any such Shares to be issued to ICW under the ICW Mandate). The total number of Shares offered to ICW was 4,524,776 Shares pursuant to the Advisor Offer in the Prospectus dated 26 February 2018. ICW Capital agreed to issue the Advisor Offer shares as follows:-
 - 500,000 Shares to Ventnor Capital Pty Ltd, a related body corporate of the IPO Lead Manager and a company controlled by Stuart Carmichael, Director, in consideration of corporate advisory services provided to the Company;
 - 2,662,388 Shares to non-related party promoters of the Company; and
 - 1,362,388 Shares to nominee of ICW Capital.

The ICW Mandate was revised on 31 May 2018 and the Company agreed to pay ICW a monthly fee of \$6,000 for a term of 12 months from 1 June 2018.

The ICW Mandate is made on terms and conditions considered standard of an agreement of its nature.

Relationship between Remuneration of KMP and Shareholder Wealth and Earnings

The Board anticipates that the Company will retain earnings (if any) and other cash resources for the development of its business activities. The Company does not currently have a policy with respect to the payment of dividends and returns of capital however this will be reviewed on an annual basis. Therefore, there was no relationship between the Board's policy for determining, or in relation to, the nature and amount of remuneration of KMP and dividends paid and returns of capital by the Company during the current and previous four financial years.

The Company did not consider appreciation of the Company's shares when setting remuneration.

The Board did issue Performance Shares to Key Management Personnel and has implemented a Loan Funded Share Plan which will generally be of value if the Company's shares appreciate over time. However, it should be noted that all Director Shares granted under the Loan Funded Share Plan and all Performance Shares have been imposed in escrow (sale) restriction period of up to two years. This is in line with the Company policy that Company securities be used for long term incentive for Directors.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (CONTINUED)

Amount of Remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2018	2017	2018	2017	2018	2017
Directors						
Victor Rosenberg	100%	100%	-	-	-	-
Sean Rosenberg	100%	-	-	-	-	-
Jamie Lyford (a)	100%	-	-	-	-	-
Ivan Wu (b)	100%	-	-	-	-	-
Stuart Carmichael (c)	100%	-	-	-	-	-
Ian Rosenberg (d)	-	-	-	-	-	-
Key Management Personnel						
Kim Harmer (e)	100%	-	-	-	-	-

(a) Appointed 27 January 2017

(b) Appointed 13 April 2017

(c) Appointed on 19 January 2018

(d) Resigned 13 April 2017

(e) Commenced in January 2018

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (CONTINUED)

Amount of Remuneration (Continued)

2018	Short-term Benefits			Other	Post-employment Benefits		Long-term Benefits		Equity-settled Share-Based Payments		Total
	Salary, Fees & Leave	Profit Share & Bonuses	Non-monetary		Super	Other	Incentive Plans	Leave	Shares/Units	Options / Performance Rights	
<i>Directors</i>											
Victor Rosenberg	129,300	-	-	-	16,074	-	-	-	-	1,600,000	1,745,374
Sean Rosenberg	1,930	-	-	-	-	-	-	-	-	-	1,930
Jamie Lyford	12,596	-	-	-	-	-	-	-	-	480,000	492,596
Ivan Wu	138,053	-	-	29,760	-	-	-	-	-	-	167,813
Stuart Carmichael (a)	1,930	-	-	-	-	-	-	-	-	-	1,930
<i>Key Management Personnel</i>											
Kim Harmer (b)	44,400	-	-	-	2,711	-	-	-	-	-	47,111
	328,209	-	-	29,760	18,785	-	-	-	-	2,080,000	2,456,754

(a) Appointed on 19 January 2018

(b) Commenced in January 2018

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (CONTINUED)

Amount of Remuneration (Continued)

2017	Short-term Benefits			Other	Post-employment Benefits		Long-term Benefits		Equity-settled Share-Based Payments		Total
	Salary, Fees & Leave	Profit Share & Bonus	Non-monetary		Super	Other	Incentive Plans	Leave	Shares/Units	Options / Performance Rights	
<i>Directors</i>											
Victor Rosenberg	199,000	-	-	-	-	-	-	-	-	-	199,000
Sean Rosenberg	-	-	-	-	-	-	-	-	-	-	-
Jamie Lyford (a)	-	-	-	-	-	-	-	-	-	-	-
Ivan Wu (b)	-	-	-	-	-	-	-	-	-	-	-
Ian Rosenberg (c)	-	-	-	-	-	-	-	-	-	-	-
	199,000	-	-	-	-	-	-	-	-	-	199,000

(a) Appointed 27 January 2017

(b) Appointed 13 April 2017

(c) Resigned 13 April 2017

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (CONTINUED)

Performance Shares

Details of shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2018 are set out below:

Name	Grant Date	Performance Shares	Issue Price	\$
Victor Rosenberg	16 January 2018	10,000,000*	0.16	1,600,000
Jamie Lyford	16 January 2018	3,000,000*	0.16	480,000

** Comprises of 1,000,000 Class A Performance Shares, 3,000,000 Class B Performance Shares, 6,000,000 Class C Performance Shares, 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. Refer to the Prospectus lodged on the 23 May 2018 for the full terms and conditions of these Performance Shares.*

Options

No options were issued as remuneration to directors and other key management personnel in this financial year. Refer to Related Party Transaction note for details of options issued to associates of Directors.

