

# REPORT FOR FIRST QUARTER FY17

Advanced Nano Technologies Ltd is a specialist developer, manufacturer and supplier of nano materials used in personal care, cosmetic and other sectors.

Advanced Nano Technologies' two primary products are ZinClear™ a transparent zinc oxide based broad spectrum UV photostable UVA & UVB filter for use in the sun care and cosmetics sector and Alusion™ an aluminium oxide pigment with applications in cosmetics products.

ANO services its international customer-base via a global network of distributors covering 29 countries.

## **ASX: ANO**

### **Directors**

Rade Dudurovic (Chairman)  
Lev Mizikovsky  
Geoff Acton

### **Company Secretary**

Geoff Acton

### **For further information, please contact:**

Rade Dudurovic  
Non-Executive Chairman  
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## **Quarterly Overview**

- Cash flow from operations for the June 2016 quarter was a negative (\$396,976).
- The negative operating cash flow for the quarter is the result of the following:
  - a) Increase in debtors (cash yet not collected) to \$1,163,094 (\$537,483 30 June 2016).
  - b) The impact of outflows of one-off yearly expenditure including insurance costs, ASX annual listing fees and legal fees associated with finalising the Merck KGaA commercial dispute.
  - c) Costs associated with new projects as we seek to commercialise several of our existing patents and undertake further work on the development of a patent in solar battery technology.
- Cash balance (unaudited) as at 30 September 2016 was \$796,640 compared to \$1,091,528 as at 30 June 2016.
- Sales revenue for our ZinClear™ range of products was 114% higher compared to the corresponding quarter in FY16.
- Significant progress has been made in improving our supply chain and we are presently in negotiations with potential contract manufacturers.
- We are waiting for the final signed amendments to our manufacturing agreement with Merck KGaA relating to the ongoing manufacture and supply of Alusion™.
- We will provide shareholders with an operational update on the progress of our strategic initiatives as part of the Chairman's Address on 4 November 2016.

+Rule 4.7B

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

ADVANCED NANO TECHNOLOGIES LIMITED

**ABN**

54 079 845 855

**Quarter ended ("current quarter")**

30 SEPTEMBER 2016

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	541	541
1.2 Payments for		
(a) research and development	(10)	(10)
(b) product manufacturing and operating costs	(382)	(382)
(c) advertising and marketing	(21)	(21)
(d) leased assets	(3)	(3)
(e) staff costs	(141)	(141)
(f) administration and corporate costs	(112)	(112)
(g) rent	(86)	(86)
(h) insurance	(76)	(76)
(i) legal fees	(59)	(59)
(j) corporate costs – ASX, share registry & accounting	(48)	(48)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(397)</b>	<b>(397)</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3months) \$A'000
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(3)	(3)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(3)</b>	<b>(3)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3months) \$A'000
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,196	1,196
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(397)	(397)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(3)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>796</b>	<b>796</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	790	1,190
5.2	Call deposits	6	6
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>796</b>	<b>796</b>

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	41
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

<b>7.</b>	<b>Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1	Aggregate amount of payments to these parties included in item 1.2	30
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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<b>8.</b>	<b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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<b>9.</b>	<b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1	Research and development	(20)
9.2	Product manufacturing and operating costs	(450)
9.3	Advertising and marketing	(18)
9.4	Leased assets	(15)
9.5	Staff costs	(120)
9.6	Administration and corporate costs	(48)
9.7	Other rent & legal fees	(145)
<b>9.8</b>	<b>Total estimated cash outflows</b>	<b>(816)</b>

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	-	-
10.2	Place of incorporation or registration	-	-
10.3	Consideration for acquisition or disposal	-	-
10.4	Total net assets	-	-
10.5	Nature of business	-	-

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:

  
(Director/Company secretary)

Date: 31 OCTOBER 2016

Print name: GEOFFREY ACTON

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.