

3 October 2017

### **Chairman's Address & Presentation**

Firstly, I would like to take this opportunity to thank all of our key stakeholders in the business who have contributed to our first trading profit in 14 years. There is still much work to be done to ensure the ongoing future success of ANO.

Everything takes much longer than expected, unfortunately, nevertheless the longer this continues the higher the probability of an initiative where a positive outcome could crystalize sooner than expected (the theory of regression to the mean). Geoff and his team definitely turned things around, but it is taking ten times the effort we thought it would.

### **Manufacturing Update**

We can confirm that the first pilot production run has been completed and the dispersion is within our specified ranges. We need to send another piece of equipment to the US to double production batch capacity and improve operating efficiency. Since this piece of equipment has not been operational since 2012, we need to recognise the original cost price and depreciate over its useful life of 10-13 years. The balance of the equipment not in operation since 2012 will be sold at written down value to Rainrose Pty Ltd to use in its organic wine distillery business in Queensland.

### **Trading Result**

The trading result for the first 3 months of FY18 based on unaudited management accounts is a profit of \$350,000.

Lastly, I would like to personally thank two of our significant shareholders, Brian Kearney and Chris Silvestro. They are contributing to the business through their many emails, articles and general ideas.

Lev Mizikovsky  
Chairman





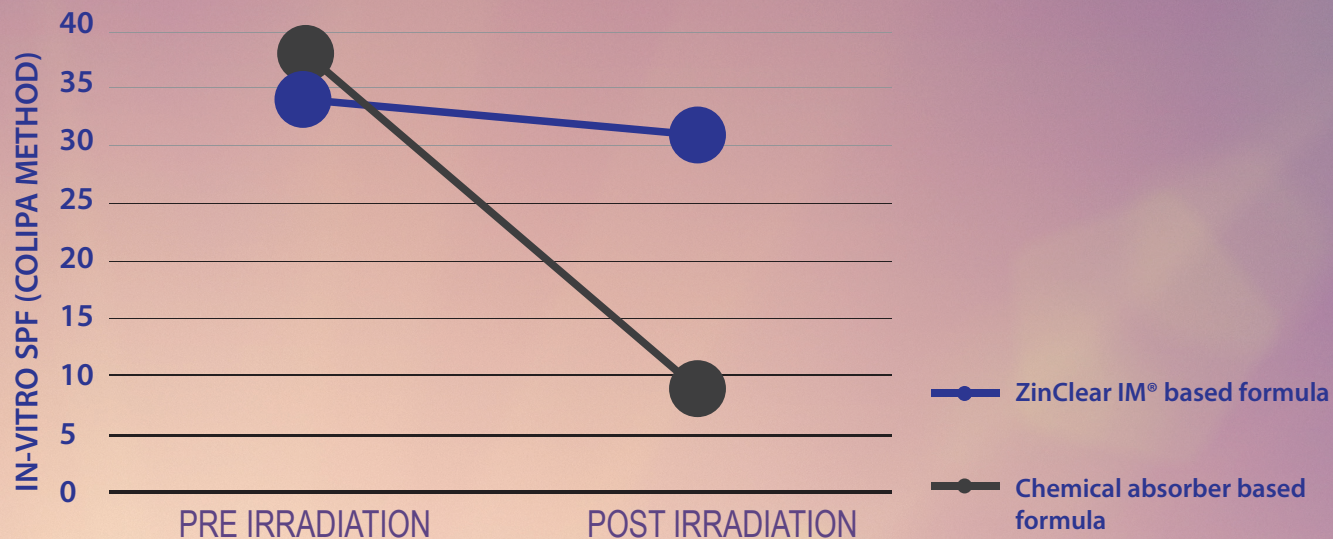
**ADVANCED**  
**NANOTECHNOLOGIES** LTD  
Made by: Antaria Pty Ltd  
Developed in AUSTRALIA

# ANO AGM Presentation

October 2017

## ZinClear® Photostable Protection

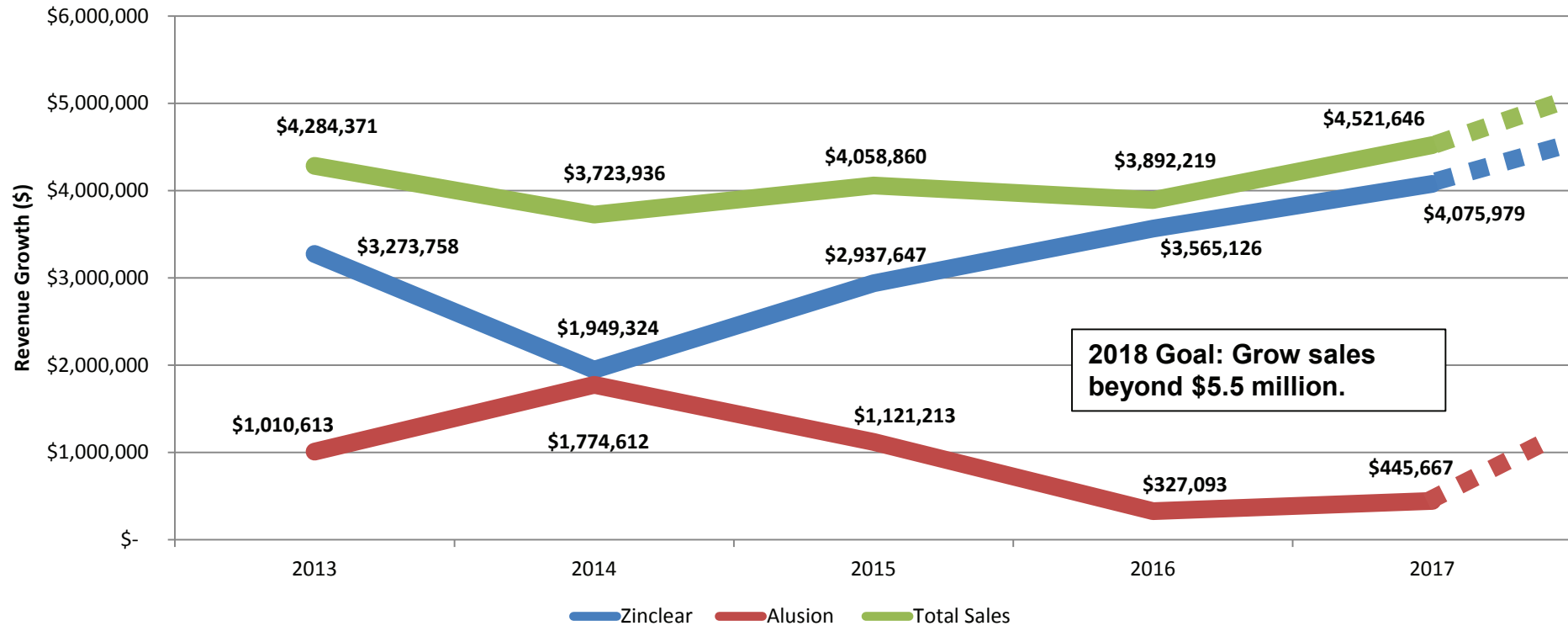
Sunscreen performance after 3 hours in Australian sun (average UV load), measured in Perth, Western Australia