Shareholding

The number of shares held during the financial year by each director and members of key management personnel of the Company, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals / Other	Balance at the end of the year
<i>Ordinary shares</i>					
Victor Rosenberg	22,660,099	-	-	-	22,660,099
Sean Rosenberg	750,000	-	50,000	-	800,000
Jamie Lyford	3,550,000	-	-	-	3,550,000
Ivan Wu	-	-	1,362,388	-	1,362,388
Stuart Carmichael	-	-	100,000	-	100,000
	<u>26,960,099</u>	<u>-</u>	<u>1,512,388</u>	<u>-</u>	<u>28,472,487</u>

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (CONTINUED)

Convertible Security Holding

The number of convertible securities held during the financial year by each director and members of key management personnel of the Company, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired / Forfeited / Other	Balance at the end of the year
Performance Shares					
Victor Rosenberg	-	10,000,000	-	-	10,000,000
Jamie Lyford	-	3,000,000	-	-	3,000,000
Sean Rosenberg	-	-	-	-	-
Ivan Wu	-	-	-	-	-
Stuart Carmichael	-	-	-	-	-
	-	13,000,000	-	-	13,000,000
Options					
Victor Rosenberg	22,660,099	-	-	-	22,660,099
Jamie Lyford	3,550,000	-	-	-	3,550,000
Sean Rosenberg	750,000	-	-	-	750,000
Ivan Wu	-	-	-	-	-
Stuart Carmichael	-	800,000 ^(a)	-	-	800,000
	26,960,099	800,000	-	-	27,760,099

(a) Issued as consideration for Lead Manager services. Refer to Related Party note for further information.

Other Transactions with Key Management Personnel and Their Related Parties

During the financial year, the following payments were made to director-related entities:

Consulting services from Elevation Partners Pty Ltd ¹	\$ 22,206
Corporate advisory and promoter services from ICW Capital ²	\$ 273,632
Company secretarial services from Ventnor Capital Pty Ltd ³	\$ 36,368
Lead manager services from Ventnor Securities Pty Ltd ³	\$ 729,135

¹ Director-related entity of Jamie Lyford

² Director-related entity of Ivan Wu, comprising cash payments of \$1,154 (ex GST) for corporate advisory services and a share based payment valued at \$272,478 from the issue of 1,362,388 Shares at \$0.20 each for IPO advisory services.

³ Director-related entity of Stuart Carmichael. The fees paid to Ventnor Securities Pty Ltd comprise cash payment of \$403,500 (ex GST) for IPO lead manager services and share based payments totalling \$325,635 from:-

- o Issue of 500,000 shares at a deemed price of \$0.20 each to nominees of Ventnor Securities Pty Ltd offered pursuant to the Advisor Offer in the Prospectus dated 26 February 2018 as agreed between ICW Capital Pty Ltd and Ventnor Securities Pty Ltd; and
- o Issue of 2,500,000 unlisted options offered pursuant to the Lead Manager offer in the Prospectus dated 26 February 2018, each valued at \$0.0903. Refer to Note 15 for further details.

⁴ Issued with shareholder approval on 16 January 2018. Refer to Note 15 for further details

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (CONTINUED)

**Other Transactions with Key Management Personnel and Their Related Parties
(Continued)**

The current trade payable balance as at 30 June 2018 included \$6,143 owing to Ventnor Capital Pty Ltd (director related entity of Stuart Carmichael). All transactions were made on normal commercial terms and conditions and at market rates.

End of Remuneration Report

3. PRINCIPAL ACTIVITIES

The principal activities of the Company during the course of the year were research and development activities applied to the Company's world leading solar glass technology. There were no significant changes in the nature of the activities of the Company during the financial year.

4. REVIEW OF OPERATIONS AND FINANCIAL RESULTS

The Company completed its initial public offering ("IPO") of its shares on the Australian Securities Exchange ("ASX") in May 2018 raising \$5,000,000 to fund its commercialisation and business development strategy. The operations of the Company have since been focussed on the commercialisation of the Company's technology.

The operating loss of the Group for the financial year after providing for income tax amounted to \$3,441,590 (2017: loss of \$1,334,455).

Additional Information

	2018	2017	2016	2015	2014
Revenue	504,919	57,135	-	35,129	-
EBITDA	(3,351,374)	(1,292,044)	(368,452)	(189,633)	(71,537)
EBIT	(3,413,700)	(1,330,287)	(368,711)	(189,998)	(72,010)
Loss after income tax	(3,441,590)	(1,334,455)	(372,501)	(190,539)	(87,337)
Share price (\$)	0.19	-	-	-	-
Dividend (cents per share)	-	-	-	-	-
Basic earnings per share (cents per share)	(7.35)	(2.85)	(0.38)	(0.20)	(0.11)

5. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In May 2018, the Company listed on the Australian Securities Exchange ("ASX") with the issue of 25,000,000 fully paid ordinary shares as part of its initial public offering ("IPO") for a total consideration of \$5,000,000. Further the Company issued 4,524,776 shares to corporate advisor (and nominees) on completion of the IPO. In addition, 2,500,000 options were issued to nominees of Ventnor Securities Pty Ltd, the Lead Manager of the IPO.

DIRECTORS' REPORT

6. DIVIDENDS

No dividend has been declared or paid since the start of financial year. The directors do not recommend the declaration of a dividend.

7. EVENTS ARISING SINCE THE END OF THE REPORTING PERIOD

On 24 August 2018 the Company held a meeting of shareholders to seek the removal of its auditor and the appointment of Grant Thornton Audit Pty Ltd ("Grant Thornton") as auditor of the Company. Shareholders approved these resolutions and Grant Thornton was appointed auditor of the Company.

No other matters or circumstances, not otherwise dealt with in this report have arisen since the end of the financial year to the date of this report which has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or state of affairs of the Company in subsequent financial years.

8. FUTURE DEVELOPMENTS

A discussion of likely developments in the Company's and the expected results of those operations is set out in the Executive Chairman's Letter.

9. DIRECTORS' MEETINGS

During the year, six (6) directors' meeting were held which were attended by all the directors, except for Stuart Carmichael (only attended 3 – appointed on 19 January 2018).

10. OPTIONS

Each option entitles the holder to subscribe for one fully paid ordinary share in the capital of the Company upon exercise of the option. The options have an exercise price of \$0.25 per option and an expiry date on the 21 June 2021. Shares issued on exercise of the options will rank equally with the shares on issue of the Company.

