



# **Nanotech Security Corp. Second Quarter 2021 Results Conference Call Transcript**

**Date:** May 6<sup>th</sup>, 2021

**Time:** 5:00 PM ET

**Speakers:** **Monika Russell**  
Chief Financial Officer

**Troy Bullock**  
President & Chief Executive Officer

**Operator:**

Good afternoon and thank you for joining us for Nanotech Security Corp.'s Second Quarter of Fiscal 2021 Results.

On the call today, we have Troy Bullock, Nanotech's President and CEO, and Monika Russell, Nanotech's CFO.

Please be advised that this call is being recorded.

I will now turn the call over to Nanotech's Chief Financial Officer, Monika Russell. Please go ahead.

**Monika Russell:**

Good afternoon and thank you for attending our Second Quarter of Fiscal 2021 Conference Call.

Troy Bullock will begin today's call by reviewing our operational highlights as well as providing an overview of the business. I will then give a detailed review of our second quarter financial performance. Following the financial review, Troy will discuss our key strategic initiatives and our expectations for the remainder of Fiscal 2021. After the formal presentation, we will be pleased to take questions.

Before we talk about results, I'd like to remind everyone that certain statements in this call may be forward-looking in nature. These include statements involving known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied in our forward-looking statements. For caveats about forward-looking statements and risk factors, please see our MD&A for the year ended September 30 2020, which can be found on our Company profile at [sedar.com](http://sedar.com).

Please note that part of the Company's business involves dealing with security features for banknotes. Given this, our ability to disclose details about specific customers, prospects and projects is limited. That said, we will do our best to provide investors with general feedback we're receiving from customers in the industry, new opportunities that we are pursuing, as well as some general parameters on how development contracts are progressing.

I will now pass the call over to Troy for an overview of our second quarter of Fiscal 2021. Troy?

**Troy Bullock:**

Thank you, Monika.

And good afternoon, everyone. Thank you for joining us to discuss our second quarter performance and how Fiscal 2021 is unfolding.

The second quarter of Fiscal 2021 builds upon the growth Nanotech had exiting the first quarter where we showed top line growth and improved Adjusted EBITDA. Although Monika will detail the financial results in a moment, I would like to highlight that compared to the second quarter of Fiscal 2020 our overall revenue increased 30% year-over-year for the three months ended March 31, 2021 and our Adjusted EBITDA loss improved 55%. Momentum is carrying into the second half, which is seasonally our stronger half, with the recent award of an additional \$690,000 purchase order to advance the development contract with our central bank customer.

For investors that are new to our Company, back in 2017, we announced a \$30 million development contract directly with a prominent central bank. The contract was for the central bank to spend up to \$30 million over a period of up to five years. In September, we received a \$6.7 million purchase order to continue this work in Fiscal 2021 and last month we announced an additional \$690,000 purchase order to be delivered in September.

I cannot emphasize enough the importance of this contract for Nanotech. Not only does it provide us with \$30 million of development contract revenue, but if we are successfully designed into their banknotes, we will enjoy recurring revenue on the production of this security feature for the life of the banknotes, which can last up to 10 years. Most importantly, the reference this would bring to the Company would be significant and we would be extremely well positioned to pursue the entire banknote market.

The banknote market is sizable, with more than 175 billion banknotes printed every year according to Secura Monde International. Overall, we see more than \$2 billion being spent on security features in the banknote market each year. A win with our development contract customer would be a company-changing event for Nanotech.

So where are we today with this customer? Our challenge is the highly confidential nature of both the industry and our contract with this customer, which restricts us from what we can say and announce. What I can say is that we're making significant progress. We are highly encouraged by the continued engagement as well as the increased investment the customer has made this year, and we believe we are continuing to advance towards the goal of being selected for their banknotes.

We are currently in discussions with the customer around entering into another multi-year frame contract starting in next fiscal year. While I cannot be sure on the timing as to when the feature may or may not be used on the banknotes, we believe we are well positioned when this government moves forward with the launch of its new currency denomination.

