



21 May 2020

Business Update

Lab Scale Production – End Product & Dispersions

ANO has successfully completed its first lab scale trials of end product using its new lab scale high shear mixing equipment. Testing of the product for SPF is in line with other prior results. ANO will invest in new equipment and repurpose unutilised equipment from our Perth facility with the intention to commence full scale production of products not currently being manufactured and sold by our end users, within the next 12 months. We anticipate at this stage that all of our products will be sold in Europe and the US. We will have the capacity to produce up to 8,000 tubes per batch to allow the introduction of new products to Europe and the US. Once this commences it should have a small positive impact to revenue in FY21.

Hinokitiol Production

ANO is investigating the manufacturing of hinokitiol, given the recent positive external test results confirming, combine with zinc salts, its efficacy as an inhibitor against viruses. The new equipment will be fully utilised if prices move or current supply diminishes.

NASDAQ

In light of our recent suspension by the ASX, the Board is reinvigorated to continue its efforts to pursue a NASDAQ listing and the Board should have an update to market in due course.

Delay on Capital Reduction to Invest in Production Capacity

ANO confirms that with all of the above production expansion opportunities, it would be prudent to delay the capital reduction to shareholders. In particular:

- Investing in equipment to establish an additional lab facility in Shettleston Street, Rocklea.
- Investing in manufacturing equipment and materials to deliver 100 plus end products and dispersions.
- Investing in raw materials to continue the production of finished goods to create stockpiles in the US and Europe to be ready for the anticipated demand in the next 6 months.
- Investing in equipment to manufacture hinokitiol.

The company has sufficient reserves to meet the investments and at this point will remain debt free.

Authorised by:
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