

ASX Release | ClearVue Technologies Limited (ASX: CPV)

Appendix 4C & Quarterly Activities Report

29 January 2021: Smart building materials company ClearVue Technologies Limited (ASX:CPV) (**ClearVue** or the **Company**) provides its quarterly cash flow and activities summary for the period ending 31 December 2020.

Quarterly Activities Report

Quarter Highlights

- **Focus on US and NYC market**
- **Construction at Murdoch University Greenhouse Progressing**
- **Progress on Jinmao relationship and villa in Hebei province China**
- **Order received for Greenhouse in Japan**

Operational Update

The Company has during the December quarter remained focussed on sales and marketing activities in Australia, Northern Europe and North America - with a particular emphasis on the United States of America and New York City due to favourable regulation and policy directions.

The Company's focus on the US market has increased in the last few months to coincide with the election of President Joe Biden. The Biden government has a clear and stated intention to focus on the US responding to the climate crisis by immediately re-joining the Paris Climate Agreement and has also released a stated plan to make an accelerated USD \$2 trillion investment over the next four years including into a wide range of activities intended to reduce the carbon footprint of US building stock 50% by 2035. A part of this plan includes upgrades to 4 million buildings and to weatherise 2 million homes over those four years including a mandate to install more efficient windows into residential and buildings (see: <https://joebiden.com/clean-energy/>).

In addition, the US Federal Solar Investment Tax Credit (ITC) was extended at the end of December 2020 such that the US' 26% investment tax credit for solar systems will now continue during 2021 and through 2022, dropping to 22% in 2023 and dropping further to 10%*¹ in 2024. The ITC reduces the total cost of a US solar photovoltaic installation project including the balance of system costs such as inverters, batteries, wiring and installation and may be available for certain US projects utilising ClearVue's PV IGUs².

ClearVue Technologies Limited

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¹ In 2024 the investment tax credit will apply to commercial and utility scale installations only, it will not be available for residential installations. After 2024 the 10% ITC will continue in force for commercial projects indefinitely. For more information see: <https://www.seia.org/initiatives/solar-investment-tax-credit-itc>

² Every project is different - individual project owners are to obtain US tax counsel opinion prior to project commencement to determine ITC availability.

In addition to the above federal drivers in the US, individual US states and cities have their own incentives and disincentives. One such city, which is a key focus for ClearVue, is New York City which has legislation that requires building upgrades necessary to reduce the carbon footprint of individual buildings across the city.

Specifically, Local Law 97, a key part of New York City's Climate Mobilization Act of 2019, will impose fines on property owners of up to USD \$268 per every assessed ton of carbon over the legislated cap applicable to their building size and type. The law applies to most buildings over 25,000 square feet and comes into effect from 2024. For some property owners' penalties are expected to be significant.³

In addition to the above, the Company has been finalising work on a new digital marketing campaign focussed on the US and European markets along with a new website to support the same. The Company looks forward to updating the market as soon as these activities go live.

The Company has also during the quarter continued its work on delivery of various demonstration projects in Australia, China and delivery for a project in Japan as outlined further below.

Showcase Projects Update

- **CRC-P Funded Greenhouse – Murdoch University**

Further to the Company's Activities Report for the September quarter of 2020 (and announcement of 14 January 2021), the Company is pleased to confirm that construction of the CRC-P partially funded greenhouse is progressing with ClearVue's PV glazing and electrical wiring currently being installed.

Major construction works were completed at the end of the 2020 calendar year with finalisation of works and commissioning of the greenhouse to be undertaken during January and February of 2021. As previously announced plant science trials to be conducted in the greenhouse are expected to start thereafter but in conjunction with growing seasons and cycles.



ClearVue's PV glazing being installed onto ClearVue's solar greenhouse at Murdoch University, Western Australia.

³ For more information see: https://www.urbangreencouncil.org/sites/default/files/2020.07.09_urban_green_building_emissions_law_summary_revised_11.17.2020.pdf

- **Villa at Hebei Province China - Jinmao Green Building Technology Co. Ltd**

Further to the Company’s Activities Report for the September quarter of 2020 the Company has been progressing negotiations on a formal Distribution Agreement with Beijing Jinmao Green Building Technology Co. Ltd⁴.

The works necessary to complete the Jinmao demonstration villa at Hebei Province in China including the finishing works, interior fit-out and commissioning of the villa have however been delayed due to a COVID-19 outbreak in that region. It is anticipated that works to finish this project will recommence in March of 2021.

Greenhouse at Fujisan Winery, Japan

On 27 November 2020, the Company announced receipt of an order from Fujisan Winery in Japan for inclusion of the ClearVue PV glazing into a part of the greenhouse being built at the winery at the base of Mt Fuji in Japan.

The order for approx. 30 sqm of ClearVue product comes from Fujisan Winery through Architects Paul Ma Design Pty Ltd and will be the first sustainable greenhouse in Japan incorporating ClearVue’s IGUs to be used to power internal lighting and grow lights.

Fujisan Winery is building the new greenhouse as part of a sustainability model in how they operate as a company and contribute to the Sustainable Development Goals as adopted by the Fujinomiya Administrative County where the winery is located. The greenhouse is to be located on the Asagiri Plateau at the southwest base of Mt Fuji with spectacular views across the plateau to the Mt Fuji volcano itself. The region is a key destination for tourists and visitors to Mt Fuji.