**"23 various skin cancer procedures -  
For me it's not just business,  
it's PERSONAL"**

*Managing Director Geoff Acton*

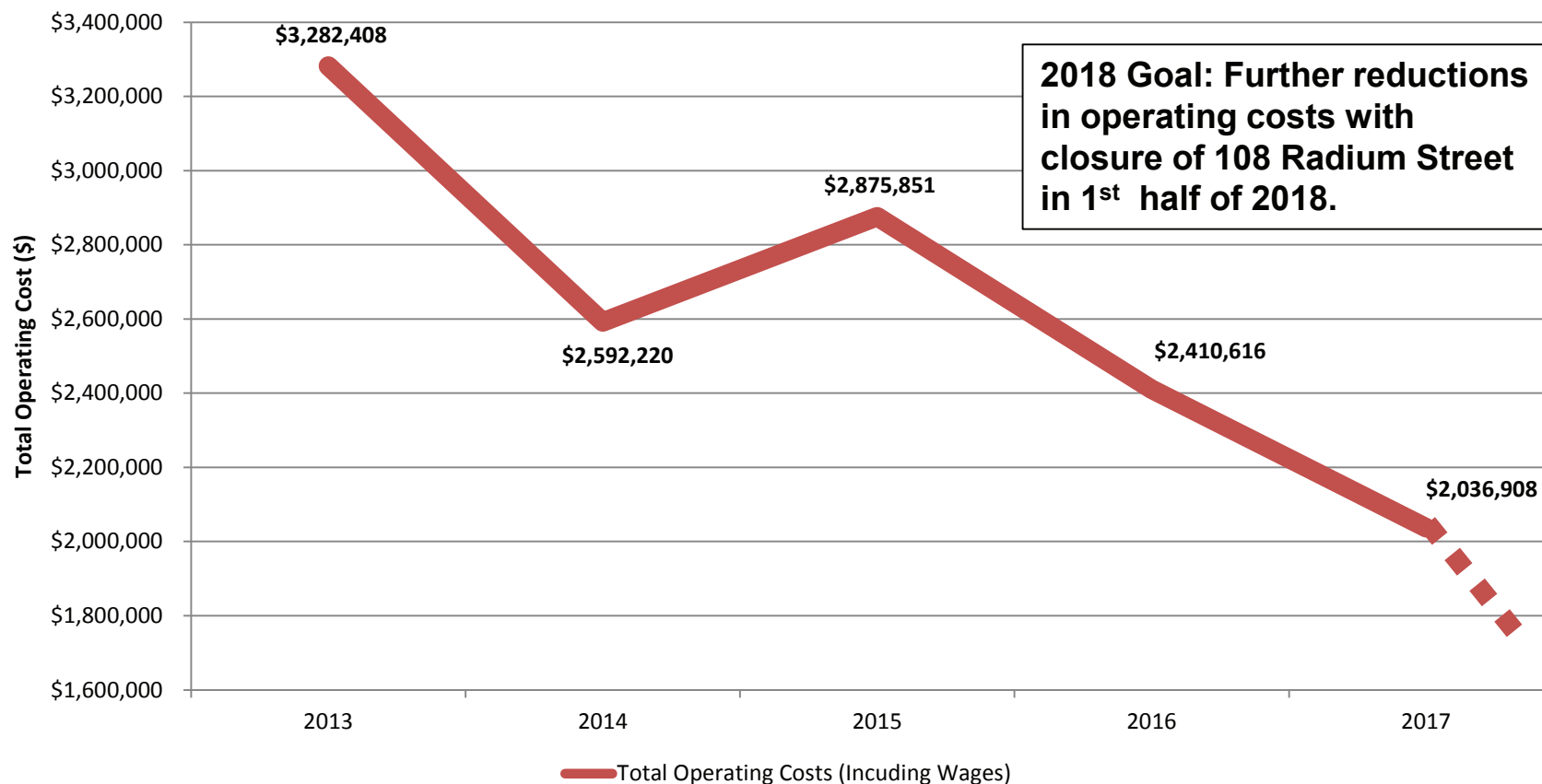
# Total Annual Sales Revenue by Product Category (\$)



- Total sales increase of 16.17%.
- In 2014, Merck purchased far more product than their sales which meant Merck had significant stock holdings in FY15 and FY16.
- The new agreement will see more consistent purchase volumes of Alusion by Merck with further sales increases expected in FY18.
- The new decanter (part of the qualified audit opinion on assets by the auditor) is being installed which will reduce bottlenecks in production.

