

APPENDIX 4E – FINAL REPORT – 30 JUNE 2019

Name of entity	Advance NanoTek Limited (ASX: ANO)
ABN	54 079 845 855
Reporting period	1 July 2018 to 30 June 2019
Previous corresponding period	1 July 2017 to 30 June 2018

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenue from ordinary activities	Up	86%	to	\$12,260,424
Profit from ordinary activities before tax attributable to members	Up	200%	to	\$3,381,419
Net profit after tax for the period attributable to members	Up	267%	to	\$9,639,231

DIVIDENDS

The Board considers that that no final dividend will be paid in respect of the 2019 financial year.

Brief explanation of revenue, net profit and dividends to enable the above figures to be understood

A review of operations for the Group is set out in the Managing Directors' Report of the Annual Report together with the Chairman's Letter, which will be released to market next week.

FINANCIAL STATEMENTS (attached)

- Consolidated Statement of Profit or Loss and Other Comprehensive Income
- Consolidated Statement of Financial Position
- Consolidated Statement of Changes in Equity
- Consolidated Statement of Cash Flows

KEY FINANCIAL PERFORMANCE INDICATORS

	2019	2018
Net Tangible Asset Backing		
Net tangible assets per ordinary security	17.62 cents	8.49 cents
Earnings per security		
Basic earnings per share	16.90 cents	4.62 cents
Diluted earnings per share	16.90 cents	4.62 cents
Weighted average number of shares	57,029,551	56,779,044
Profit/(loss) before tax as % of revenue		
Consolidated profit/(loss) from continuing operations before tax as a % of revenue	27.58%	17.09%
Profit/(loss) after tax as % of equity		
Consolidated net profit/(loss) after tax as a % of equity	52.02%	39.57%

Operating performance, segments and performance trends

A review of operations for the Group is set out in the Managing Directors' Report of the Annual Report together with the Chairman's Letter, which will be released to market next week.

AUDIT & COMPLIANCE STATEMENT

This report and the financial statements, upon which it is based, use the same accounting policies.

This report will be finalised and attached to the Annual Report released to market next week.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
Revenue	5	12,260,424	6,583,764
Other income	5	671,686	461,168
Raw materials and consumables used		(5,896,213)	(2,788,579)
Employee benefits expense		(1,052,523)	(782,310)
Depreciation expense	13	(288,865)	(241,023)
Legal expense		(16,625)	(97,695)
Directors fees		(84,583)	(123,160)
Insurance fees		(122,356)	(93,694)
Rent expense		(256,728)	(316,160)
Impairment of Production Plant & Equipment		-	(103,496)
Travel costs		(90,307)	(44,955)
Rates & taxes		(16,746)	(25,641)
Corporate costs		(1,018,320)	(655,892)
Logistic		(252,943)	(236,725)
Other operating expenses		(454,482)	(410,533)
Profit / (Loss) before income tax		3,381,419	1,125,069
Income tax benefit (expense)	8	6,257,812	1,500,000
Profit / (Loss) for the year		9,639,231	2,625,069
Other comprehensive income			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		9,639,231	2,625,069
Profit attributable to:			
Members of the parent entity		9,639,231	2,625,069
Total comprehensive income attributable to:			
Members of the parent entity		9,639,231	2,625,069
Earnings per share			
Basic earnings per share (cents)		16.90 cents	4.62 cents
Diluted earnings per share (cents)		16.90 cents	4.62 cents

Consolidated Statement of Financial Position

As At 30 June 2019

	Note	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	9	352,533	1,121,396
Trade and other receivables	10	2,037,666	1,599,239
Inventories	11	3,359,421	1,247,738
Other assets	12	1,554,878	369,645
Total Current Assets		7,304,498	4,338,018
Non-Current Assets			
Property, plant and equipment	13	3,759,559	1,884,296
Deferred tax assets	15	8,152,063	1,693,725
Development assets	14	801,409	290,073
Total Non-Current Assets		12,731,031	3,868,094
TOTAL ASSETS		20,017,529	8,206,112
LIABILITIES			
Current Liabilities			
Trade and other payables	16	625,215	561,317
Provisions	17	31,718	10,951
Deferred income	18	160,039	160,039
Total Current Liabilities		816,972	732,307
Non-Current Liabilities			
Provisions	17	114,319	123,367
Deferred income	18	555,662	715,701
Total Non-Current Liabilities		669,981	839,068
TOTAL LIABILITIES		1,486,953	1,571,375
NET ASSETS		18,530,576	6,634,737
EQUITY			
Issued capital	19	41,699,106	39,442,499
Reserves	20	1,498,003	1,498,003
Accumulated losses		(24,666,534)	(34,305,765)
TOTAL EQUITY		18,530,576	6,634,737

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2019

2019

	Ordinary Shares \$	Retained Earnings \$	Foreign Currency Translation Reserve \$	Option Reserve \$	Total \$
Balance at 1 July 2018	39,442,499	(34,305,765)	15,940	1,482,063	6,634,737
Comprehensive income for the year					
Profit / (Loss) for the year	-	9,639,231	-	-	9,639,231
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	9,639,231	-	-	9,639,231
Shares issued during the year	2,256,607	-	-	-	2,256,607
Balance at 30 June 2019	41,699,106	(24,666,534)	15,940	1,482,063	18,530,576

2018

	Ordinary Shares \$	Retained Earnings \$	Foreign Currency Translation Reserve \$	Option Reserve \$	Total \$
Balance at 1 July 2017	40,016,087	(36,930,834)	15,940	1,100,215	4,201,408
Comprehensive income for the year					
Profit for the year	-	2,625,069	-	-	3,006,917
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	2,625,069	-	-	3,006,917
Shares bought back during the year	(677,084)	-	-	-	(677,084)
Shares issued to employees	103,496	-	-	-	103,496
Options issued to Directors	-	-	-	381,484	381,848
Balance at 30 June 2018	39,442,499	(34,305,765)	15,940	1,482,063	6,634,737

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customer (Inc. GST)		12,014,179	7,058,251
Payments to suppliers and employees (Inc. GST)		(11,552,329)	(5,781,033)
Interest Received		668	112
Interest Paid		-	(360)
Income Tax Paid		(200,525)	-
Net cash provided by/(used in) operating activities	26	261,993	1,276,970
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(2,165,066)	(167,917)
Payment for development assets		(510,396)	(218,860)
Net cash used by investing activities		(2,675,462)	(386,777)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payments from shares buyback		-	(677,084)
Shares issued during the year		1,644,606	-
Net cash used by financing activities		1,644,606	(677,084)
Net increase/(decrease) in cash and cash equivalents held		(768,863)	213,109
Cash and cash equivalents at beginning of year	9	1,121,396	908,287
Cash and cash equivalents at end of financial year	9	352,533	1,121,396