



ANO Explains Increase in Operating Expenses

We have received an enquiry from a valued shareholder regarding the increase to operating expenses from \$1.4 million to \$2.1 million in the second half of FY 2019, totalling \$3.5 million for the year.

As previously announced, ANO has increased its labour in Perth to maintain the 7 day, 24 hour cycle to reduce delay fulfilling new orders.

In addition we will employ 9 new staff in Brisbane to run the manufacturing facility and new laboratory next month, with additional increases to other variable operating costs, at which time we should have the capacity to meet and exceed current sales demands.

Our current pilot scale battery project will be delayed to FY 2020. Unfortunately the State Government has been unable to offer any support at this stage. We will identify an appropriate location for the facility, once we have bedded down our new Brisbane production facility, including obtaining appropriate licences, in the next four months.

Geoff Acton (B.Com CA)

Managing Director