Issued ordinary shares of Clearvue Technologies Limited under option at the date of this report are:

Date options granted	Expiry date	Exercise price of shares (AUD)	Number under option
21 June 2018	21 June 2021	0.25	54,458,024
16 May 2018	21 June 2021	0.25	2,500,000 *

** Options are subject to escrow for 24 months from the date of official quotation*

11. ENVIRONMENTAL REGULATIONS

The Group's operations are not regulated by any significant environmental regulation under a law of the commonwealth or of a State or Territory of Australia.

12. INDEMNIFYING OFFICER OR AUDITOR

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial year, to any person who is or has been an officer or auditor of the Company.

DIRECTORS' REPORT

13. PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any proceedings during the year.


14. NON-AUDIT SERVICES

The Directors are satisfied that any provision of non-audit services to the Company, is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. No non-audit services were provided during the financial year, by the auditor.

15. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 has been included.

Signed in accordance with a resolution of the Board of Directors.


.....

Victor Rosenberg
Chairman

Perth WA,

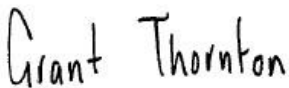
Date: 31 August 2018

Auditor's Independence Declaration

To the Directors of Clearvue Technologies Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Clearvue Technologies Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



L A Stella
Partner – Audit & Assurance

Perth, 31 August 2018

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

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Liability limited by a scheme approved under Professional Standards Legislation.

CLEARVUE TECHNOLOGIES LIMITED
ABN 45 071 397 487

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	<u>Note</u>	Consolidated 30.06.2018	Consolidated 30.06.2017
ASSETS			
Current Assets			
Cash and cash equivalents	3	3,818,763	509,789
Other receivables	4	99,791	26,605
		<u>3,918,554</u>	<u>536,394</u>
Non-Current Assets			
Plant and equipment	5	108,376	756
Intangible assets	6	1,756,196	1,307,910
		<u>1,864,572</u>	<u>1,308,666</u>
Total Assets		<u>5,783,126</u>	<u>1,845,060</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	7	316,952	257,587
Total Liabilities		<u>316,952</u>	<u>257,587</u>
Net Assets		5,466,174	1,587,473
EQUITY			
Share capital	8	9,993,302	4,880,646
Share-based payments reserve	9	2,842,535	536,900
Share application monies		-	98,000
Retained earnings		<u>(7,369,663)</u>	<u>(3,928,073)</u>
Total Equity		<u>5,466,174</u>	<u>1,587,473</u>

See accompanying notes to the financial statements

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	<u>Note</u>	Consolidated <u>2018</u>	Consolidated <u>2017</u>
Revenue	10	504,919	57,135
Other income	11	<u>2,592</u>	<u>5,787</u>
		<u>507,511</u>	<u>62,922</u>
Costs and expenses			
Administrative expenses	12	(3,650,700)	(1,392,580)
Project costs		(268,587)	-
Finance costs	13	<u>(29,814)</u>	<u>(4,797)</u>
		<u>(3,949,101)</u>	<u>(1,397,377)</u>
Loss before income tax		(3,441,590)	(1,334,455)
Income tax expense	23	-	-
Loss for the year, representing total comprehensive loss for the year		<u>(3,441,590)</u>	<u>(1,334,455)</u>
Earnings per share for loss attributable to the owners of the Company (cents)			
Basic earnings per share	24	(7.35)	(2.85)
Diluted earnings per share	24	(7.35)	(2.85)

See accompanying notes to the financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Share Capital	Share application monies	Share- based payments reserve	Retained earnings	Total
	AUD	AUD	AUD	AUD	AUD
Balance at 1 July 2016, as restated	3,865,646	-	-	(2,593,618)	1,272,028
Issue of ordinary shares	1,015,000	-	-	-	1,015,000
Share application monies	-	98,000	-	-	98,000
Share-based payments	-	-	536,900	-	536,900
Loss after income tax expense for the year	-	-	-	(1,334,455)	(1,334,455)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(1,334,455)	(1,334,455)
Balance at 30 June 2017	4,880,646	98,000	536,900	(3,928,073)	1,587,473
Balance at 1 July 2017	4,880,646	98,000	536,900	(3,928,073)	1,587,473
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
Loss after income tax expense for the year	-	-	-	(3,441,590)	(3,441,590)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(3,441,590)	(3,441,590)
Balance at 30 June 2018	9,993,302	-	2,842,535	(7,369,663)	5,466,174

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Consolidated <u>2018</u>	Consolidated <u>2017</u>
Cash flows from operating activities		
Loss before income tax	(3,441,590)	(1,334,455)
Adjustment for:		
Depreciation of plant and equipment	14,035	187
Amortisation of intangible assets	48,291	38,055
Share-based payments	2,305,635	536,900
Operating loss before working capital changes	<u>(1,073,629)</u>	<u>(759,313)</u>
Changes in working capital:		
(Increase)/decrease in other receivables	(73,186)	260,338
Increase in trade and other payables	59,365	116,896
Net cash used in operating activities	<u>(1,087,450)</u>	<u>(382,079)</u>
Cash flows from investing activities		
Patents and trademarks expenditure	(233,539)	(175,482)
Research and development refund/(expenditure)	(263,038)	(222,018)
Purchase of plant & equipment	(121,655)	-
Net cash used in investing activities	<u>(618,232)</u>	<u>(397,500)</u>
Cash flows from financing activity		
Issuance of ordinary shares	5,626,000	1,015,000
Share issuance cost	(513,344)	-
(Decrease)/increase in share application monies	(98,000)	98,000
Net cash generated from financing activity	<u>5,014,656</u>	<u>1,113,000</u>
Net increase in bank balances	3,308,974	333,421
Bank balances at beginning of year	509,789	176,368
Bank balances at end of year	3 <u>3,818,763</u>	<u>509,789</u>

See accompanying notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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

