

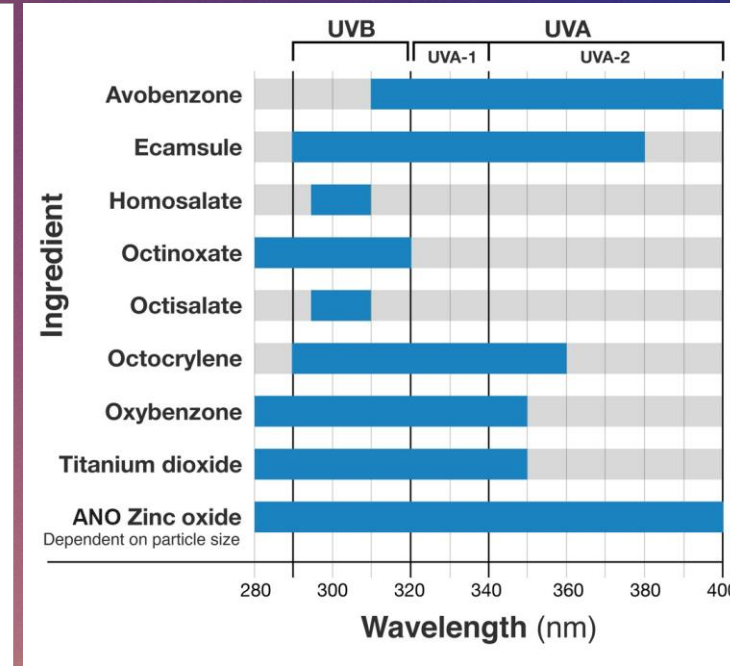
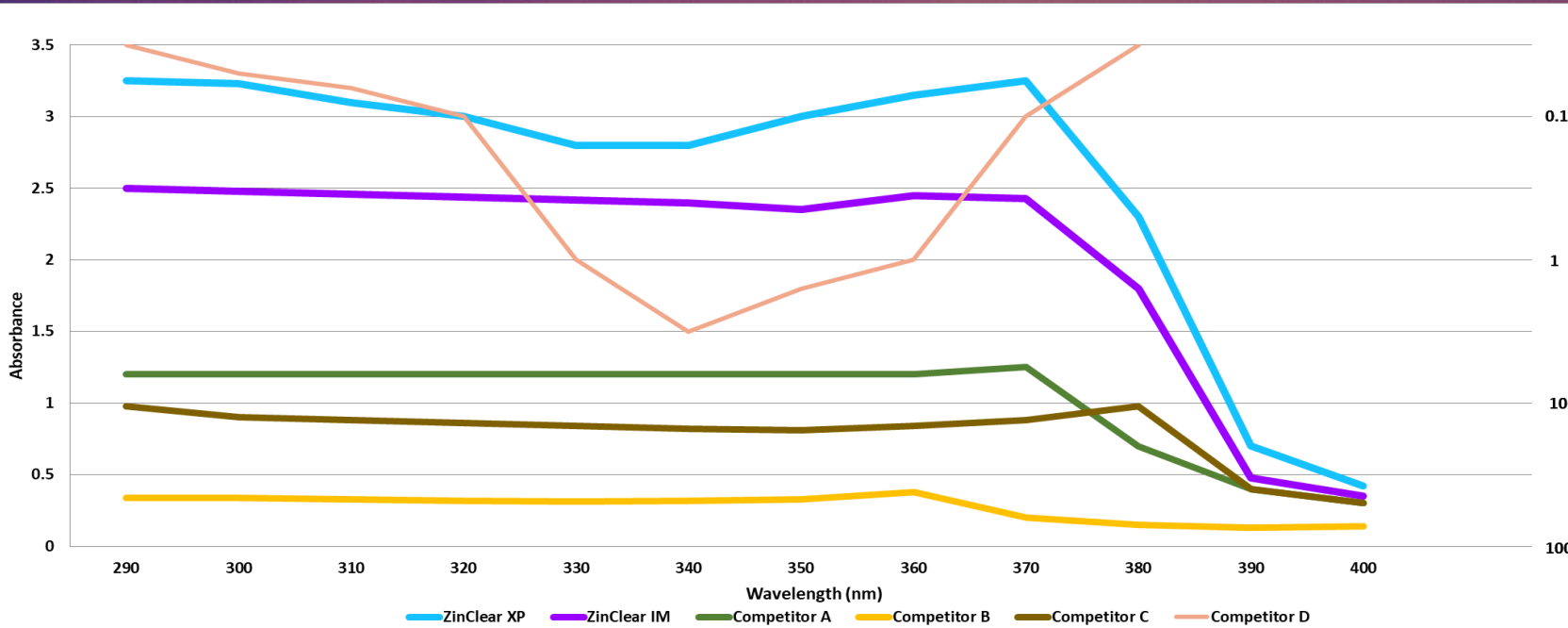


