



Tax Losses to be Reinstated FY19

The Board has completed its Audit Planning for FY19 with its external Auditors yesterday. One of the issues raised by the Auditors was the current accounting treatment of ANO prior tax losses.

Given the current worldwide regulatory awareness of the use of harmful chemicals, it appears the FDA is progressively banning particular chemicals, as supply of zinc oxide is increasing, the demand for zinc oxide should continue to grow for a number of years. In light of this, the Board accepts the issue raised by the Auditors, that it is very likely ANO will be profitable in future years and agree that the full amount of the tax losses should be reinstated in FY19.

Again, we applaud some of our shareholders for foreshadowing this view based on all of the current media and newspaper articles surrounding the banning and issues with the use of harmful chemicals used in sunscreen.

We **received an email** from our tax accountants at **2:09pm** today informing us that the total tax losses to be reinstated will result in approximately \$6.4 million increase in statutory profit after tax.

The Board has resolved today that Mr. Geoff Acton will exercise his options for 2018 and 2019 early next week and shares will be issued to him and related parties. The Board understand that the performance hurdles have been met for both financial years and the Board thanks Mr. Acton for his performance and have allowed him to exercise the 2019 options 2 months early. The Board will remunerate Mr. Acton with a bonus that reflects the exercise price of the options and this will impact the 2019 result by approximately \$500,000, reducing the net increase in statutory profit to \$5.9 million and estimated total profit after tax for FY19 will be approximately \$10.5 million.

This announcement has been approved by the entire Board, with Mr. Acton abstaining from the resolution in respect of his options and remuneration.

Lev Mizikovsky
Non-Executive Chairman