1. CORPORATE INFORMATION AND STATEMENT OF COMPLIANCE

The consolidated financial report is a general purpose financial report that has been prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers Clearvue Technologies Limited (“the Company”) and its subsidiaries (“Group”). The Company is a Company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Stock Exchange. The address of its registered office and its principal place of business is 16 Ord Street, West Perth, WA 6005, Australia.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 31 August 2018. The Directors have the power to amend and reissue the financial statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

2.1) BASIS OF PREPARATION

Reporting Basis and Conventions

The financial report has been prepared on an accrual basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Compliance with IFRS

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

2.2) PLANT AND EQUIPMENT

Plant and equipment is initially recorded at the cost of acquisition or fair value less, if applicable, any accumulated depreciation and impairment losses. Plant and equipment that has been contributed at no cost, or for nominal cost, is valued and recognised at the fair value of the asset at the date it is acquired. The plant and equipment is reviewed annually by directors to ensure that the carrying amount is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the utilisation of the assets and the subsequent disposal. The expected net cash flows have been discounted to their present values in estimating recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2) PLANT AND EQUIPMENT (CONT'D)

Depreciation is computed on a diminishing value basis over the estimated useful lives of the assets as follows:

Furniture	10% - 15%
Office equipment	28% - 33.3%
Machinery	13% - 15%

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

The residual value, useful life and depreciation method are reviewed at the end of each financial year to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

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

2.3) INTANGIBLE ASSETS

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following intimal acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure us incurred.

The useful lives of intangible assets are assesses as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least as each financial year end. Changes in the expected useful life or the expected pattern of consumption of future amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3) INTANGIBLE ASSETS (CONT'D)

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

a) Patents and Trademarks

During the year ended 30 June 2017, the Group has changed its accounting policy on patents and trademarks, from infinite to finite useful lives. Patents and trademark would be amortised over 20 years from the date of purchase. The change in accounting policy has been applied retrospectively in accordance with the Australian Accounting Standards Board 101 (AASB) presentation of financial statements.

b) Research and Development

Research costs are expensed as incurred. Deferred development costs arising from development expenditures on individual projects are recognised as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability benefits, the availability of resources to complete and the ability to measure reliably the expenditures during the development.

Following initial recognition of the deferred development costs as an intangible asset, it is carried at cost less any accumulated impairment losses. Amortisation of the intangible asset begins when development is complete and the asset is available for use.

2.4) FINANCIAL ASSETS

Initial recognition and measurement

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

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

Loans and receivables comprise other receivables, bank balances and loan receivables.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4) FINANCIAL ASSETS (CONT'D)

De-recognition

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

2.5) IMPAIRMENT OF FINANCIAL ASSETS

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

Financial assets carried at amortised cost

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6) FINANCIAL LIABILITIES

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Such financial liabilities comprise trade and other payables.

De-recognition

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

2.7) IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, the directors review the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the assets fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the assets carrying value over its recoverable amount is recognised in profit or loss.

Impairment testing is performed annually for intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8) PROVISIONS

Provisions are recognised when the entity has a legal or constructive obligation resulting from past events, for which it is probable that there will be an outflow of economic benefits and that outflow can be reliably measured. Provisions are measured using the best estimate available of the amounts required to settle the obligation at the end of the reporting period.

2.9) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

2.10) REVENUE RECOGNITION

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Revenue from the rendering of services is recognised upon the delivery of the services to customers.

Revenue from commissions is recognised upon delivery of services to customers.

Revenue from interest is recognised using the effective interest rate method.

Revenue from dividend is recognised when the entity has a right to receive the dividend.

All revenue is stated net of the amount of goods and services tax (GST).

2.11) GOODS AND SERVICE TAX (GST)

Transactions are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

2.12) EMPLOYEE BENEFITS

Provision is made for the liability for employee entitlements arising from services rendered by employees to the end of each financial year. Employee entitlements expected to be settled within one year have been measured at the amount expected to be paid when the liability is settled, plus related on-costs. Employee entitlements payable later than one year have been measured at the present value of the estimated future cash out flows to be made for those entitlements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13) INCOME TAX

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the end of each financial year.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in profit and loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

2.14) GRANTS

Grant revenue is recognised in the income statement when the entity receives the grant, when it is probable that the entity will receive the economic benefits of the grant and the amount can be reliably measured.

If the grant has conditions attached which must be satisfied before the entity is eligible to receive the grant, the recognition of the revenue will be deferred until those conditions are satisfied.

Where the entity incurs an obligation to deliver economic value back to the grant contributor, the transaction is considered a reciprocal transaction and the revenue is recognised as a liability in the statement of financial position until the required service has been completed, otherwise the income is recognised on receipt.

The Group receives non-reciprocal contributions of assets from the government and other parties for a nominal of zero value. These assets are recognised at their fair value on the date of acquisition in the statement of financial position, with an equivalent amount of income recognised in the income statement.

Donations and bequests are recognised as revenue when received.

2.15) GOVERNMENT GRANTS

Government grants received are recognised as revenue on a basis to match the recognition of revenue with costs incurred in the project. The design, development and trials extend over a 5 year period and revenue from the government grant has been recognised when it is received or when the right to receive payment is established.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16) COMPARATIVE FIGURES

Where required by Accounting Standards comparative figures have been adjusted to conform with the changes in presentation for the current financial year.

2.17) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

When preparing the financial report, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The management is of the opinion that there are no significant judgments made (other than those involving estimates) in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment of intangible assets

Intangible assets are reviewed for impairment whenever there is an indication that these assets may be impaired. The Group considers the guidance of AASB 136 in assessing whether there is any indication that an item of the above assets may be impaired. This assessment requires management's judgement.

If any such indication exists, the recoverable amount of the assets is estimated to ascertain the amount of impairment loss. The recoverable amount is defined as the higher of the fair value less cost to sell and value in use.

