

# Advance NanoTek Limited

ASX: ANO



## Investors Presentation

### Team Invest

### 20 December 2019

# Sunscreen Issues when mixed with Chlorinated Water in the Presence of UV Rays

“On average, a person’s risk for melanoma doubles if he or she has had more than five sunburns”, (Pfahlberg A, Kölmel KF, Gefeller O. Timing of excessive ultraviolet radiation and melanoma: epidemiology does not support the existence of a critical period of high susceptibility to solar ultraviolet radiation-induced melanoma. Br J Dermatol 2001; 144:3:471-475.)

“but just one blistering sunburn in childhood or adolescence more than doubles a person’s chances of developing melanoma later in life.” (Lew RA, Sober AJ, Cook N, et al. Sun exposure habits in patients with cutaneous melanoma: a case study. J Dermatol Surg Onc 1983; 12:981-6.)



<https://www.adelaidenow.com.au/lifestyle/parenting/baby-suffer-chemical-burn-after-using-banana-boat-sunscreen/news-story/27b4c45da2cf22fa40da12827f79643e>

~ **Skin Cancer Foundation**, May 31, 2019

(<https://www.skincancer.org/skin-cancer-information/skin-cancer-facts/>)

If you find this information relevant to a past experience, feel free to contact our Health MP, Greg Hunt:

[Minister.Hunt@health.gov.au](mailto:Minister.Hunt@health.gov.au)

# Sunscreen Issues when mixed with Chlorinated Water in the Presence of UV Rays

‘hazardous chemical compounds formed as a result of the breakdown of avobenzene, a component of many sunscreen products, when it interacts with chlorinated water and ultraviolet radiation.’

~ Scientists from the Faculty of Chemistry of the Lomonosov **Moscow State University** (Sunscreen creams break down into dangerous chemical compounds under the sunlight (2017, June 28) retrieved 28 November 2019 from <https://phys.org/news/2017-06-sunscreen-creams-dangerous-chemical-compounds.html>)

<https://7news.com.au/weather/aldi-ombra-sunscreen-slammed-as-acid-after-queensland-family-burns-c-526973>



# Sunscreen Issues when mixed with Chlorinated Water in the Presence of UV Rays

‘Chemicals in sunscreen don’t just sit on top of your skin they absorb into your bloodstream, according to new research from the **U.S. Food and Drug Administration**’

“Sunscreens have not been subjected to standard drug safety testing, and clinicians and consumers lack data on systematic drug levels despite decades of widespread use”, **former FDA chairman** Robert Calif



~ USA TODAY, N’dea Yancey-Bragg, May 7 2019  
(<https://www.usatoday.com/story/news/health/2019/05/06/sunscreen-chemicals-absorb-your-bloodstream-fda-study/1123513001/>)

# Sunscreen Issues when mixed with Chlorinated Water in the Presence of UV Rays

“There are only two effective UVA blockers, one chemical and one mineral (Avobenzone and Zinc Oxide)” -- “Once exposed to the sun, avobenzone alone only offers about 30 minutes of protection.” -- “unsafe chemicals like octocrylene, homosalate, or octisalate [are added] to make the avobenzone work longer than 30 minutes.”

“Avobenzone Containing Sunscreens can cause Hormone disruption - and are even more toxic when exposed to chlorine.” -- “A study published in **Chemosphere** found that avobenzone can turn toxic when exposed to chlorine. This can potentially result in kidney and liver dysfunction and nervous system disorders, as Inhabitat reports.”

~ TropicSport, What's Wrong with Sunscreens containing Avobenzone?  
(<https://tropicsport.com/blogs/posts/what-s-wrong-with-sunscreens-containing-avobenzone>)



# Sunscreen Issues when mixed with Chlorinated Water in the Presence of UV Rays

“Based on the experimental evidence from animal inhalation studies TiO<sub>2</sub> nanoparticles are classified as “possible carcinogenic to humans” by the **International Agency for Research on Cancer** and as occupational carcinogen by the **National Institute for Occupational Safety and Health**. The studies on dermal exposure to TiO<sub>2</sub> nanoparticles, which is in humans substantial through the use of sunscreens, generally indicate negligible transdermal penetration; however data are needed on long-term exposure and potential adverse effects of photo-oxidation products”

~ Titanium Dioxide in our everyday life is it safe?, 2011 November 16  
[\(https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3423755/\)](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3423755/)

‘France is to ban the food additive titanium dioxide’, ‘the **French Agency for Food, Environmental and Occupational Health & Safety (ANSES)**’ [given] ‘the findings of four studies linking the additive to cancer, including one from the **French national agronomic research institute (INRA)**.’