I now want to talk a little about our broader banknote market and the opportunities for Nanotech in this market. Because of the proliferation of credit card and mobile payment transactions and other FinTech products, many people think that cash usage is declining. This assumption implies that banknote market is shrinking too. However, this is not true.

Since our last call, Deloitte issued a report about the inclusion of the world's unbanked. The unbanked are people who have no access to banking products or services. These are people who rely on cash transactions to survive. The report notes that 1.7 billion people in the world are unbanked and that 30 million U.S. households are either unbanked or underbanked.

Fortunately, the number of unbanked is decreasing globally, but very slowly, which means that central banks around the world aren't about to abandon banknotes. In fact, banknote production continues to grow around the world and has for the last 10 years. In certain countries, like Germany, almost half of the financial transactions are cash based. The banknote industry has well established players, and many of them have been in business for more than a century. Commercial print works do everything from producing security features to producing the paper or polymer substrates, and designing and printing banknotes.

Nanotech is an innovator in this space. With our unique KolourOptik Technology platform that is well protected by a strong patent portfolio, trade secrets, and sophisticated software, we can offer security features that have characteristics that central banks are looking for. We are targeting our development activities on producing highly differentiated security features for this market.

In addition, we are well positioned for our high secure production facility in Thurso, Quebec that is building on both the capability and capacity to deliver on our planned success.

While the banknote market is the primary focus of the Company, we continue to make progress in the brand protection market in this quarter as well. This is a newer market for Nanotech and we have a number of reference wins that have helped to establish our production processes and will help us move into larger opportunities in the near future.

I would like to now pass the call back over to Monika for her discussion on the second quarter's financial results. Following Monika's commentary, I'll detail Nanotech's progress against the 2021 strategic objectives we provided at our last call and share our outlook for 2021.

Over to you, Monika.

**Monika Russell:**

Thank you, Troy.

Before I begin, I would like to mention that all the dollar amounts I refer to are in Canadian dollars unless otherwise stated.

Beginning with our quarterly results, revenue for the second quarter ending March 31, 2021 was \$1.8 million versus \$1.4 million in the second quarter of Fiscal 2020, a 30% year-over-year increase. Contract Services revenue increased 30% year-over-year from \$1.3 million to \$1.6 million due to a higher level of purchase orders awarded by our customer for Fiscal 2021. Product and services revenue rose 31% year-over-year from \$123,000 to \$161,000, which was due to the timing of certain recurring LumaChrome orders.

Second quarter Fiscal 2021 gross margin of 71% was lower than the 82% reported in Q2 of Fiscal 2020. The gross margin decrease was due to increased labour and other expenditures associated with meeting the deliverables of our development contract. As Troy mentioned, this contract is highly strategic and we are invested in making that project a success.

Operating revenues were \$2 million in the second quarter of 2021 versus \$2.2 million in the year ago quarter. This decrease was largely due to a \$135,000 sales and marketing decrease as we saw reductions in share-based compensation, travel and conference fees and consulting fees in 2021.

General and administration as well as depreciation and amortization expenses fell about 7% and 10% respectively, while research and development expense rose modestly.

Net loss for the second quarter of Fiscal 2021 was \$763,000, a 22% improvement over the \$973,000 loss we reported in Q2 2020. The decrease in net loss during Q2 2021 was due to higher revenues and lower operating expenses.

Adjusted EBITDA loss of \$255,000 during the quarter improved 55% over the prior year's Adjusted EBITDA loss of \$567,000.

Turning to the year-to-date results for the first half of our 2021 Fiscal Year, revenue for the six months ending March 31, 2021 was \$3.5 million versus \$2.9 million in Fiscal 2020, a 23% year-over-year increase. Contract services revenue increased 33% from \$2.5 million to \$3.3 million due to a higher level of purchase orders awarded by our customers. Product and services revenue fell 46% year-over-year from \$366,000 to \$197,000, which was due to the timing of certain recurring LumaChrome orders, particularly in the first quarter.