ANO Investor Presentation Update

26 April 2019

ANO Powder Performance versus Competitors

Sunscreen Effectiveness

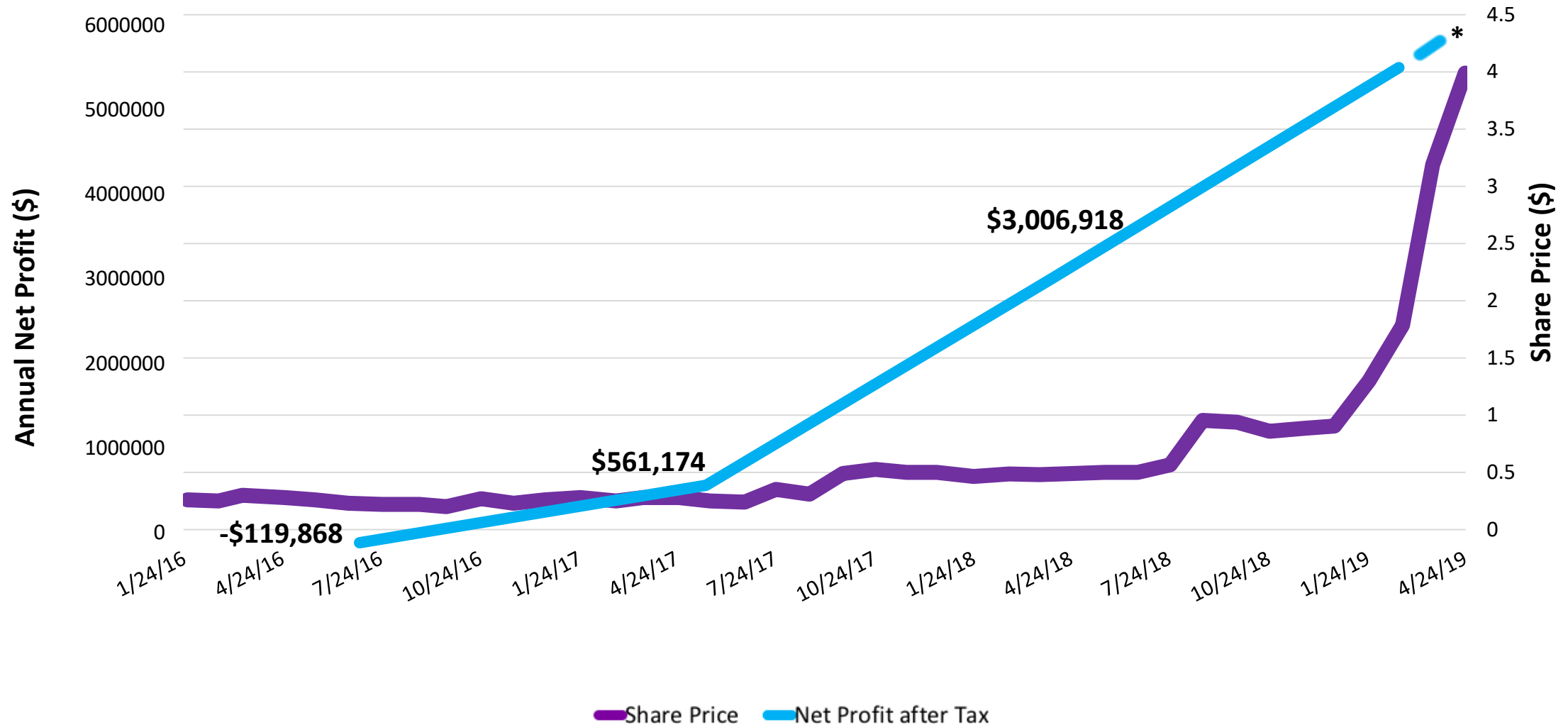


Consistent Quality Product and Superior Performance

The FDA is questioning the safety of 14 common sunscreen ingredients – Popular Science

<https://www.popsci.com/sunscreen-safety-fda-regulations>

ANO Share Price



- Appointment of Geoff Acton Managing Director on 16th March 2016.
- * Including further partial reinstatement of our deferred tax benefit.

Profit Update / Future Outlook

- Current profit after tax for the first 3 months of the 2nd half of FY19 is approximately \$1.8 million.
- The estimated income tax benefit of our R&D return is approximately \$220,000 and will contribute to the 4th quarter FY19 result.

Does the Share Price Reflect our Performance?

- ANO Price earnings ratio is lower than at any other time ANO has been in business. An Examination of Advance NanoTek Limited – Simply Wall St <https://simplywall.st/news/apple-post/an-examination-of-advance-nanotek-limited-asxano/>

CLEARLY, THE KEY IMPORTANT FACTS AROUND OUR SALES ARE:

WHY?

- Continuous quality improvements.
- Ongoing production capacity increases (see Strategic Initiatives p.4).
- New product development.

Does the Share Price Reflect our Performance?

PRODUCT QUALITY

- ANO has implemented a rigorous new testing regime where former European suppliers of our carbonate are currently unable to meet our specification.
- Zinc oxide only represents a very small cost in each 100ml tube of sunscreen compared to the retail price, meaning lessor alternatives do not deliver significant price advantage.