~ Sara Lewis, **IEG Policy Agriculture**, 18 April 2019  
<https://iegpolicy.agribusinessintelligence.informa.com/PL219962/France-bans-titanium-dioxide-from-2020>



## It's Personal



“31 various skin cancer procedures – For me it’s not just business, it’s PERSONAL”

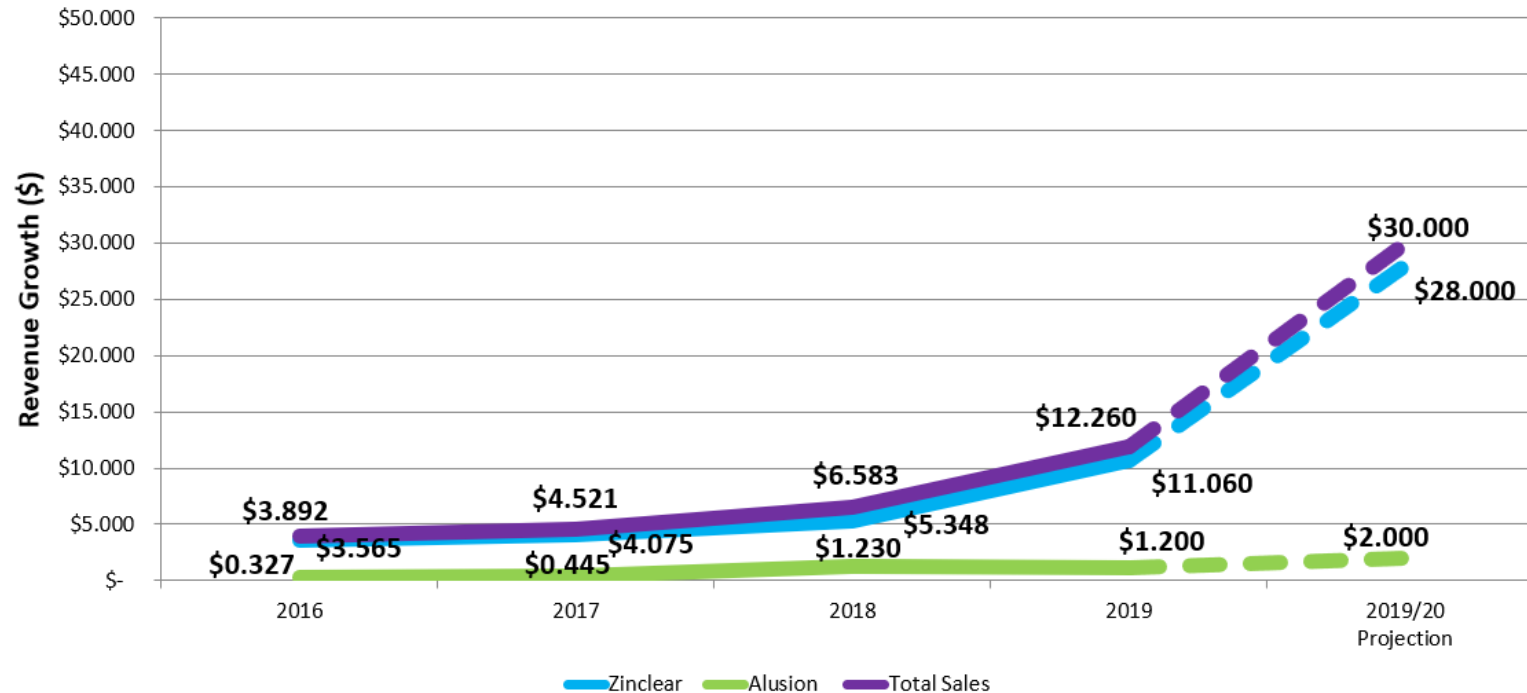
Managing Director Geoff Acton

# Company Performance FY17 to now

## Sales

- 25 October 2019

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



Current sales for first 6 months estimated at \$11.3 million (FY18: \$5.2 million), close to annual sales for FY19, with 175T of orders in the system still to be produced.

The total zinc market in 2017 in the US was 550T and ANO has shipped close to 350T in the first 6 months of FY20 which is traditionally the US off season.



# Company Performance FY17 to now

## Trading Results

- **16 March 2016**
  - Appointment of Mr Geoff Acton as Non-executive Director and Managing Director on 2 March 2017.
- **29 November 2017 - \$0.560 million NPBT**
  - Advance NanoTek Limited continues to improve its trading profitability with net profit before tax of \$560,000 for the 5 months to November 2017, based on unaudited management accounts.
  - XP powder sales are a small percentage of our overall revenue and no other products are affected at this stage.
- **28 November 2019 - \$3.831 million NPBT**
  - The Board confirms that the November monthly profit before tax will be in excess of \$1.2 million which is a record for ANO (November 2018: \$0.116 million). The year to date profit before tax for the 5 months to November 2019 based on unaudited management accounts is \$3.8 million (YTD November 2018: \$1.15 million) and was limited by the production capacity in place and lack of stock on hand due to the delays in TGA approval of the Brisbane facility, licence is now in place.