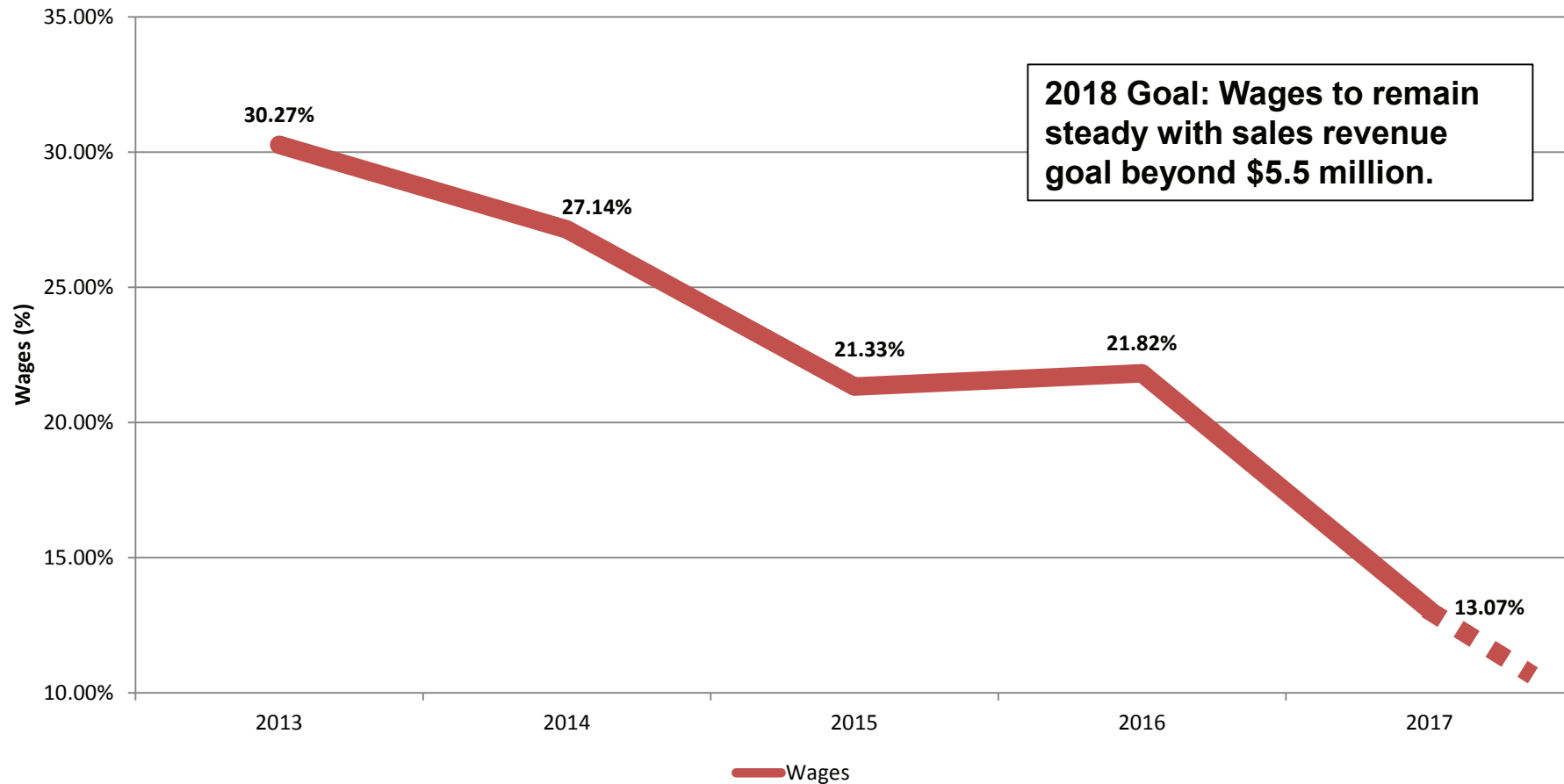


# ANO Total Operating Costs (Including Wages) (\$)



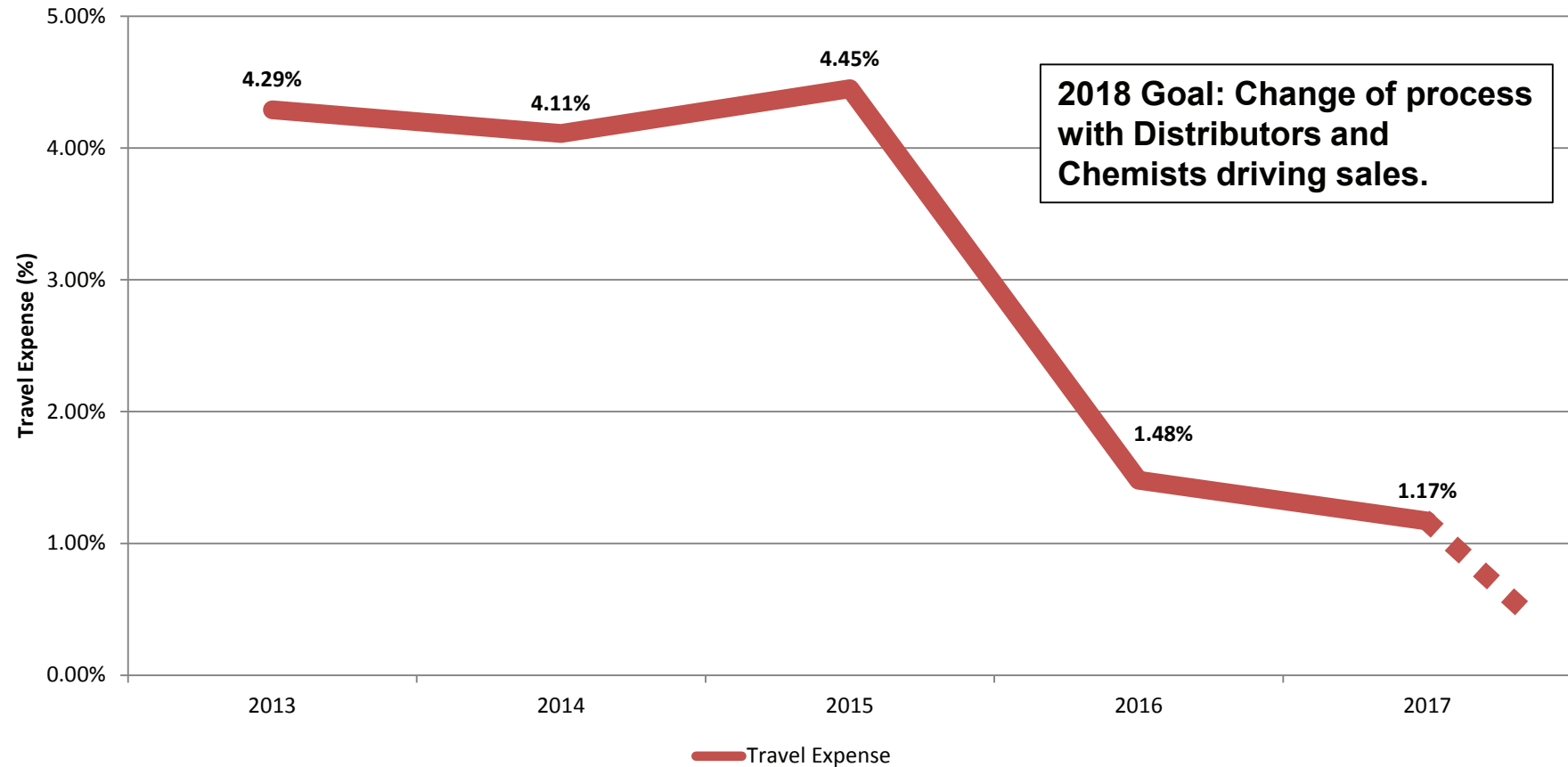
- Further reductions expected once the transition to 112 Radium Street is completed and 108 Radium Street closes of approximately \$250,000 annualised.
- Rent reduction of 30% is being negotiated at 112 Radium Street.
- The contract manufacturing arrangement in the US combined with new precursor supply arrangements will result in further costs savings.
- The combined manufacturing facility in Australia will also lead to significant cost savings in FY18.