In determining the value in use of assets, The Group applies a discounted cash flow model where the future cash flows derived from such assets are discounted at an appropriate rate. Forecasts of future cash flow are estimated based on financial budgets and forecasts approved by the management.

Based on management's assessment, there is no indication of impairment as at the end of the reporting period.

Useful lives of intangible assets

The Group reviews the appropriateness of the useful lives and residual values of intangible assets at the end of each reporting period. Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of these assets. Where there is a material change in the useful lives and residual values of intangible assets, such a change may impact the future amortisation charge in the financial year in which the change arises.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of ClearVue Technologies Limited ('company') as at 30 June 2018 and the results of all subsidiaries for the year then ended. The Group and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

2.19) OPERATING SEGMENTS

Operating segments are presented using the 'management approach, where the information presented is on the same basis as the internal reports provided to the Board of Directors. They are responsible for the allocation of resources to operating segments and assessing their performance.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2018

3. CASH AND CASH EQUIVALENTS

	Consolidated 2018	Consolidated 2017
Cash and cash equivalents	<u>3,818,763</u>	<u>509,789</u>

Bank balances are denominated in Australian dollars.

At the date of this report the Group has sufficient working capital to meet its objectives as outlined in the Prospectus dated 26 February 2018.

4. OTHER RECEIVABLES

	Consolidated 2018	Consolidated 2017
Goods and service tax (GST)	95,738	26,605
Prepayments	4,053	-
	<u>99,791</u>	<u>26,605</u>

Other receivables are denominated in Australian dollars.

5. PLANT AND EQUIPMENT

	Consolidated 2018	Consolidated 2017
<u>Office Equipment</u>		
Cost:		
Beginning of financial year	6,312	6,312
Additions	121,655	-
End of financial year	<u>127,967</u>	<u>6,312</u>
Accumulated depreciation:		
Beginning of financial year	5,556	5,369
Depreciation for the year	14,035	187
End of financial year	<u>19,591</u>	<u>5,556</u>
Carrying amount:		
End of financial year	<u>108,376</u>	<u>756</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2018

6. INTANGIBLE ASSETS

	Consolidated 2018	Consolidated 2017
<u>Patents and trademarks</u>		
Cost:		
Beginning of financial year	868,416	692,934
Additions	233,539	175,482
End of financial year	<u>1,101,955</u>	<u>868,416</u>
Accumulated amortisation:		
Beginning of financial year	141,525	103,469
Amortisation for the year	48,291	38,056
End of financial year	<u>189,816</u>	<u>141,525</u>
Carrying amount:		
End of financial year	<u>912,139</u>	<u>726,891</u>
<u>Research and development</u>		
Cost:		
Beginning of financial year	581,019	359,001
Additions	263,038	222,018
Refundable tax offset	-	-
End of financial year	<u>844,057</u>	<u>581,019</u>
Accumulated amortisation:		
Beginning of financial year	-	-
Amortisation for the year	-	-
End of financial year	<u>-</u>	<u>-</u>
Carrying amount:		
End of financial year	<u>844,057</u>	<u>581,019</u>
	<u>1,756,196</u>	<u>1,307,910</u>

Intangible assets are stated at cost.

As explained in Note 2.3a, the useful life of these patents and trademarks is estimated to be finite.

Deferred development costs relate to solar system for produce clear glass and will be amortised once the asset is available for use.

All research costs and development costs not eligible for capitalisation have been expensed and are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

7. TRADE AND OTHER PAYABLES

	Consolidated 2018	Consolidated 2017
Trade payables	287,203	101,912
Other payables	16,064	2,000
Amount withheld from salary & wages	11,315	3,420
Accruals	2,370	-
Advances	-	150,000
Borrowing cost	-	255
	<u>316,952</u>	<u>257,587</u>

8. SHARE CAPITAL

	2018 NO. OF SHARES	2017 NO. OF SHARES	2018	2017
<u>Share issued and fully paid:</u>				
At the beginning of the financial year	61,433,023	99,249,380	4,880,646	3,865,646
Issue of shares pre-IPO	4,062,501	16,491,667	626,000	1,015,000
Issue of shares IPO	25,000,000	-	5,000,000	-
Issue of shares to corporate advisors on completion of IPO	4,524,776	-	904,955	-
Capital consolidation	-	(54,308,024)	-	-
Share issuance costs	-	-	(1,418,299)	-
At the end of the financial year	<u>95,020,300</u>	<u>61,433,023</u>	<u>9,993,302</u>	<u>4,880,646</u>

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.

9. SHARE-BASED PAYMENTS RESERVE

	Consolidated 2018	Consolidated 2017
Share plan for Directors *	536,900	536,900
Options issued to Lead Manager Offer (Note 15)	225,635	-
Performance shares to Directors (Note 15)	2,080,000	-
	<u>2,842,535</u>	<u>536,900</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 THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2018

10. REVENUE INCOME

	Consolidated 2018	Consolidated 2017
Government grant	429,776	57,135
Project income	75,143	-
	<u>504,919</u>	<u>57,135</u>

11. OTHER INCOME

	Consolidated 2018	Consolidated 2017
Interest received	2,592	1,137
Rebates and refunds	-	1,000
Others	-	3,650
	<u>2,592</u>	<u>5,787</u>

12. ADMINISTRATIVE EXPENSES

Included in this item are the following:

	Consolidated 2018	Consolidated 2017
Amortisation of intangible assets	48,291	38,056
Consulting fees	195,303	166,758
Depreciation of plant and equipment	14,035	187
General expense	245,850	186,827
Legal fees	16,375	52,745
Listing fees	369,481	-
Materials and supplies	6,009	50,344
Salary & wages	291,590	199,000
Share-based payments expense	2,305,635	536,900
Superannuation	26,681	18,905
Travel, Accomodation & Conference	131,450	142,858
	<u>3,650,700</u>	<u>1,392,580</u>

13. FINANCE COSTS

	Consolidated 2018	Consolidated 2017
Bank charges	1,924	629
Interest expenses	27,890	4,168
	<u>29,814</u>	<u>4,797</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

14. AUDITOR'S REMUNERATION

	<u>Consolidated 2018</u>	<u>Consolidated 2017</u>
Auditing/reviewing the financial report	8,850	5,800

15. SHARE-BASED PAYMENTS EXPENSE

On 16 May 2018, 4,524,776 shares were issued to the Group's corporate advisor, ICW Capital, (and nominess) on completion of the IPO, at an issue price of \$0.20 per share with a total transactional value of \$904,955 as identified in Note 8.