# Company Performance FY17 to now

## Powder Production / Sales

- 22 March 2017
  - Pre-cursor raw material shortage will be rectified by 1<sup>st</sup> week of April of 2017 when 24 tonnes arrives in the warehouse and we currently have approximately \$900,000 of sales orders ready to invoice and ship once we complete the rigorous testing regime.
- 8 September 2017
  - Importantly the sales targets set by the agreement will require a significant increase in sales of ZinClear in the US over the next three years. Based on the agreement parties are committed to minimum 55% increase (over FY17) in US and Mexico sales in calendar year 2018 with further increases contemplated in following years. ANO is unable to predict the timing of future sales orders as the significant positive impact on profitability will be split between FY18 and FY19.
- 10 October 2017 - \$31.6 million Market Cap
  - Our ASX representative has requested Yahoo to address the issue, however, it still displays the incorrect capital structure. The current capitalisation as of yesterday is \$31.6 million.
- 29 November 2017
  - We expect delays in the sales orders of XP in the first quarter calendar 2018 as we transition to new suppliers. XP powder sales are a small percentage of our overall revenue and no other products are affected at this stage.

# Company Performance FY17 to now

## Powder Production / Sales

- **19 September 2018**
  - We have witnessed a significant increase in forward sales orders for ZinClear and ZinClear XP from now until the end of November 2018 that is in excess of 50% above our sales revenue for the corresponding period in FY18.
- **8 November 2018**
  - Increase investment in raw materials to \$1 million to ensure supply continuity through the expected increase in sales in 2019.
- **7 January 2019**
  - We have witnessed significant growth in the sales of XP Powder, particularly in the USA, with one customer ordering six times (up 500%) more volume of orders from the prior year.
- **4 February 2019**
  - The ANO Board signed an extension to a key customer supply agreement for 3 years, until 2022, with a total contract value of a minimum of \$4 million.

# Company Performance FY17 to now

## Powder Production / Sales

- **22 February 2019**
  - Current production of 15T per week (from 7T per week FY17).
  - Lift production to increase of 31T per week from 1 May 2019 (estimated).
  - Lift production to 40T in late 2019, annual capacity of 2,200T.
- **4 April 2019**
  - We now have close to 100T of outstanding sales orders that we hope to ship before the end of FY19, subject to new kilns being commissioned as planned.
- **14 May 2019**
  - ANO has received a number of new sales orders that indicate that first quarter FY20 volumes will continue to grow at the current rates (compared to 5T of orders received in July / August 2018). These are in addition to the backlog of powder sales orders, which means powder production will be at capacity to August 2019.

# Company Performance FY17 to now

## Powder Production / Sales

- **25 October 2019**
  - 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.
- **15 November 2019**
  - Orders for US \$500,000 of our unique dispersions were received over the last 24 hours and approved for production today.
- **16 December 2019**
  - Increase investment in raw materials to \$3 million.
- **20 December 2019 – Close to \$340 million Market Cap**

# Company Performance FY17 to now Merck KGaA

- **22 December 2016**

- It anticipates sales of between 15 and 20 tonnes of Alusion™ for calendar year 2017.

- **15 September 2017**

- The Board expects an increase in Alusion sales of in excess of 80% for FY18, FY17 sales of \$450,000, and also anticipates Alusion revenue in the future to increase to levels experienced in FY15 of \$1,120,000.

- **21 November 2019**

- New Apple Inc. Patent #US 2018/0215667 A1.

# Company Performance FY17 to now

## Unfinished Business

- **17 January 2017**
  - Outsourced manufacturing agreement of ZinClear and end formulations signed.
- **21 September 2017**
  - 3D printing using our materials.
- **18 September 2017**
  - The production equipment in question comprise mostly a new “decanter” and certain equipment not in operation by ANO.
- **24 January 2019**
  - We want to make clear the Board does not foresee a \$10 share price due to capacity limitations and the current size of the zinc market.
- **24 May 2019**
  - As per our announcement dated 24 January 2019, I must apologise to the shareholder who predicted a \$10 share price within 2 years, as now the ANO share price is much closer to his prediction than I expected at the time of the announcement.

# Company Performance FY17 to now

## ASX Queries

- **14 March 2019**
  - ANO formal price query response.
- **27 May 2019**
  - ANO formal response to aware query.
- **12 July 2019**
  - ANO formal price query response.
- **19 August 2019**
  - The Board would like to confirm that the Investor Presentation was submitted simultaneously with the Appendix 4E. The ASX raised a number of issues in particular, the front cover which was a repeat of the front cover that was previously released to market in February 2019 and April 2019.
- **28 August 2019**
  - ANO queries regarding accounts.



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