# Wages as a % of Sales Revenue



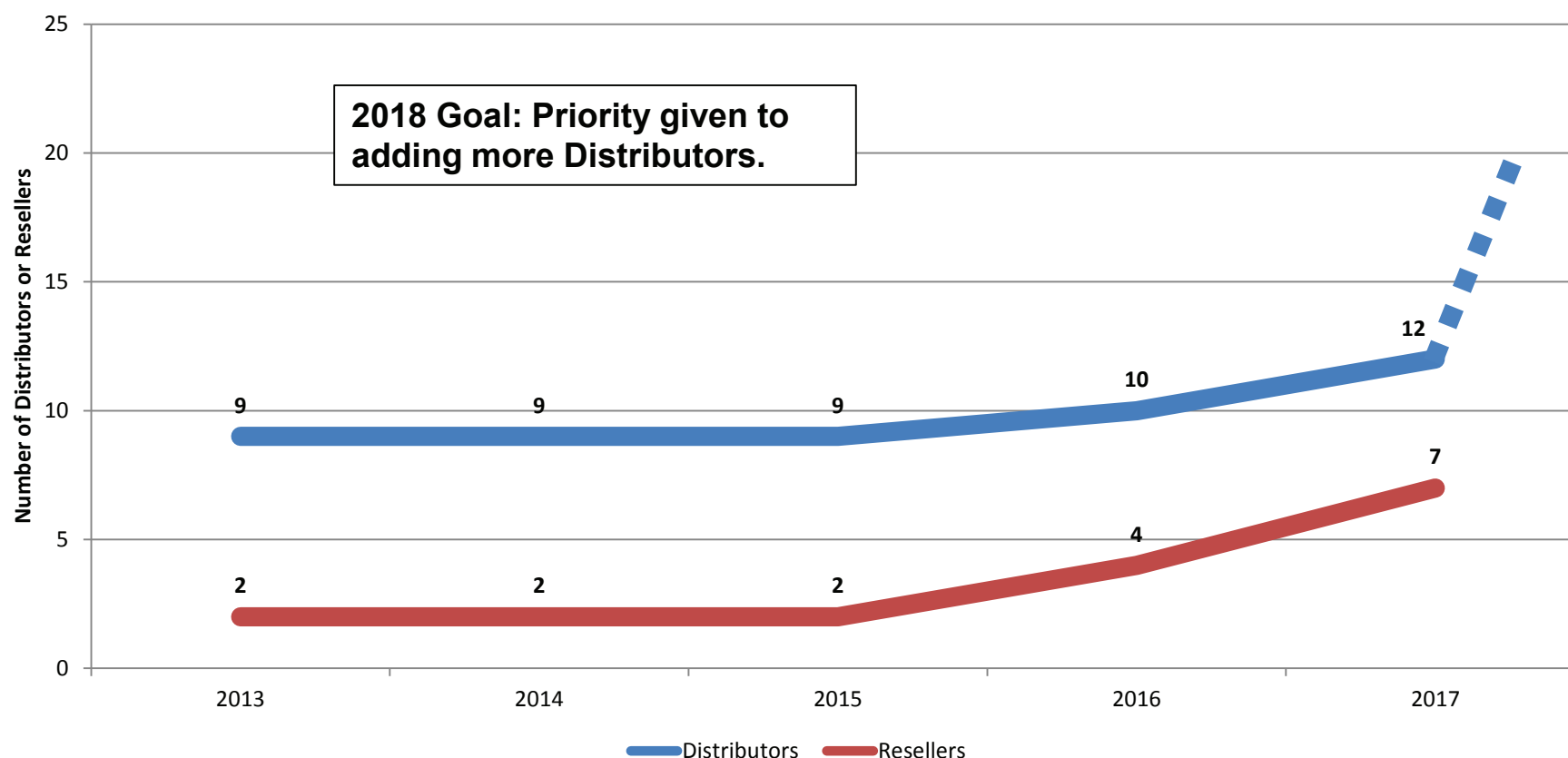
- No Bonuses or incentives were paid to any Directors or Managers in FY17.

# Travel Expense as a % of Sales Revenue



- Have increased the distributor and chemist network without significant travel.
- Travel limited to inspecting new manufacturing facilities and signing significant agreements with customers, suppliers and manufacturers.
- New approach involving local distributors has replaced travel to major international trade shows.

