



A LEADING INNOVATOR IN THE DESIGN AND PRODUCTION OF ADVANCED NANO-OPTIC SECURITY PRODUCTS FOR THE AUTHENTICATION & BRAND ENHANCEMENT MARKETS.

## INVESTOR FACT SHEET

### INVESTMENT MERITS

Large market opportunity: targeting \$2 billion banknote and tax stamp markets

Central bank validation: development contracts with several top 10 banknote issuers

\$30 million, 5-year development contract with a top 10 banknote issuer

Targeting Indian tax stamp and pharma markets: distribution agreements with 2 Indian security firms

Attractive business model: scalable, high-margin licensing model that can drive operating leverage

Patent portfolio wrapped in trade secrets: includes patent granted in China

Strong balance sheet/debt free: closed \$13.3 million, upsized, bought deal offering in May 2017

### STOCK



Sep. 25 2017- Sep. 25 2018

### ANNUAL MARKET OPPORTUNITY

\*Banknote Opportunity – per security feature based on \$1.25 per 1,000 banknotes

Issuing Authorities (Central Banks)	Notes (Printed)	License Opportunity* (Per Security Feature)
<b>Top Tier</b>		
10 Issuing Authorities	119 Billion	\$149 Billion
<b>Others</b>		
48 Issuing Authorities	46 Billion	\$58 Million
<b>Total:</b>		
58 Issuing Authorities	165 Billion	\$207 Million

Pharma Opportunity – counterfeit pharmaceuticals = \$200 Billion

### CAPITAL STRUCTURE

Price	\$0.85 (Sep.25, 2018)
52 Week Range	\$0.83-\$1.70
Basic Share Issued (Dec. 31, 2017)	68.4M
Warrants	0
Option	2.6M*
Restricted Share Units	0.7M
Fully Diluted	71.7M
Market Capitalization	\$80M
Cash (Jun. 30, 2018)	\$9.5M
Debt (Jun. 30, 2018)	\$0
Enterprise Value	\$70.5M

Management and Directors with significant ownership

All \$ amounts C\$

\*Weighted average exercise price: \$1.36

\* Weighted average life: 2.75 years

## MANAGEMENT

### **Doug Blakeway**, CEO and Chairman

Founded and operated successful companies with over 30 years of executive experience

### **Troy Bullock**, President and Chief Financial Officer

Senior finance and operations professional with more than 20 years of international experience with public and private companies

### **Igi LeRoux**, Chief Business Development Officer

Fortress Optical CEO for 4 years and 25 years banknote industry experience

### **Clint Landrock**, Chief Technology Officer

Co-inventor of the company's core patented nano-optics

### **Ron Ridley**, Vice President, Operation

20 years in both Canadian government and private banknote companies in various engineering, research & development and management roles

### **Joe Vosburgh**, Vice President, Marketing

Senior product development and marketing professional with over 20 years experience in the commercialization of breakthrough technologies

### **Monika Russell**, Vice President, Finance

Finance professional with over 15 years experience in financial reporting and regulatory compliance in public companies

## MULTI-BILLION MARKETS



Banknotes



Tax Stamps



Pharma



Identification



Tickets & Events



Luxury Goods

## COUNTERFEITING FACTS

Banknotes are least counterfeited because authorities pay for the best anti-counterfeiting technologies

Counterfeit pharmaceutical industry could be worth \$200 billion

INTERPOL says 10-30% of all pharmaceuticals in circulation are counterfeit

INTERPOL estimates 1 million people die annually from counterfeit pharmaceuticals

Counterfeiting exploits children, immigrants, workers, taxpayers, businesses, the environment and animals

INTERPOL states that criminal organizations and terrorist groups are benefactors of counterfeit clothing



Can you tell which Viagra pills are counterfeit?  
The ones on left side are fake.



### Safe Harbor Forward-Looking Statements

This Fact Sheet may contain "forward-looking information" within the meaning of applicable Canadian Securities legislation. These forward-looking statements include, without limitation, statements about our market opportunities, strategies, competition, and Nanotech's views that its technology will continue to show promise for mass production and commercial application. The principal risks related to these forward-looking statements are that Nanotech's intellectual property claims will not prove sufficiently broad or enforceable to attract the necessary capital and/or that Nanotech's products will not be able to displace entrenched hologram, metalized strip tagging, and other conventional anti-counterfeiting technologies sufficiently to allow for profitability. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect Nanotech's expectations only as of the date of this Fact Sheet. Nanotech disclaims any obligation to update or revise any forward-looking statements, except as required by law. Nanotech cautions potential investors that investments in new technology are inherently risky. More information about Nanotech can be found at [www.nanosecurity.ca](http://www.nanosecurity.ca) or [www.sedar.com](http://www.sedar.com).