

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



Advance ZincTek Ltd

**Chairman’s/ Managing
Director’s Address**

2016 to 2022

November 2022

GEOGRAPHIC REACH

Advance ZincTek Ltd has in excess of 140+ brands worldwide using our chemical-free Zinc Oxide Active Ingredients.

USA BRANDS 94+



ASIAN BRANDS 20+



AUSTRALIAN BRANDS 30+



WHAT HAS HAPPENED IN 6 YEARS SINCE MR ACTON'S APPOINTMENT

- Changed the raw material suppliers of zinc carbonate to number of new suppliers.
- Improved quality of precursor materials, new specifications for all products.
- Increased production capacity in Perth to 10MT from 2.7MT a week (Dispersions only).
- Established a new office & manufacturing facility in Brisbane (6000m² plus).
- Increased production capacity in Brisbane to 5000MT from 300MT (XP powder).
- Invested in new equipment in Perth and Brisbane – 80% of equipment is less than 3 years old.
- Changed the entire staff in 2016 bar 2.
- **Profitable every year from 2017 onwards.**
- **ANO announces first ever interim unfranked dividend of 6 cents payable March 2023.**

REVENUE & KEY EXPENSES 2016 TO 2022

	2016	2022
Gross Margin*	50.1%	58.6%
Wages as a % of revenue	17.5%	12.9%
Rent as a % of revenue+	9.4%	1.8%
Other operating expenses as a % of revenue (including advertising/ marketing expenses)	12.3%	6.2%
Corporate Costs as a % of revenue (including Audit/ ASX fees)	2.5%	2.7%
Depreciation & Amorisation as a % of revenue	6.3%	7.9%
Legal Expenses as a % of revenue	4.5%	0.6%
CEO & Directors Fees as a % of revenue	9.4%	2.8%

* Gross Margin does not include direct payroll costs, rent and indirect factory costs.

+ 2016 does not include the ROU accounting standard.

COMPANY SNAPSHOT 2016 VS 2022



	2016	2022
Profit (Loss) Before Tax	(452,411)	3,682,389
Revenue	3.891 million	12.504 million [○]
Current Assets	3.217 million	17.951 million
Net Tangible Assets	4.201 million	34.989 million
Fixed Assets	2.175 million	10.478 million
Liabilities	0.702 million	0.505 million ⁺
Share Price	22 cents	\$2.26*
Market Capitalisation	\$11.71 million	\$139 million

○ Revenue was impacted by Covid in 2021

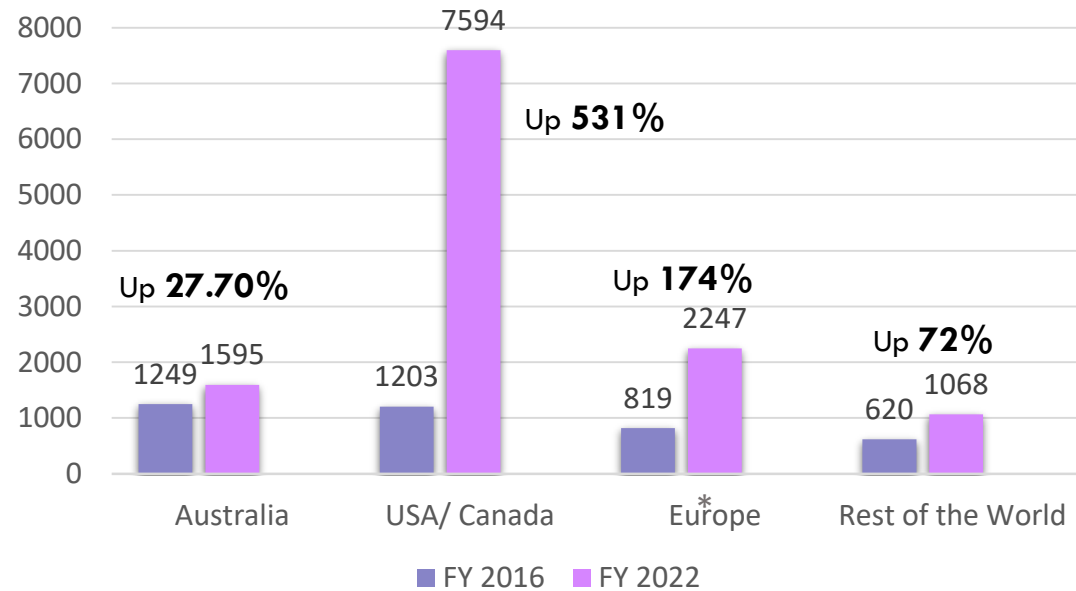
+ Liabilities do not include the new accounting standard of leases.