# Number of Distributors and Resellers



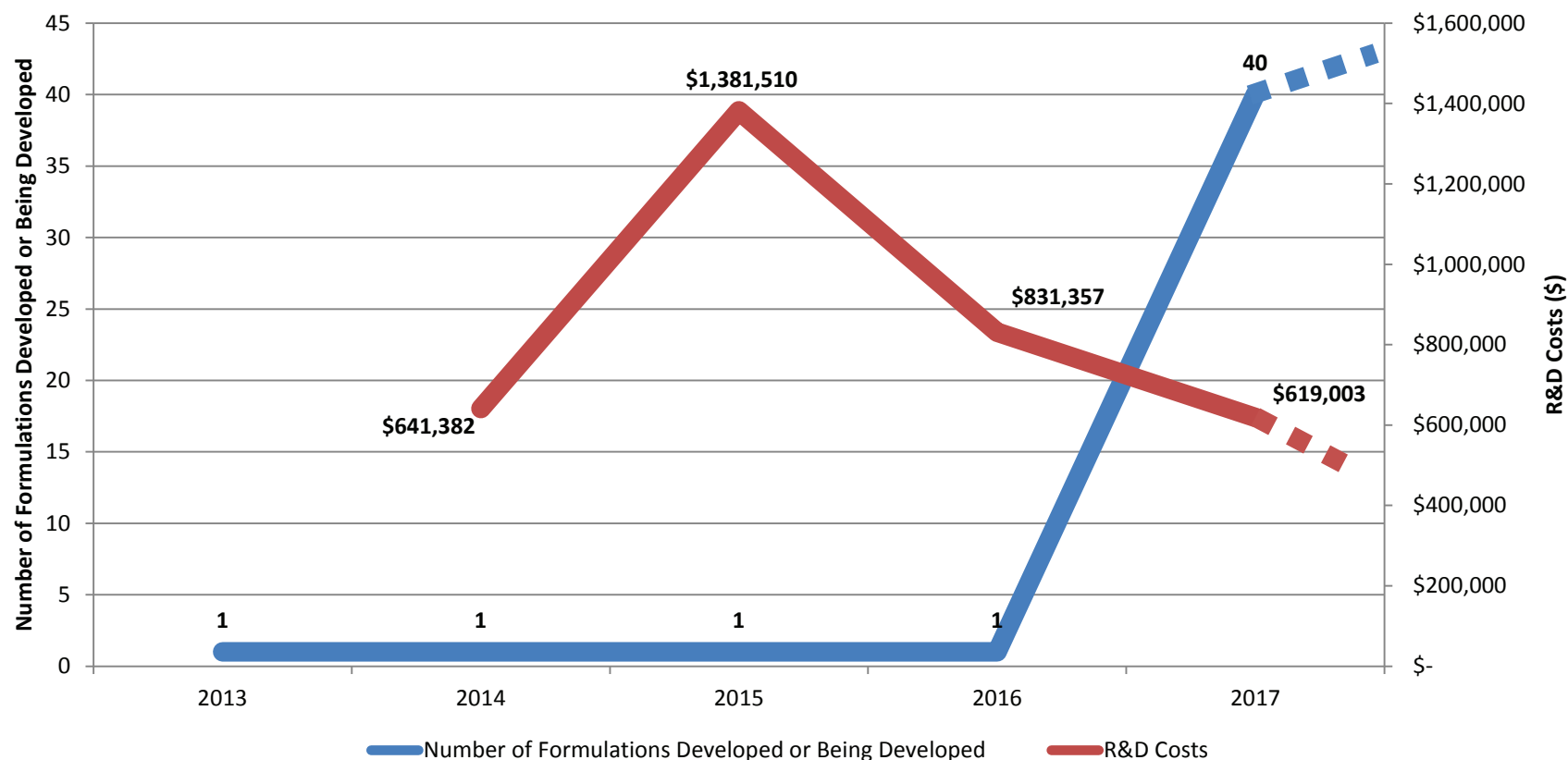
## GLOBAL DISTRIBUTION NETWORK

- Connell Brothers India – India
- Connell Brothers Malaysia – Malaysia
- Deveraux Specialities LLC – USA
- ENS Beauty Group – South Korea
- Heterochem – UK/Ireland
- Manuchar – Indonesia/Philippines/Thailand
- Neochem Gmbh - Germany
- Pachem Distribution – Canada
- Para Chemie Sina – Iran
- Pure Ingredients – New Zealand
- Bregaglio (31 Dec 2017)
- MASSO (31 Dec 2017)

## TARGETS

- France
- Belgium
- Spain
- Portugal
- Italy
- Sweden
- Norway
- Denmark
- Finland
- Estonia
- Latvia
- Lithuania
- Poland
- Netherlands
- Greece
- Czech Republic
- Turkey
- Japan
- China
- Sri Lanka
- Taiwan

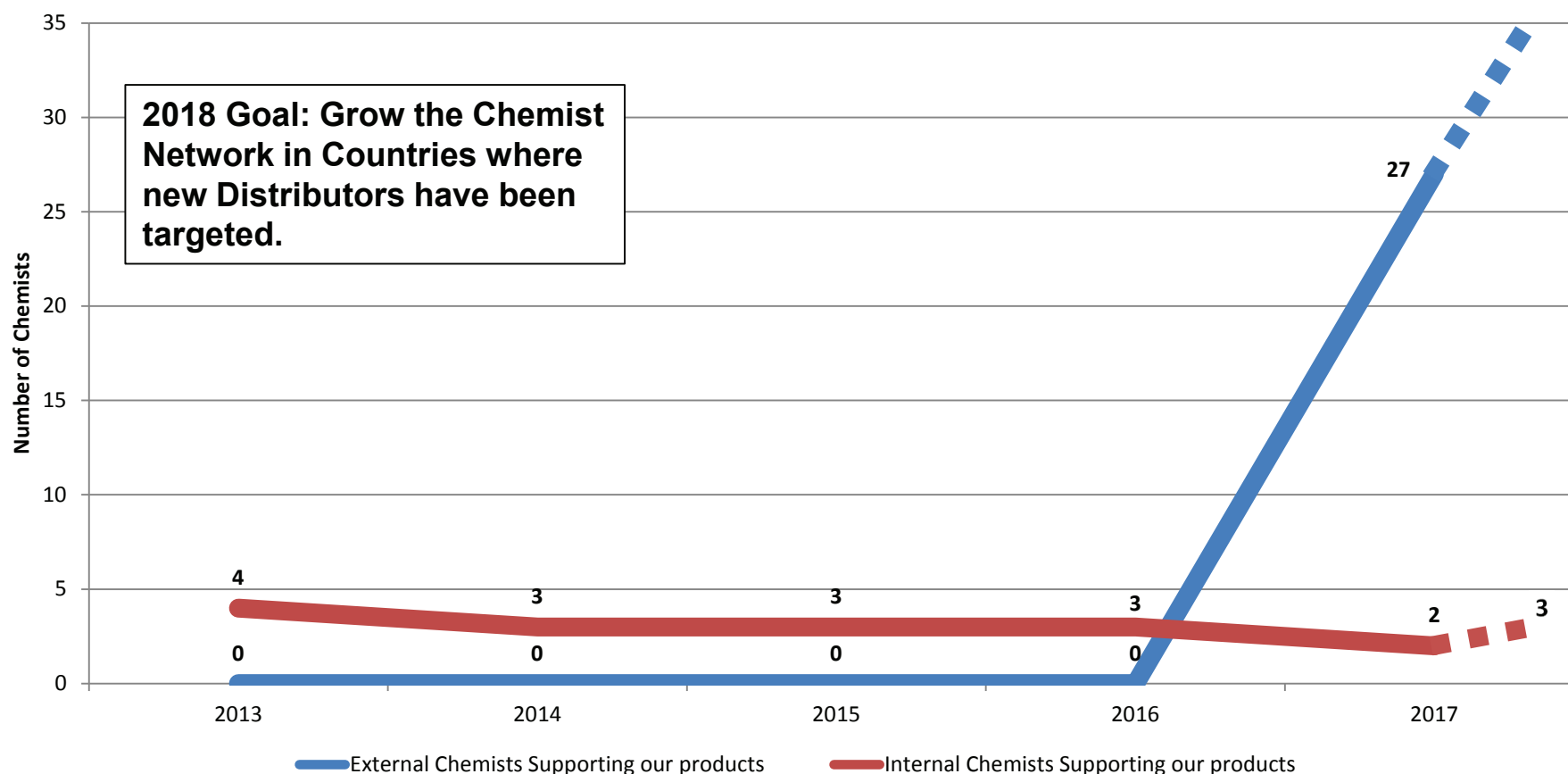
# ANO R&D Costs and Number of Formulations and Products Being Developed



- 32 end formulations in various stages of development including – sunscreens, lipsticks, after shave lotions, day repair creams, foundations, anti acne creams, and facial masks.
- 4 different plastic film compositions, ceria (as a catalyst for clean coal burning), 2 battery compositions, and ZNO material for 3D printing in ceramics (these are highly speculative).
- In addition we have completed full testing on new precursor suppliers and a full review of all prior research undertaken for possible patent and commercial opportunities.

