

9 June 2025

## **Expected \$2.7 Million Profit Turnaround**

The Board of Advance ZincTek Limited (ANO) provides the following update based on unaudited management accounts.

### **Financial Performance**

As at today's date, sales revenue for FY25 to date is \$10.65 million, compared to \$9.53 million for the full year FY24, due to the pick up in sales in USA and closure of Perth facilities, the company currently expects a profit before tax of approximately \$1.75 million, a significant improvement from the FY24 loss before tax of \$990,000.

The current result was negatively impacted by the following one-off and non-recurring items:

- A non-cash expense of \$121,000 related to a staff share issue and Perth staff redundancy arrangements.
- Additional amortisation of \$88,000 relating to capitalised product development costs, which are now complete and will be amortised over a 12-year period.
- A reduction in sales due to the previously announced loss of a major customer for our White Sapphire Matte product (refer ASX announcement dated 24 April 2025) (\$130,000 FY25 \$1,020,000 FY24).
- Costs associated with the transfer and the installation of Perth production equipment to the Brisbane facility, the amount has been expensed and is difficult to quantify.

### **Balance Sheet Position**

As of today's date, ANO has cash reserves of \$767,095, remains debt free, and has trade receivables of \$2.4 million.

The Board is currently assessing capital management initiatives and expects to provide an update at the upcoming Annual General Meeting.

### **Product and Market Updates**

#### **White Sapphire Matte**

ANO has distributed samples to key U.S. distributors and provided sunscreen samples to prospective customers at the New York Society of Cosmetic Chemists Suppliers Day held in June 2025.



### **High Purity White Sapphire**

Precursor materials for high purity trials have arrived, and product trials are scheduled to commence in June 2025.

### **Regulatory and Tariff Developments**

There have been no material updates since our announcement on 7 April 2025 regarding the proposed Australian tariffs and the exclusion of pharmaceutical products.

Authorised by:

Geoff Acton (B. Com CA)

Managing Director