Performance Shares

On 16 January 2018, 13,000,000 performance shares were issued to two of the Directors on achievement of certain milestones. Victor 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. Jamie 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

15. SHARE-BASED PAYMENTS EXPENSE (CONTINUED)

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
- (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 2018 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

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2018

15. SHARE-BASED PAYMENTS EXPENSE (CONTINUED)

Options

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.

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

2017

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
			-	54,458,024	-	-	54,458,024

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	Share Price	Exercise Price	Expected Volatility	Grant Date	Expiry Date	Dividend Yield	Interest Rate
	\$0.20	\$0.25	75%	16/05/2018	21/06/2021	0%	2.17%

16. RELATED PARTY TRANSACTIONS

Key management personnel

Disclosures relating to the key management personnel are set out in the Remuneration Report included in the Directors' Report.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

16. RELATED PARTY TRANSACTIONS (CONTINUED)

Transactions with related parties

During the financial year, the following payments were made to director-related entities:

	Consolidated 2018	Consolidated 2017
Consulting services from Elevation Partners Pty Ltd ¹	22,206	-
Corporate advisory services from ICW Capital ²	273,632	35,880
Company secretarial services from Ventnor Capital Pty Ltd ³	36,368	-
Lead manager services from Ventnor Securities Pty Ltd ³	729,135	-

¹ Director-related entity of Jamie Lyford ² Director-related entity of Ivan Wu ³ Director-related entity of Stuart Carmichael

Receivable from and payable to related parties

All transactions were made on normal commercial terms and conditions and at market rates.

	Consolidated 2018	Consolidated 2017
Trade payable to Ventnor Capital Pty Ltd ¹	6,143	-
Share plan reserve to Victor Rosenberg ²	150,000	150,000
Share plan reserve to Sean Rosenberg ³	18,750	18,750
Share plan reserve to Jamie Lyford ⁴	292,500	292,500
Share plan reserve to Ian Rosenberg ³	18,750	18,750

¹ Director-related entity of Stuart Carmichael ² For the purchase of 1,000,000 shares at an issue price of \$0.15 ³ For the purchase of 125,000 shares at an issue price of \$0.15 ⁴ For the purchase of 1,950,000 shares at an issue price of \$0.15

17. POST REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

18. CONTINGENT ASSETS & LIABILITIES

There were no contingent assets or liabilities as at 30 June 2018 (2017: nil).

19. COMMITMENTS

There were no capital commitments or guarantees as at 30 June 2018 (2017: nil).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

20. OPERATING SEGMENTS

Management has determined the operating segments based on reports reviewed by the Board of Directors for making strategic decisions. The current Board of Directors monitors the business based on operational and geographic factors and have determined that there is only one relevant business segment being ClearVue Technologies Limited. The Group is domiciled in Australia and all revenue and expenditure is generated from Australia, and all assets are located in Australia

21. INTEREST IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy in Note 2.

Name	Country of Incorporation	Ownership Interest	
		2018	2017
ClearVue International Pty Ltd	Australia	100%	100%
ClearVue USA Inc	United States of America	100%	100%

22. PARENT ENTITY INFORMATION

	Parent	
	2018	2017
<i>Statement of profit or loss and other comprehensive income</i>		
Loss after income tax	3,177,590	1,334,455
Total comprehensive income	<u>3,177,590</u>	<u>1,334,455</u>
<i>Statement of financial position</i>		
Total current assets	3,918,554	536,394
Total assets	5,783,126	1,845,060
Total current liabilities	316,952	257,587
Total liabilities	<u>316,952</u>	<u>257,587</u>
Issued capital	9,993,302	4,880,646
Share application monies	-	98,000
Reserves	2,842,535	536,900
Retained earnings	<u>(7,369,663)</u>	<u>(3,928,073)</u>
	<u>5,466,174</u>	<u>1,587,473</u>

Guarantees

The parent entity had no guarantees that were entered in relation to the debts of its subsidiaries.

Contingent Liabilities

The parent entity had no contingent liabilities as at 30 June 2018 and 30 June 2017.

Capital Commitments

The parent entity had no capital commitments as at 30 June 2018 and 30 June 2017.

Significant Accounting Policies

The accounting policies for the parent entity are consistent with those of the consolidated entity, as disclosed in Note 2.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

23. INCOME TAX

	Consolidated 2018	Consolidated 2017
<i>The prima facie tax expense on pre-tax accounting loss from operations reconciles to the income tax expense as follows:</i>		
Loss before income tax	(3,441,590)	(1,334,455)
Tax at statutory rate of 27.5% (2017: 27.5%)	(946,437)	(366,975)
Non-deductible expenditure	52	881
Temporary differences and loss not recognised	8,178	1,491
Tax losses not brought to account as deferred tax asset	938,207	364,604
Income tax benefit reported in income statement	<u>-</u>	<u>-</u>

As at 30 June 2018, there was \$7,548,619 tax losses carried forward (2017: \$4,165,636).

24. EARNINGS PER SHARE

	Consolidated 2018	Consolidated 2017
Loss after income tax used in calculating basic and diluted earnings per share	(3,441,590)	(1,334,455)
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	46,825,717	46,851,448
Basic earnings per share (cents)	(7.35)	(2.85)
Diluted earnings per share (cents)	(7.35)	(2.85)

25. DIVIDENDS

No dividend has been declared or paid out in the financial year ended 30 June 2018 (2017: nil). The directors do not recommend the declaration of a dividend.