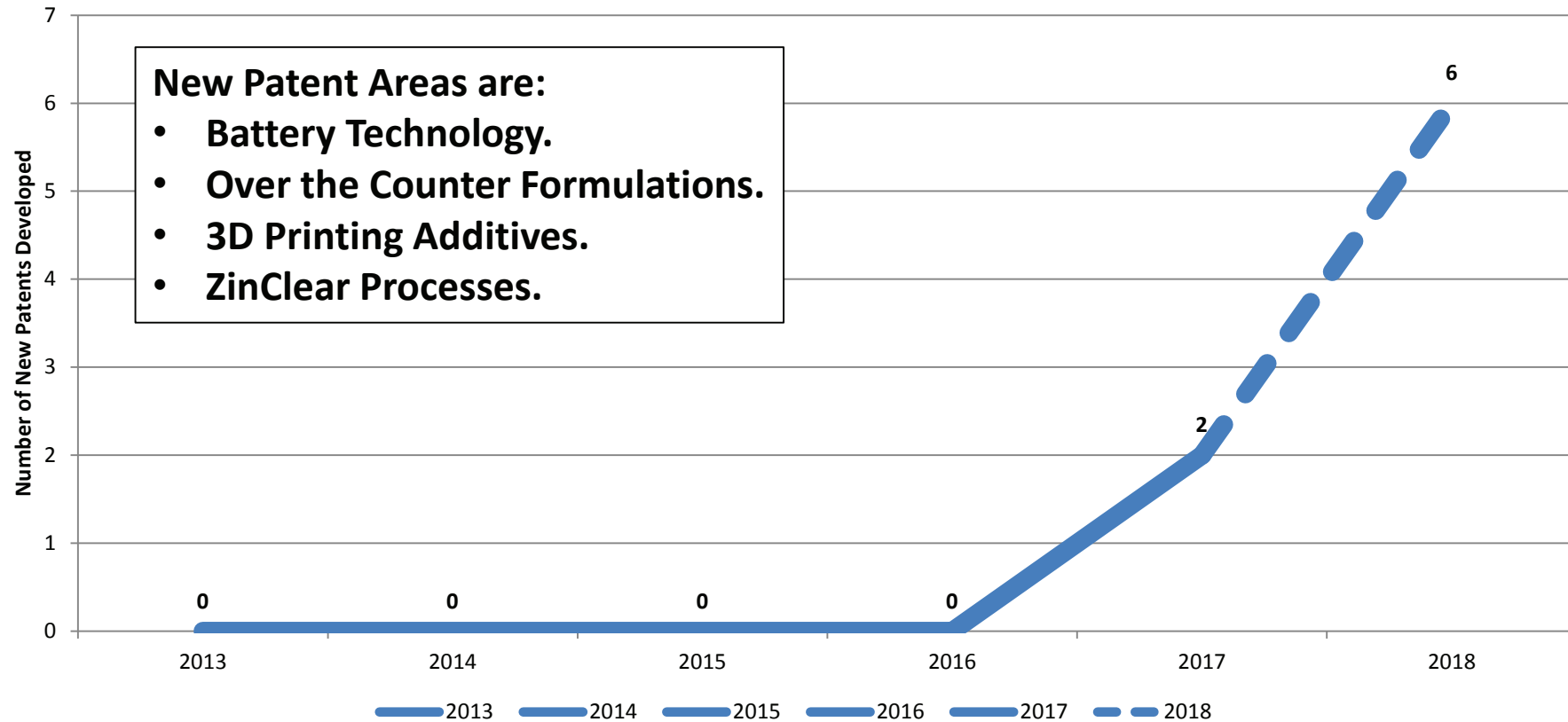


# Number of Chemists Supporting our Products



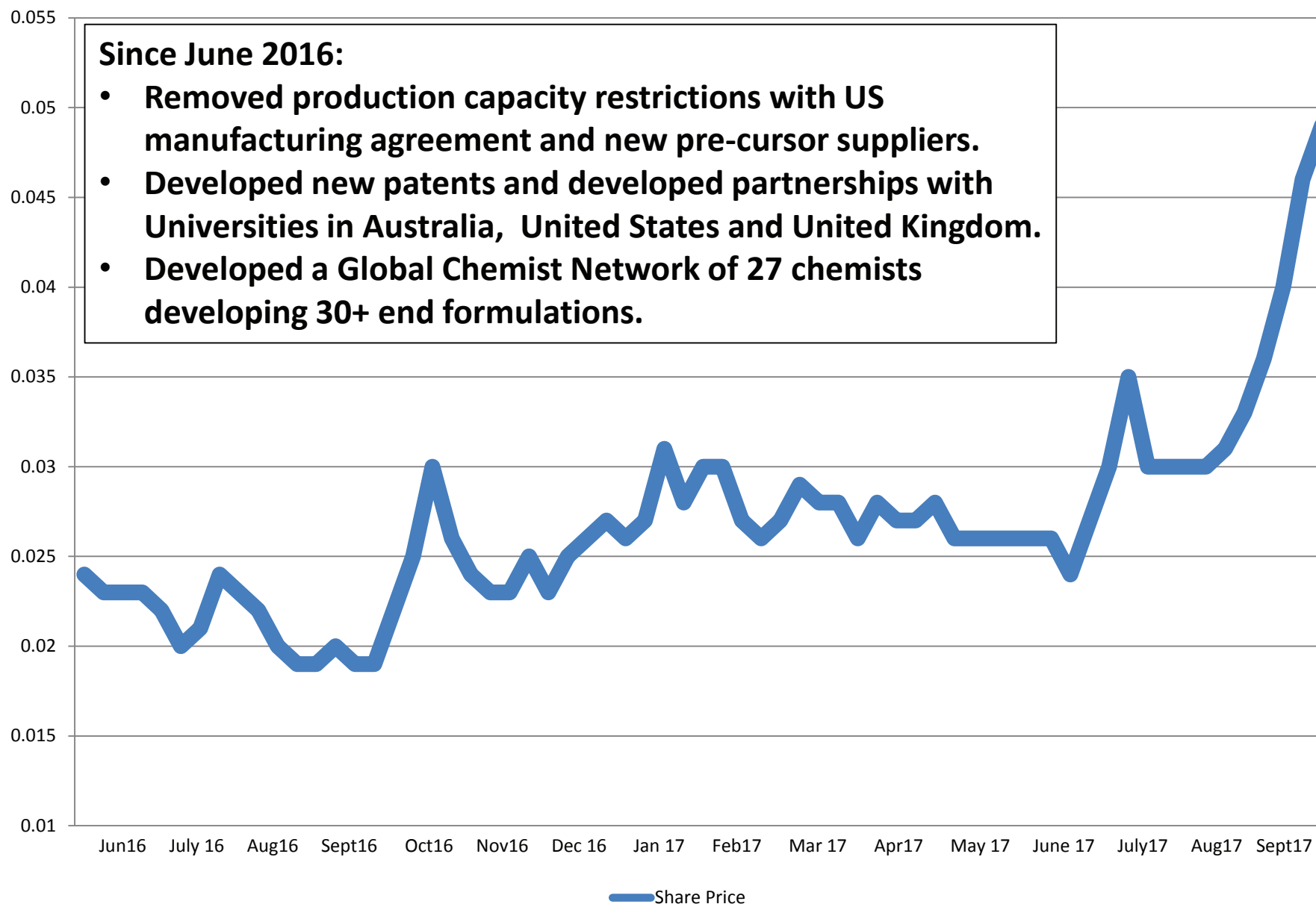
- The unique nature of our product and difficulties in product development requires barriers to substitution
- ANO is investing in this product formulation and R&D to support our small customers who do not have the resources to develop end formulations.
- Looking forward to releasing our own ZinXation range of products in 2018/2019
- ZinXation will be much more valued by the current Board than Invisible Zinc was by the original board who sold the brand (now worth > \$40 million) without agreements and our active ingredient being used in the products.