- The margins achieved by ANO are lower than that of our competitors, combined with the quality of the product, performance of the product, and consistent improvement in delivery times.

DANGERS IN SUBSTITUTION

- Snowberry Sunscreen NZ
 - This company previously used our zinc oxide and moved to a cheaper option.
 - <https://www.stuff.co.nz/business/98978814/two-sunscreens-pulled-from-sale-testing-standards-ridiculous-consumer-nz>
 - <https://snowberry.co.nz/blog/what-spf20-means>
 - <https://snowberry.co.nz/skin-care/sun-care>

ANO Strategic Initiatives 2019 / 2020

1. POWDER PRODUCTION CAPACITY

- Production capacity close to 30T per week as from May 1, 2019.
- Further uplift in production capacity to in excess 40T in late 2019.
- **Annual capacity in excess of 2,200T.**

- YTD powder sales are 177.8% greater than FY18 for the same corresponding 9 month period.
- Currently have 65T of XP powder sales orders in the system for April – June in addition to the normal sales.
- ANO will lift production to 2,200T per annum compared to one of our competitors spending 8.3 million AUD to generate an additional 800T of production and taking double the time to generate these increases.
- We have **reduced** our price globally at the beginning of January 2019, whereas the competitor has raised prices to cover the cost of their expansion.

<https://www.businesswire.com/news/home/20181204005362/en/EverZinc-Invests-Zano®>

2. END PRODUCT DEVELOPMENT / REVENUE DIVERSIFICATION

- Look to increase the range of end products beyond the current range of sunscreens.

ANO Strategic Initiatives 2019 / 2020

3. NEW POWDERS AND DISPERSIONS

- ANO committed to developing additional powders and dispersions using alternative natural ingredients in 2019 / 2020.