The greenhouse is to be used by the winery to grow produce and vine stock on site and may be used for corporate events and promotion for the winery. In addition to the greenhouse, Fujisan Winery will build a new 40 seat fine dining restaurant adjacent to the greenhouse and other outbuildings as part of a larger winery expansion project.



Architects rendering showing anticipated deployment of ClearVue PV IGUs into central section of sustainable greenhouse.

The ClearVue IGU panels have been manufactured and are being shipped to Japan. The greenhouse construction has been delayed in Japan but it is anticipated the ClearVue glazing is to be installed in or around March 2021 with opening expected shortly thereafter.

⁴ a subsidiary of China Jinmao Holdings Group Limited (China Jinmao) a company listed on the Hong Kong Stock Exchange itself a subsidiary of China state-owned enterprise Sinochem Group Co. Ltd. China (109th place in the 2020 List of Fortune 500 Global companies).

Appointments

After the end of the Quarter, the Company announced on 20 January 2021 the appointment of its new European CEO Mr Dieter Moor who will be focussed on sales and marketing activities into the European region. Mr Moor is the current CEO of ertex solar GmbH and brings more than 16 years' experience in the building integrated photovoltaics industry to the Company.

The Company also announced on 18 January 2021 the resignation of Ken Jagger, interim CEO.

Corporate & Financial

As of 31 December 2020, the Company had a cash balance of approximately AUD \$2.4m. Please refer to the quarterly cashflow report (Appendix 4C **attached**) for further information.

In the quarter ending 31 December 2020 payments totalling approximately AUD \$129,000 were paid in respect of executive director salaries, director's fees and fees paid to related parties, or associates of a related party, of the Company. Such payments comprised of: company secretarial service fees paid to Ventnor Capital Pty Ltd (a related entity of director, Mr Stuart Carmichael; legal services fees paid to Steinepreis Paganin (a related entity of director, Mr Roger Steinepreis). All such payments to associates of directors were made on arms-length terms.

Authorised by the Board of ClearVue Technologies Limited.

For further information, please contact:

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About ClearVue Technologies Limited

ClearVue Technologies Limited (ASX: CPV) is an Australian technology company that operates in the Building Integrated Photovoltaic (BPIV) sector which involves the integration of solar technology into building surfaces, specifically glass and building façades, to provide renewable energy. ClearVue has developed advanced glass technology that aims to preserve glass transparency to maintain building aesthetics whilst generating electricity.

ClearVue's electricity generating glazing technology is strategically positioned to compliment and make more compelling, the increased use of energy-efficient windows now being regulated in response to global climate change and energy efficiency goals.

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.

ClearVue's window technology has application for use in the building and construction and agricultural industries (amongst others).

ClearVue has worked closely with leading experts from the Electron Science Research Institute, Edith Cowan University (ECU) in Perth, Western Australia to develop the technology.

To learn more please visit: www.clearvuepv.com

Forward Looking Statements

Statements contained in this release, particularly those regarding possible or assumed future performance, revenue, costs, dividends, production levels or rates, prices or potential growth of ClearVue Technologies Limited, are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors.

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

ClearVue Technologies Limited

ABN

45 071 397 487

Quarter ended ("current quarter")

31 December 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	24
1.2 Payments for		
(a) research and development	(426)	(792)
(b) product manufacturing and operating costs	(9)	(31)
(c) advertising and marketing	(20)	(109)
(d) leased assets	-	-
(e) staff costs	(259)	(499)
(f) administration and corporate costs	(224)	(349)
(g) intellectual property costs	(141)	(248)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(13)	(15)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	504	538
1.8 Other - Research & Development Tax Offset	4	4
1.9 Net cash from / (used in) operating activities	(584)	(1,477)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(10)	(11)
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(10)	(11)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	448	3,050
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	496	541
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(33)	(260)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(291)	(291)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Subscription funds held on trust)	(328)	20
3.10	Net cash from / (used in) financing activities	292	3,050

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,788	920
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(584)	(1,477)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(10)	(11)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	292	3,050
4.5	Effect of movement in exchange rates on cash held	(43)	(39)
4.6	Cash and cash equivalents at end of period	2,443	2,443

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,387	2,731
5.2	Call deposits	57	57
5.3	Bank overdrafts	-	-
5.4	Other (credit cards)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,443	2,788

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

129

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Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Payments comprised:-

- Legal fees paid to Steinepreis Paganin, a related entity of director, Mr Roger Steinepreis
- Fees paid to Ventnor Capital Pty Ltd, a related entity of director, Mr Stuart Carmichael, for company secretarial services
- Executive director salaries
- Non-executive director fees

All payments to associates of directors were on arms-length terms.

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	-	-
	-	-
	-	-
	-	-

7.5 Unused financing facilities available at quarter end

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- 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

N/A

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(584)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	2,443
8.3 Unused finance facilities available at quarter end (Item 7.5)	0
8.4 Total available funding (Item 8.2 + Item 8.3)	2,443
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	4

- 8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 January 2021

Authorised by: By the Board

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(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.