# Number of New Patents Developed







- Patent renewals are not included as the process is ongoing and the number of renewals will vary depending on expiry dates.

# ANO Share Price

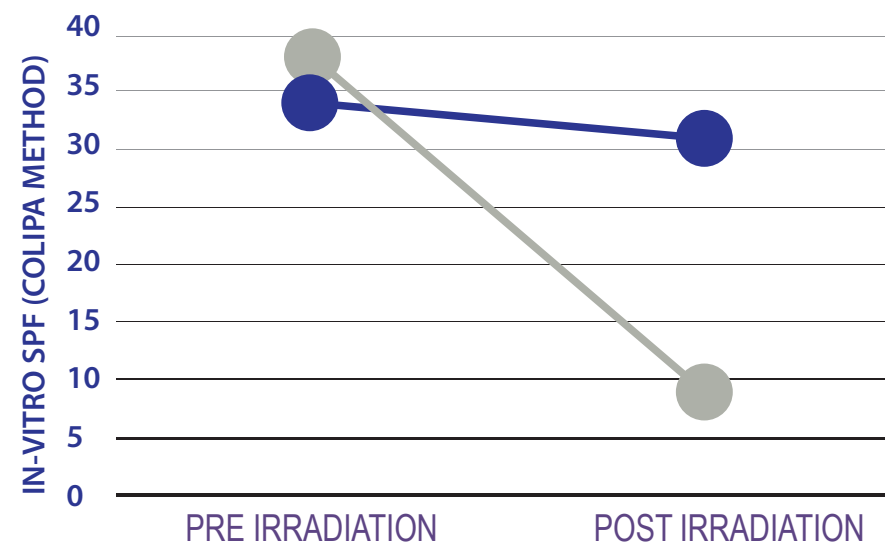


# Overview UV Absorbers Portfolio

ZinClear IM® Optimized for Transparency with Index Match Technology	PRODUCT NAME	INCI	RANGE OF ABSORPTION	ACTIVE %	Ac (nm)	VISCOSITY	NATURAL
	ZinClear IM®50JJ	Zinc Oxide (and) Simmondsia Chinensis (Jojoba) Seed oil (and) Glyceryl Isostearate (and) Polyhydroxystearic Acid	UVA & UVB	50	Broad spectrum 370nm	Pourable	
	ZinClear IM®50CCT	Zinc Oxide (and) Caprylic/Capric Triglyceride (and) Polyhydroxystearic Acid (and) Glyceryl Isostearate	UVA & UVB	50	Broad spectrum 370nm	Pourable	
	ZinClear IM®50AB	Zinc Oxide (and) C12-15 Alkyl Benzoate (and) Polyhydroxystearic Acid (and) Isostearic Acid	UVA & UVB	50	Broad spectrum 370nm	Pourable	
	ZinClear IM®55L7	Zinc Oxide (and) Neopentyl Glycol Diheptanoate (and) Glyceryl Isostearate (and) Polyhydroxystearic Acid (and) Cetyl PEG/PPG-10/1 Dimethicone	UVA & UVB	55	Broad spectrum 370nm	Pourable	
ZinClear XP™ >370nm Critical Wavelength	ZinClear XP™ 65COCO	Zinc Oxide (and) Coco-Caprylate/ Caprate (and) Polyglyceryl-3 Polyricinoleate (and) Isostearic Acid	UVA & UVB	65	Broad spectrum > 370nm	Pourable	
	ZinClear XP™	Zinc Oxide	UVA & UVB	100	Broad spectrum > 370nm	Free flowing powder	