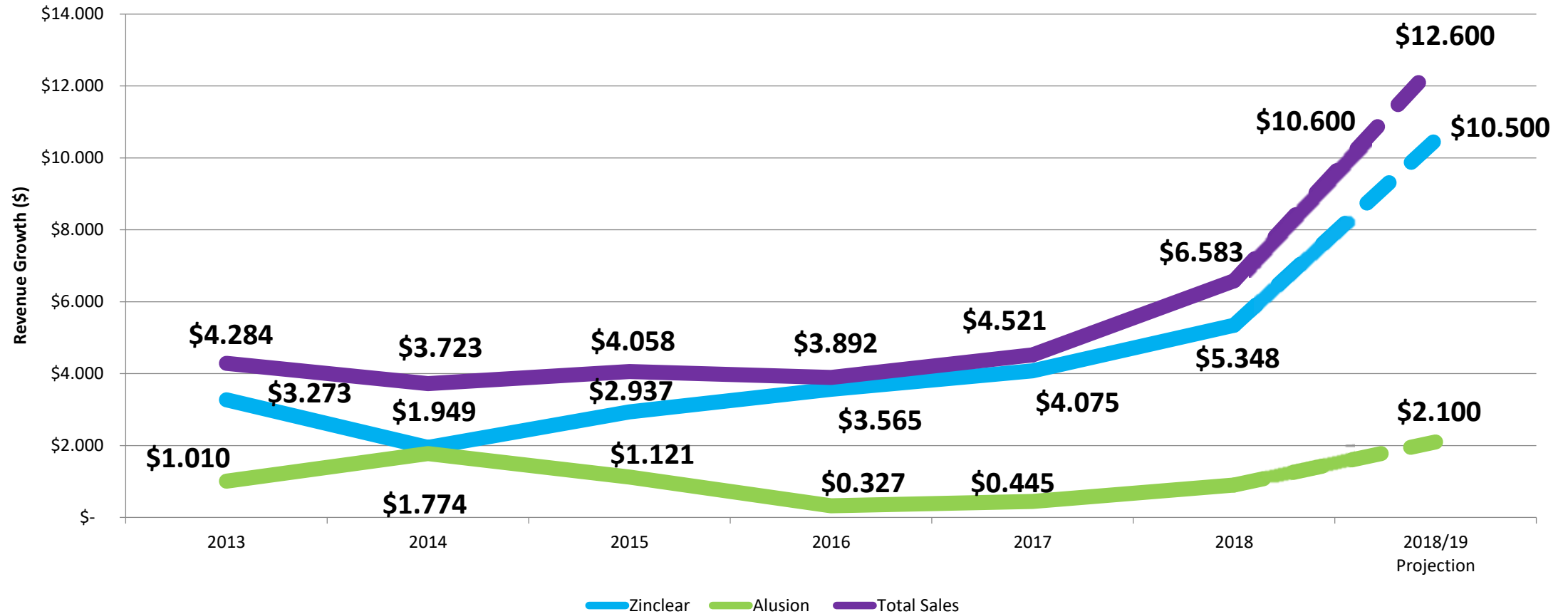
4. SECURE ZINC CARBONATE SUPPLY

- We have increased the number of carbonate suppliers from 3 to 5, to ensure a continuous supply and protect ourselves from precursor shortages, we are aware of current shortages in capacity of zinc production of competitors in Europe / US. The total raw material carbonate capacity from our suppliers is in excess of our expected sales.

5. GROW DISTRIBUTION NETWORK IN EUROPE

- The Board is concerned with the performance of our pre-existing distributors in Europe and are committed to the following:
 - Increase number of European chemists.
 - Signing up 4 to 6 new distributors.
 - Assisting Brand owners, already using product containing our zinc, in introducing end product into Europe.
 - Developing new dispersion specifications designed for targeted markets.

Total Annual Sales Revenue by Product Category (\$ '000)



- Anticipated sales increase of over 100% compared to FY18.
- Further sales increases expected in FY20 from MERCK.
- Increase manufacturing capacity of zinc powder to 2,200 tones per annum from late 2019, well in excess of current order intake.