26. FINANCIAL INSTRUMENTS

Financial risk management objectives

The Company's principal financial instruments comprise cash, receivables, payables and related party loans.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified.

The Company manages its exposure to key financial risks, including interest rate, credit and liquidity risks in accordance with the Company's risk management policy. The primary objective of the policy is to reduce the volatility of cash flows and asset values arising from such movements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

26. FINANCIAL INSTRUMENTS (CONTINUED)

The Company uses different methods to measure and manage the different types of risks to which it is exposed. These include monitoring the levels of exposure to interest rate risk, ageing analysis and monitoring of credit allowances to manage credit risk and the use of future cash flow forecasts to monitor liquidity risk.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

Credit risk

The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was:

	Consolidated 2018	Consolidated 2017
Cash and cash equivalents	3,818,763	509,789
Other receivables	99,791	26,605
	<u>3,918,554</u>	<u>536,394</u>

The Company's maximum exposure to interest rates at the reporting date was:

	Range of Effective Interest Rate (%)	Carrying Amount \$	Interest Rate Exposure			Total \$
			Variable Interest Rate \$	Non Interest Bearing \$	Floating Interest Rate \$	
2018						
Financial Assets - Current						
Cash and cash equivalents	0.07	3,818,763	3,818,763	-	-	3,818,763
2017						
Financial Assets - Current						
Cash and cash equivalents	0.22	509,789	509,789	-	-	509,789

The Company's maximum exposure to credit risk for trade and other receivables at the reporting date was:

	Carrying Amount \$	Not past due and not impaired \$	Past due but not impaired			Impaired Financial Assets \$
			1-3 Months \$	3 Months to 1 Year \$	1 Year to 5 Years \$	
2018						
Financial Assets - Current						
Trade and other receivables	99,791	99,791	-	-	-	-
2017						
Financial Assets - Current						
Trade and other receivables	26,605	26,605	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

26. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk

The carrying amount of the Company's financial liabilities represents the maximum liquidity risk. The Company's maximum exposure to liquidity risk at the reporting date was:

	Consolidated 2018	Consolidated 2017
Trade and other payables	316,952	257,587
	<u>316,952</u>	<u>257,587</u>

The following table discloses the contractual maturity analysis at the reporting date:

	Carrying Amount	Less than 1 month	Maturity Dates			
			1-3 months	3 months to 1 year	1 Year to 5 years	Over 5 years
	\$	\$	\$	\$	\$	\$
2018						
Financial Liabilities - Current						
Trade and other payables	316,952	316,952	-	-	-	-
2017						
Financial Liabilities - Current						
Trade and other payables	257,587	257,587	-	-	-	-

Market risk

The Company is not exposed to any foreign currency risk or other price risk at the report date. The Company's only exposure to interest rate risk is cash as set out in Note 26.

Sensitivity disclosure analysis

Taking into account past performance, future expectations and economic forecasts, the Company believes the following movements are 'reasonably possible' over the next 12 months (base rates are sourced from the Reserve Bank of Australia).

It is considered that 100 basis points is a 'reasonably possible' estimate of potential variations in the interest rate.

The following table discloses the impact on net operating result and equity for each category of financial instrument held by the Company at year end as presented to key management personnel, if changes in the relevant risk occur.

	Carrying Amount	Interest Rate Risk			
		Profit	+1% Equity	-1% Profit	Equity
	\$	\$	\$	\$	\$
2018					
Financial Assets - Current					
Cash and cash equivalents	3,818,763	38,188	38,188	(38,188)	(38,188)
2017					
Financial Assets - Current					
Cash and cash equivalents	509,789	5,098	5,098	(5,098)	(5,098)

DIRECTORS' DECLARATION

1. In the opinion of the directors of Clearvue Technologies Limited:

- (a) the consolidated financial report and notes set out on pages 23 to 43 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of its financial position as at 30 June 2018 and of their performance for the period from 1 July 2017 to 30 June 2018; and
 - (ii) complying with Australian Accounting Standards (including the Australian Interpretations) and the Corporations Regulations 2001; and
- (b) at the date of this declaration, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

2. The financial report comply with International Financial Reporting Standards (IFRS) as described in Note 2.

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

The declaration is made in accordance with a resolution of the Board of Directors required by section 295(5)(a) of the Corporations Act 2001.



.....
Victor Rosenberg

Perth WA,

Date: 31 August 2018

Independent Auditor's Report

To the Members of Clearvue Technologies Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Clearvue Technologies Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

How our audit addressed the key audit matter

Intangible asset Note 6

The Group has recorded intangible assets totalling \$1,756,196 (2017: \$1,307,910) at 30 June 2018 for patents and deferred development assets relating to the Group's advance glass technology.

Management test intangible assets for impairment by comparing their carrying amounts against their recoverable value determined by either, the greater of its fair value less costs to sell or its value in use.

This area is a key audit matter due to the subjectivity involved in assessing the recognition criteria for capitalised development costs and the level of management judgement involved in assessing impairment on the costs capitalised in accordance with AASB 136 *Impairment of Assets*.

Our procedures included, amongst others:

- Testing management's controls over impairment of deferred development costs;
- Challenging management's impairment assessment against the fair value of the company based on current capital raisings completed;
- Assessing the appropriateness of the amortisation expense recorded against management's assessment of the assets estimated useful life; and
- Assessing the appropriateness of financial statement disclosures.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors' for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

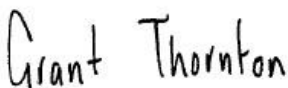
Opinion on the remuneration report

We have audited the Remuneration Report included in pages 4 to 15 of the Directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Clearvue Technologies Limited, for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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



Grant Thornton Audit Pty Ltd
Chartered Accountants



L A Stella
Partner – Audit & Assurance

Perth, 31 August 2018

ASX ADDITIONAL INFORMATION

Additional information required by the ASX Limited Listing Rules not disclosed elsewhere in this Annual Report is set out below.

