



13 October 2020

Chairman's Address

Current Sales Outlook

As announced on 21 September 2020, ANO sales have been negatively impacted by the following:

- Second and third waves of Coronavirus causing significant travel restrictions during the US and European summer season which affected sunscreen sales.
- Unsold sunscreen inventory as a result of manufacturers in the US and Europe producing sunscreen with a shelf life of 2 years by February ready for the northern summer. The impact of COVID-19 combined with reduced industry sales for 2020, has meant that there is unsold sunscreen inventory which has impacted demand for our active ingredients in first half of FY21.

As part of the strategic plan, the Board continues to invest into production equipment and set up costs to develop a world class facility to manufacture the complete range of ZinClear XP based Sunscreen Dispersions, including vegan and / or organic. These concentrates will allow manufacturers and brand owners to add a variety of sunscreens to their product ranges.

The investment will attract an immediate tax write-off in FY21, in line with the recent budget announcements. This will also increase our R&D non-cash incentive for FY22.

We have tested 5 new sunscreen dispersion variations that are greater than SPF50 with two at SPF60, all with different combinations of oils and waxes. We are in the process of registering these new dispersions with the FDA to obtain NDC numbers ready to sell in the US.

Notwithstanding, all of the above we are experiencing reasonable growth in our range of products for use in cosmetics.



ANO Milestones 2021 including a listing on NASDAQ in January 2022.

To achieve this objective, the key milestones are set out below:

October to December 2020	<ul style="list-style-type: none"> • Finalise the installation of production equipment to be capable of manufacturing an equivalent of 250,000,000 100 gram tubes of sunscreen. • Finalise the development of 6 – 12 new dispersions including SPF100 product and complete stability and in-vivo testing. • Finalise the regulatory dossiers for the FDA and TGA.
January – March 2021	<ul style="list-style-type: none"> • Appoint lawyers in the US to assist the NASDAQ listing. • Obtain TGA licence approval for the manufacturing of the new ZinClear XP sunscreen Concentrate Dispersions in Brisbane. • Invest in further production equipment to establish a certified organic manufacturing facility. • Commence trials on a coated zinc powder once equipment installed and tested. • Commence zinc gluconate production in liquid or powder form.
April – June 2021	<ul style="list-style-type: none"> • Complete the due diligence work on the NASDAQ listing. • Add a range of sunscreen dispersions with Hinokitiol, which when combined with ZinClear deliver improved SPF outcomes, and develop systems to ensure supply of Hinokitiol. • Review the ANO battery technology and conduct further trials using our zinc-based technology.

July – September 2021	<ul style="list-style-type: none"> • Commence drafting of US Registration Statement. • Appoint independent expert, after the completion of the FY21 audited accounts. • FDA’s deferred decision on banning chemicals in sunscreens is due to be released. • Develop zinc based UV resistant products for timber treatment. • Draft Scheme Implementation Agreement for NASDAQ listing. • Draft Scheme Booklet for NASDAQ listing. • Form a Due Diligence Committee for oversight of Scheme Booklet. • Develop marketing strategy targeting organic brands currently not offering SPF rated products.
October – December 2021	<ul style="list-style-type: none"> • Complete Independent Expert Report for NASDAQ listing. • Verification of Scheme Booklet for NASDAQ listing. • Complete all documentation and lodge with ASIC for review. • First Court Hearing regarding delisting in Australia. • Despatch Scheme Booklet. • Hold Scheme Meeting. • Second Court Hearing regarding delisting. • Lodge orders with ASIC. • Record Date for shares. • File Registration Statement with SEC. • File NASDAQ listing application.
January – March 2022	<ul style="list-style-type: none"> • NASDAQ listing.

These key dates are the strategic project development work, including listing on NASDAQ with the expectation that our first year calendar results for FY22 will reflect the anticipated increase in sales that will result from a combination of the expected banning of chemical ingredient sunscreens, and the hoped for recovery from COVID-19.

Based on our strategic plan and the opportunity to take advantage of additional investment write-offs and increased R&D incentives, the Board's intention is to reinvest all available funds into growing production capacity and increasing our product range to include more natural, organic and vegan sunscreens and cosmetic products.

Please forward any questions you may have to geoff@antaria.com

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