Reef Safe Sunscreen

Hawaii Bans UV Chemical Sunscreens

ARTICLES

- “State lawmakers passed legislation in May that would ban skin-care companies from selling and distributing sunscreens on the islands that contain two chemicals deemed damaging to coral reefs.”
- Hawaii just banned your favorite sunscreen to protect its coral reefs – Washington Post
https://www.washingtonpost.com/news/energy-environment/wp/2018/07/02/hawaii-is-about-to-ban-your-favorite-sunscreen-to-protect-its-coral-reefs/?utm_term=.8dc735076d81
- Hawaii bans sunscreens with chemicals that damage coral reefs, but Australia reluctant to follow – ABC News
<https://www.abc.net.au/news/2018-05-04/hawaii-bans-sunscreen-coral-bleaching/9728322>
- Miami bans UV chemical sunscreens

SUNSCREEN INGREDIENT BANS

Miami, Florida

On Wednesday, March 13, the Mayor and City Commission of the City of Miami Beach will meet on first reading of a ban on the sale of sunscreens containing oxybenzone or octinoxate.

CITY OF MIAMI BEACH, FLORIDA, AMENDING CHAPTER 46 OF THE CODE OF THE CITY OF MIAMI BEACH, ENTITLED “ENVIRONMENT,” BY CREATING ARTICLE VIII THEREOF, TO BE ENTITLED “SALE OF SUNSCREEN PRODUCTS,” TO PROHIBIT THE SALE OF SUNSCREEN PRODUCTS CONTAINING OXYBENZONE OR OCTINOXATE, OR BOTH; AND, PROVIDING FOR REPEALER, SEVERABILITY, CODIFICATION, AND AN EFFECTIVE DATE.RECOMMENDATION.

Reef Safe Statement References

Written by Mark Chandler, BA Chemistry

Reviewed by Professor Julian Hewitt

<https://www.ewg.org/sunscreen/report/nanoparticles-in-sunscreen/#.WuOKSMgvyUk>

<https://www.ncbi.nlm.nih.gov/pubmed/19902187>

https://cdhc.noaa.gov/_docs/Site%20Bulletin_Sunscreen_final.pdf

<https://particleandfibretoxicology.biomedcentral.com/articles/10.1186/1743-8977-3-11>

<https://www.npr.org/sections/thetwo-way/2015/10/20/450276158/chemicals-in-sunscreen-are-harming-coral-reefs-says-new-study>

<https://www.ncbi.nlm.nih.gov/pubmed/26487337>

<https://onlinelibrary.wiley.com/doi/abs/10.1111/jocd.12449>

<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2291018/>

<https://www.ewg.org/sunscreen/report/the-trouble-with-sunscreen-chemicals/#.WuN4pcgvyUk>

<http://journals.plos.org/plosone/article?id=10.1371/journal.pone.0061800>

<https://www.sciencedirect.com/science/article/pii/S0304389416305556>

<https://www.sciencedirect.com/science/article/pii/S0043135407003417>

<https://setac.onlinelibrary.wiley.com/doi/full/10.1002/etc.2560>

<https://link.springer.com/article/10.1007/s00128-017-2031-8>

[http://www.jaad.org/article/S0190-9622\(09\)00539-8/abstract](http://www.jaad.org/article/S0190-9622(09)00539-8/abstract)

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<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3781714/>

<https://academic.oup.com/toxsci/article/123/1/264/1644613>

<http://pubs.rsc.org/en/content/articlelanding/2010/pp/b9pp00180h/unauth#!divAbstract>

<https://books.google.com/books?id=hhcUJRSilwsC&pg=PA98#v=onepage&q&f=false>

<https://jamanetwork.com/journals/jamadermatology/fullarticle/1105240>

<https://www.karger.com/Article/Abstract/85861>

<https://www.cdc.gov/exposurereport/index.html>

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