SHAREHOLDINGS

The issued capital of the Company at 10 September 2018 is 95,020,300 ordinary fully paid shares. All ordinary shares carry one vote per share.

TOP 20 SHAREHOLDERS AS AT 10 SEPTEMBER 2018

		No. of Shares Held	% Held
1	LUMINATE PTY LTD	19,513,593	20.54%
2	MR IAN ROSENBERG	6,500,460	6.84%
3	DEV NOMINEES PTY LTD <DE VRIES SUPERANNUATION A/C>	3,625,000	3.81%
3	ELEVATION VENTURES PTY LTD <THE J3 TRUST ACCOUNT>	3,550,000	3.74%
4	MR VICTOR ROSENBERG	3,146,506	3.31%
5	I ROSENBERG FAMILY PTY LTD <I ROSENBERG FAMILY AC>	3,100,081	3.26%
6	DEV NOMINEES PTY LTD <DE VRIES SUPERANNUATION A/C>	2,500,000	2.63%
7	HAWERA PTY LTD <THE BAILEY FAMILY A/C>	2,500,000	2.63%
8	J & TW DEKKER PTY LTD <J & TW DEKKER FAMILY A/C>	1,857,408	1.95%
9	MR PETER DARREN RUSSELL	1,569,910	1.65%
10	GRAZFAM PTY LTD <PJ GRAZIOTTI FAMILY A/C>	1,434,400	1.51%
11	IEWU PTY LTD <WU FAMILY TRUST>	1,362,388	1.43%
12	MS NATALIE MUSKI	1,125,162	1.18%
13	J & TW DEKKER PTY LTD <THE J & TW DEKKER FAMILY TRUST ACC>	1,000,000	1.05%
14	MR STEPHEN JOHN VALENTINE	1,000,000	1.05%
15	MR PAUL EDWARD QUIRK	850,000	0.89%
16	MR SEAN ROSENBERG	750,000	0.79%
17	MR DAVID GREGORY GREER	675,000	0.71%
18	HUGOPEGGY PTY LTD <ANTHONY ROSENBERG FAMILY DISCRETIONARY AC>	662,500	0.70%
19	OLIVER OCEAN PTY LTD <THE ESSADAN FAMILY AC>	650,000	0.68%
20	MRS LISA SUZANNE SCOTT-HARMER	600,000	0.63%
	TOTAL	55,472,408	58.38%

Shares Range

100,001 and Over
10,001 to 100,000
5,001 to 10,000
1,001 to 5,000
1 to 1,000

	No. of Holders	No. of Shares
	113	72,963,643
	528	18,568,847
	259	2,174,639
	454	1,308,540
	24	4,631
	1,378	95,020,300

Twelve (23) shareholders holding less than a marketable parcel

Shareholders by Location

Australian holders
Overseas holders

	No. of Holders	No. of Shares
	1,351	92,951,234
	27	2,069,066
	1,378	95,020,300

VOTING RIGHTS

The holders of ordinary shares are entitled to one vote per share at meetings of the Group.

SUBSTANTIAL SHAREHOLDERS AS AT 10 SEPTEMBER 2018

	No. of Shares Held	% Held
LUMINATE PTY LTD	19,513,593	20.54%
MR IAN ROSENBERG	6,500,460	6.84%

OPTION HOLDINGS

Class	Terms	No. of Options
A	Exercisable at \$0.25 each, expiring 21 June 2021	56,958,024

Options Range

1 – 1,000
1,001 – 5,000
5,001 – 10,000
10,001 – 100,000
100,001 and over

Unlisted Options

No. of Holders	No. of Options
-	-
1	1,850
-	-
39	2,390,249
45	54,565,925
85	56,958,024

The following Option holders hold more than 20% of the single class of the Company's Unlisted Options.

Holder	No. of options	%
Luminate	19,513,593	34.26%

PERFORMANCE SHARES

Class	Terms	No. of Perf Shares
A	Converting 1:1 into fully paid ordinary shares on satisfaction of milestone/s*	1,000,000
B	Converting 1:1 into fully paid ordinary shares on satisfaction of milestone/s*	3,000,000
C	Converting 1:1 into fully paid ordinary shares on satisfaction of milestone/s*	6,000,000
D	Converting 1:1 into fully paid ordinary shares on satisfaction of milestone/s*	1,000,000
E	Converting 1:1 into fully paid ordinary shares on satisfaction of milestone/s*	1,000,000
F	Converting 1:1 into fully paid ordinary shares on satisfaction of milestone/s*	1,000,000
		13,000,000

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

ClearVue Technologies Limited
Shareholder information
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- 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 fully paid ordinary share in the Company (**Share**); or
- 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
- 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:

- 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
- 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
- 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:

- 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
- 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:

- 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
- 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
- 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.

Class E Performance Shares:

- 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
- 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 Share.

Class F Performance Shares:

- 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
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.

ClearVue Technologies Limited
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The following holders hold all of the Company's Performance Shares on issue.

Holder	No. of Perf Shares					
	Class A	Class B	Class C	Class D	Class E	Class F
MR VICTOR ROSENBERG	1,000,000	3,000,000	6,000,000	-	-	-
ELEVATION VENTURES PTY LTD <THE J3 TRUST ACCOUNT>	-	-	-	1,000,000	1,000,000	1,000,000
TOTAL	1,000,000	3,000,000	6,000,000	1,000,000	1,000,000	1,000,000

None of the Performance Shares conversion milestones were met during the year, or subsequently to date.

REQUIREMENT LISTING RULE 4.10.18

In accordance with the listing rule 4.10.18 the Company confirms that it is not currently subject to an on-market buyback.

REQUIREMENT LISTING RULE 4.10.19

In accordance with the listing rule 4.10.19 the Company confirms that it has used cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its stated business objectives.