

# **REPORT FOR FOURTH QUARTER FY17**

Advanced Nano Technologies Ltd is a specialist developer, manufacturer and supplier of nano materials used in personal care, cosmetic and other sectors.

Advanced Nano Technologies' two primary products are ZinClear™ a transparent zinc oxide based broad spectrum UV photostable UVA & UVB filter for use in the sun care and cosmetics sector and Alusion™ an aluminium oxide pigment with applications in cosmetics products.

ANO services its international customer-base via a global network of distributors covering 31 countries.

**ASX: ANO** 

#### **Directors**

Lev Mizikovsky (Chairman)
Rade Dudurovic
Geoff Acton (Managing Director)

**Company Secretary** 

Geoff Acton

For further information, please contact:

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### **Quarterly Overview**

- Cash flow from operations for the June 2017 quarter was a negative \$295,616. The negative operating cash flow for the quarter is the result of the reduced sales for the March quarter with the pre-curser supplier change, as previously announced in April 2017, but a significant increase in debtors for the June quarter from \$702,103 to \$1,677,253 due to increase in shipments.
- The R&D return income is expected to be received in the September quarter 2017. Last year received in June quarter.
- The rent amount has increased for the June quarter to adjust for a classification error from the prior quarter.
- The wages for the June quarter is higher due to 13 weeks payroll and some additional overtime required to meet the increased production demands created from the precurser issue in the March quarter.
- Cash balance (unaudited) as at 30 June 2017 was \$908,287 compared to \$1,441,557 as at 31 March 2017.
- FY17 Sales Revenue (unaudited) in ZinClear<sup>™</sup> and Alusion<sup>™</sup> is up \$629,427 (16%) compared to FY16.

+Rule 4.7B

# **Appendix 4C**

## Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

### Name of entity

ADVANCED NANO TECHNOLOGIES LIMITED		
ABN Quarter ended ("current quarter")		
54 079 845 855	30 JUNE 2017	

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	369	3,458
1.2	Payments for		
	(a) research and development	22	(62)
	(b) product manufacturing and operating costs	(338)	(1,643)
	(c) advertising and marketing	(2)	(60)
	(d) leased assets	(4)	(15)
	(e) staff costs	(137)	(576)
	(f) administration and corporate costs	(95)	(478)
	(g) rent	(101)	(345)
	(h) insurance	(1)	(80)
	(i) legal fees	(6)	(143)
	(j) corporate costs – ASX, share registry & accounting	(3)	(79)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(296)	(23)

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<sup>+</sup> See chapter 19 for defined terms

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(81)	(88)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	(74)	(74)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) 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	(155)	(162)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	<u>-</u>
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	<u>-</u>
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

<sup>+</sup> See chapter 19 for defined terms 1 September 2016

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,442	1,196
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(296)	(23)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(155)	(162)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(83)	(103)
4.6	Cash and cash equivalents at end of quarter	908	908

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	902	1,436
5.2	Call deposits	6	6
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	908	1,442

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	34
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

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<sup>+</sup> See chapter 19 for defined terms 1 September 2016

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	20
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactic items 7.1 and 7.2	ons included in

8.	Financing facilities available Add notes as necessary for an understanding of the position	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and		

8.4	Include below a description of each facility above, including the lender, interest rate and
whether it is secured or unsecured. If any additional facilities have been entered proposed to be entered into after quarter end, include details of those facilities as	

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	(15)
9.2	Product manufacturing and operating costs	(450)
9.3	Advertising and marketing	(5)
9.4	Leased assets	(5)
9.5	Staff costs	(140)
9.6	Administration costs	(100)
9.7	Other rent & legal fees & corporate costs	(96)
9.8	Total estimated cash outflows	(811)

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10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	-	-
10.2	Place of incorporation or registration	-	-
10.3	Consideration for acquisition or disposal	-	-
10.4	Total net assets	-	-
10.5	Nature of business	-	-

### **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.

Sign here:	GActon	Date: 31 July 2017
	(Director/Company secretary)	

Print name: GEOFFREY ACTON

#### **Notes**

- 1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
- If this quarterly 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 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.

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