## ZinClear® Photostable Protection

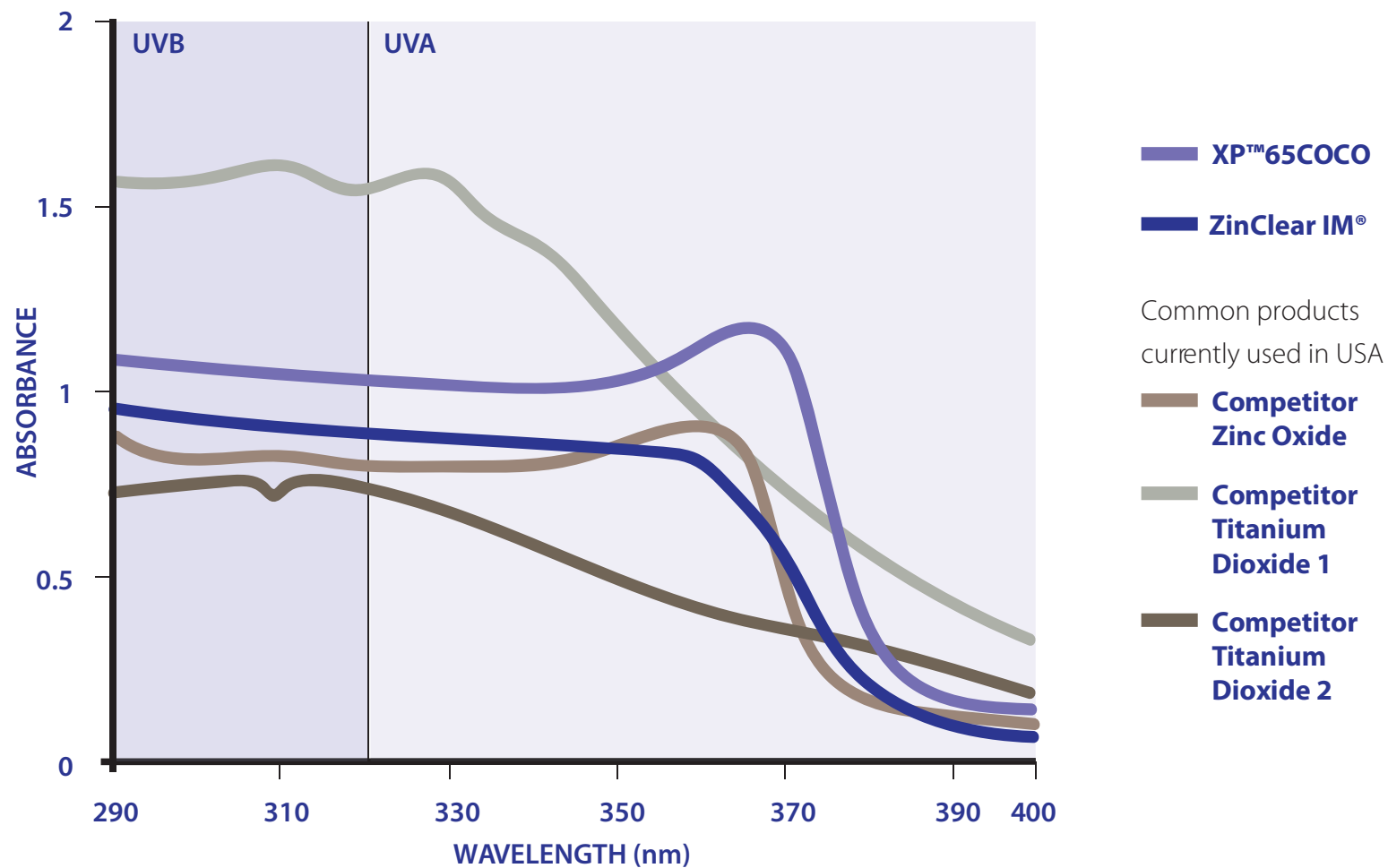
Sunscreen performance after 3 hours in Australian sun (average UV load), measured in Perth, Western Australia



—●— ZinClear IM® based formula

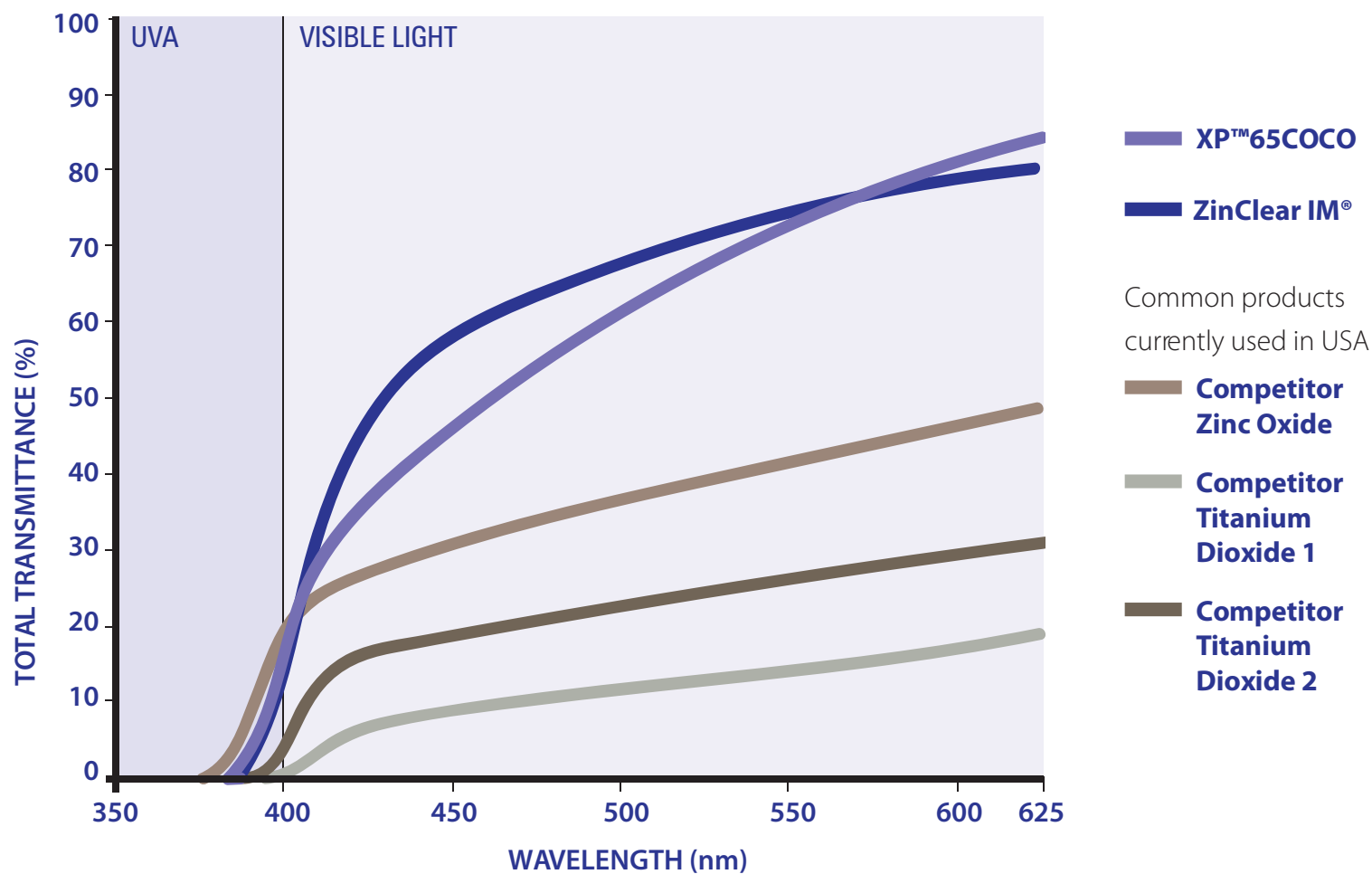
—●— Chemical absorber based formula

# ZinClear® Absorbance of UVB and UVA





# ZinClear IM® is Optimized for Transparency



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