* Volume weighted average over last 3 months up to 31 October 2022



COMPANY HIGHLIGHTS

REVENUE BY REGION (MILLION AUD) 2016 VS 2022



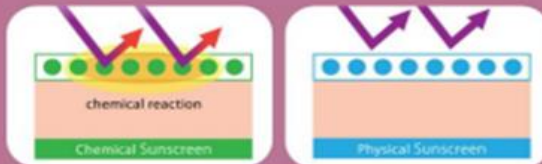
* Zinc Oxide only approved in Europe in February 2017, Covid caused further delays in development. Uptake has grown rapidly since Covid.

COMPANY PRODUCTS

2016	2022
<ul style="list-style-type: none"> ✓ 1 Zinc Powder ✓ 4 Zinc Dispersions ✓ 1 Bulk SPF 50+ Rated Intermediate Sunscreen Product "OLIVIA" 	<ul style="list-style-type: none"> ✓ 6 Vegan/ Organic Zinc & Zinc Based Powders ✓ 4 Vegan/ Organic Zinc & Zinc Based Dispersions ✓ 4 Vegan Classic Zinc & Zinc Based Dispersions ✓ 4 Vegan Premium Classic Zinc & Zinc Based Dispersions
<p>Cosmetic</p> <ul style="list-style-type: none"> ✓ Alusion 	<p>Cosmetic</p> <ul style="list-style-type: none"> ✓ Alusion
<ul style="list-style-type: none"> • None of our dispersions contain any dangerous/ harmful chemicals 	<p>Industrial</p> <ul style="list-style-type: none"> ✓ NEW: Industrial High Purity Alusion (under development)

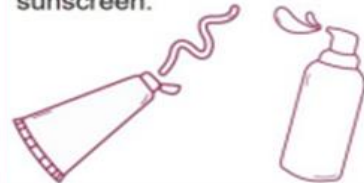
A recent study suggests that chemical sunscreens are absorbed in much higher concentrations than previously thought. This is not to suggest that they should not be used but further studies need to be undertaken in this area.

Although published studies suggest that several chemical sunscreens also interact with human sex or thyroid hormones, there is not enough information at present to determine the potential risks to humans from hormone disruption.



<https://skindrone.com/articles/seborrheic-dermatitis-sunscreens/>

WorkSafe Qld recommends that outdoor workers minimize ultraviolet radiation which can cause skin cancer by wearing sun protective clothing, a hat and sunglasses, seeking shade and applying sunscreen.



The recent contamination of some chemical sunscreens (available in Australia) with Benzene (a carcinogen) in the manufacturing process cannot occur in the production of Zinc Oxide sunscreen.



Some chemical sunscreens can leach coral of it's nutrients whereas Zinc Oxide doesn't do this and is classified as Reef Safe.

Aesthetix sunscreen is also available in tinted and non-tinted, is 100% organic, 100% certified vegan and is Australian made being manufactured here in Brisbane. This product is non greasy and non-whitening and Zinc Oxide has been shown to not cause irritation when applied to the skin.



Dr Russell Hills M.B.B.S. (QLD). F.A.C.D., F.A.C.C.S. Dermatologist and Cosmetic Dermatologic Surgery Member of The Australasian Academy of Facial Plastic Surgery Fellow of the Australasian College of Cosmetic Surgery Fellow of the Australasian College of Dermatology

Rank	Country	Number	ASR/100,000
	World	1,198,073	11.0
1	Australia	58,839	140.0
2	New Zealand	10,271	127.5
3	US	524,737	64.9
4	Canada	61,645	60.6
5	Switzerland	12,772	49.5
6	Ireland	4,788	46.2
7	The Netherlands	17,413	34.5
8	Germany	90,379	31.3
9	Montenegro	378	29.6
10	Luxembourg	389	27.3

Total Global Non-Melanoma Skin Cancer Incidence and Rates in 2020 (worf.org)

Queensland unfortunately has the highest incidence of skin cancer in the world.

Sun protection for babies is best provided by a physical sunscreen such as Zinc Oxide as Chemical sunscreens are absorbed more than in adults.

WorkSafe Qld advises that sunscreen should be SPF 30+ or more, broad spectrum and demonstrate water resistance.

Aesthetix Sunscreen fulfils all of these criteria and is SPF 50+.

The active ingredient is Zinc Oxide which has been classified by the FDA as GRASE (generally regarded as safe and effective) unlike some chemical sunscreens which can cause adverse effects.

