



25 October 2019

### **Chairman's Address**

The significant part of the \$9.6 million result in FY19 included a tax benefit of \$6.3 million.

The current trading result for the first 3 months of FY20 based on unaudited management accounts is showing trending increases in orders, standing at about three times the same sales orders received for the same corresponding period last year. Obviously, there is some delay between receiving the order and seeing the benefit in the profit and loss of the company due to time needed for manufacturing and shipping.

As highlighted in our Investor Presentation released today, the Board is of the view there is potential for further significant growth trajectory based on the current pace of initial sales orders growth.

We currently see no reason why the Company will not achieve its current forecasts with in excess of 225T of future sales orders yet to be manufactured, right now.

The Board has set the Managing Director specific goals for FY20.

- To diversify revenue geographically
- To diversify revenue by increasing the number of products the company sells.
- Ensure manufacturing capacity is at least double the current sales order intake.
- Extend services provided to manufacturers and brand owners to include formulations, access to our chemist network and equipment advice.



I take this opportunity to thank all our stakeholders in Advance NanoTek Limited ("ANO"), in particular,

- Our key distributors for their support and growth in sales in our products, particularly Deveraux Specialties who were up in excess of 110% in FY19.
- We would like to thank Merck KGaA for their renewed support and trust in our business, in particular the move to container orders with the first 14T expected to be shipped in December 2019.
- Our staff who have worked tirelessly to increase capacity to meet the 86.22% growth in total sales in FY19.
- I would like to thank Rade and our new Director Laurie for their contribution to the ANO business in 2019. Laurie has already made changes to accounting policies around stock and foreign currency transactions and assisted Geoff with the 2019 Annual Report.
- I would like to thank our Managing Director for his hard work in FY19.
- Finally, I would like to thank our shareholders. I appreciate their continuous input to the company and their support of the Board and the initiatives we are trying to implement, in particular, Brian, Chris and Giovanni the owners of Ethical Zinc, with the most successful zinc based sunscreen on Amazon Australia, and top 100 in sunscreen category in the US and currently developing a retail global distributor network.

Lev Mizikovsky  
Chairman