



5 March 2020

## **ANO Capital Reduction and COVID-19 Update**

The Board have started investigations into a capital reduction to occur before the end of FY20. The Board estimates that it will consider up to 7 cents per ordinary share, subject to no further adverse market conditions, significant exchange fluctuations or any further reductions in sales orders.

### **Profit Update**

ANO has recorded just over \$1 million profit before tax for the month of February 2020, based on unaudited management accounts. ANO remains debt free with in excess of \$1.9 million in the bank.

ANO is in the process of shipping additional powder and dispersions to an FDA approved warehouse in the US, enabling ANO to transport our product to anywhere in the US and Canada within 7 days.

### **New Canada Distributor**

ANO has signed a new agreement with Deveraux Specialties to be our non-exclusive distributor for Canada. We hope that Deveraux can grow the Canadian market over the next 12 months in a way they were able to do this in the US over the past 7 months (280%).

### **COVID-19 Update**

The feedback from our US distributor is of some concern, as brand owners and retailers are not building up inventory for the upcoming summer season, due to the reduction in holiday bookings.

The Board's view is that our product, being the safest active ingredient on the market, will continue to experience demand as consumers continue to move to premium skincare products. As a result, we are building up stock levels in a contract FDA approved USA warehouse. The cost of this stock has been taken into consideration as part of our investigations into our 7 cents capital reduction per ordinary share.

Authorised by:

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