Chemical sunscreens are not GRASE because more data is needed to make a GRASE determination.



DISCLOSURES REGARDING FORWARD LOOKING STATEMENTS



- This Market Statement includes forward-looking statements that have been based on Advance ZincTek's current expectations and predictions about future events including Advance ZincTek's intentions.
- These forward-looking statements are, however, subject to inherent risks, uncertainties and assumptions that could cause actual results, performance or achievements of Advance ZincTek to differ materially from the expectations and predictions, express or implied, in such forward-looking statements.
- None of Advance ZincTek, its officers, directors, the persons named in this Market Update with their consent, or the persons involved in the preparation of this, Market Update makes any representation or warranty (express or implied) as to the accuracy or likelihood of any forward-looking statements. You are cautioned not to place reliance on these statements in the event that the outcome is not achieved. These statements reflect views and options as at the date of this market update.
- We obviously can't predict the situation in Europe with the war, the issues between China and the USA and what impact global inflation pressures will have on our views.

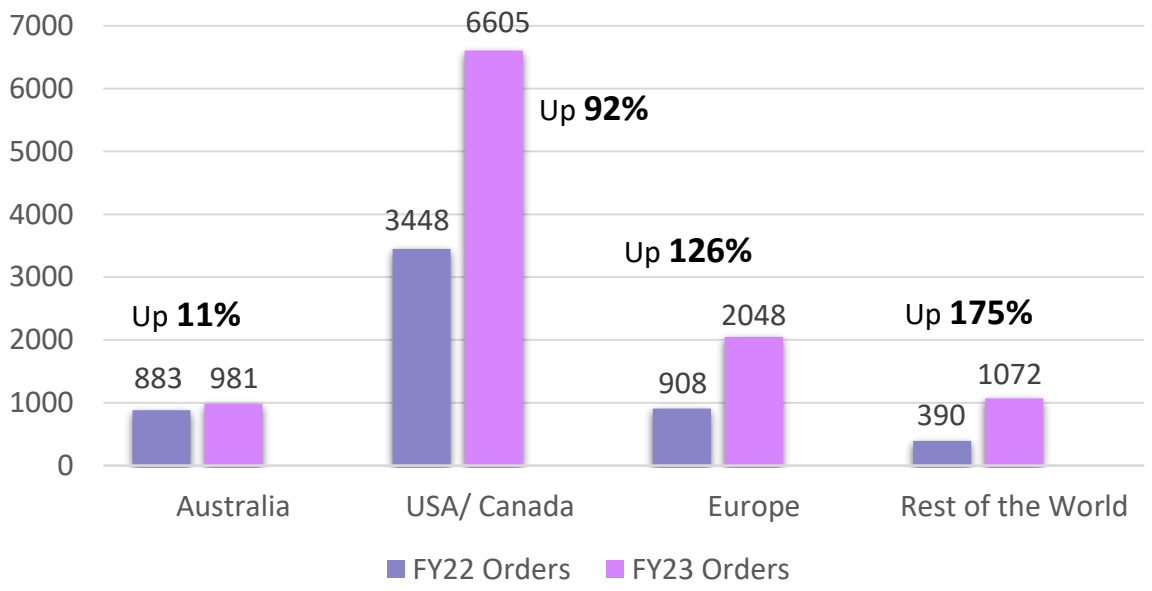


SALES ORDERS & SALES REVENUE OUTLOOK FY23



YEAR ON YEAR SALES ORDERS (MILLION AUD)

4 months Oct 2022 vs 4 months Oct 2023



Invoices/ deliveries are now 18% up compared to the 4 months Oct 2022

Shareholder Enquiries

Please send all questions for the Board to answer at the AGM to admin@antaria.com

YEAR ON YEAR SALES REVENUE

- ANO Board anticipates that the sales revenue for FY23 will be in the range of between FY22 sales (\$12.504M) and 50% plus based on the current 90% increase in sales orders on hand as at 31 October 2022. The range reflects the current uncertainty caused by events in Europe.
- Importantly invoices/ deliveries as at 31 OCT 2022 are now 18% up compared to the 4 months to 31 Oct 2021.
- We expect margins to remain similar to FY22 despite some increases in input costs. The board's focus is on the installation of an additional 40% increase in the number of solar panels to mitigate electricity costs and improvements in production efficiencies, as well as further development of high value natural (organic) dispersions.
- The Board will look at developing its other IP including battery technology and will look at other industrial applications in 2024.

EUROPE	2016	2022
Number of Countries	7	21
Number of Distributors	4	11