Gross margin of 76% for the first half of Fiscal 2021 was lower than the 80% reported in Fiscal 2020. Again, the gross margin decrease was due to increased labour and other expenditures associated with the deliverables of our development contracts.

Operating expenses were \$4 million in 2021 versus \$4.2 million in 2020 as reduced sales and administrative expenses were partially offset by an increase in research and development costs.

Net loss for the first half of Fiscal 2021 was \$1.5 million dollars, a 16% improvement over the \$1.8 million loss we reported in 2020. The decrease in net loss was due to higher revenues and lower operating expenses.

Adjusted EBITDA loss of \$452,000 for the six months improved 45% over the prior year's Adjusted EBITDA loss of \$819,000.

Turning into the balance sheet, the Company remains debt free. As of March 31, 2021, we had \$8.1 million of cash and short-term investments versus \$8.4 million dollars as of December 31, 2020. Our balance sheet had \$26 million in assets at quarter end, leaving us in a strong position to continue executing our business plan.

This concludes my comments on our financial results for the second quarter of Fiscal 2021.

I will now turn the call back to Troy to provide an update on how we see the rest of 2021 shaping up.  
Troy?

**Troy Bullock:**

Thank you, Monika.

By now, most investors on the call should be familiar with the foundation we laid in 2020 to commercialize their products and expand our market in government documents and to diversify into the brand protection market.

This foundation has allowed Nanotech to continue commercializing our solutions and to accelerate our growth, as demonstrated by the year-over-year top line and Adjusted EBITDA improvements we showed in the first and second quarters of Fiscal 2021. We see continued improvements throughout the rest of Fiscal 2021 as we continue to execute on the 2021 strategy that I have detailed on the past two conference calls. Allow me to update you on our four strategic initiatives we established for 2021.

The first initiative was for our contract services. We continue working closely with our confidential central bank customer to develop a security feature that can be integrated into this customer's banknotes. This development contract remains a key strategic focus and significant resources are committed to the project, as demonstrated by the 33% year-over-year increase in contract services revenue so far this year, with opportunities for additional awards later this summer. Developing a visual security feature that could be integrated into a prominent country's banknote would be a game changer

for Nanotech's growth and help solidify Nanotech's name not only in the banknote industry, but across our government documents and brand protection markets.

The second initiative was for product development. Based on positive market feedback of our latest nano-optic products, Management believes there are opportunities to offer new products with exceptional differentiation in both the banknote, government document and brand protection markets. To capitalize on these opportunities, we invested our research and development spending during the first half of Fiscal 2021, and this helped lead to the launch of LiveOptik PROTECT security foils with the brand protection market in mind. Several channel partners are currently testing LiveOptik PROTECT for inclusion in their product catalog. Management plans to have additional product launches in the second half of Fiscal 2021 for both brand protection and banknote applications.

The third initiative was to expand strategic partnerships. Nanotech has developed strategic relationships with established OEM manufacturers to enable scalable delivery for our customers. These relationships reduce Nanotech's manufacturing risk and expand the market reach for products and technology. Management is also developing a company's internal production capability to complement these OEM offerings, which is being optimized for the Company's proprietary KolourOptik technology platform. Nanotech is uniquely positioned as a leader in the development of mass-producing complex nanostructures, which could have applications beyond the Company's initial key markets in brand protection and banknote authentication.

The final initiative was to expand channels to market. Nanotech continues to expand its channel partners selling our brand protection products across the United States and soon into Europe. These partners are providing valuable market feedback that is tailoring our product development activity to introduce highly differentiated products. Specifically, our focus is on plasmonic always-on bulk foils that these channel partners can convert for their established customer base.

As I look beyond 2021, Nanotech is uniquely positioned as a leader in developing mass-produced complex nanostructures, which could have applications far beyond the Company's current markets in brand protection and banknote authentication. We are currently in the process of exploring new market opportunities including solar, 5G, battery, fuel cell, carbon capture and sensor markets as possible future growth opportunities for the Company.



Moving on to our 2021 outlook, Nanotech has a solid base for 2021 revenue, with purchase orders for \$7.4 million relating to our contract services and anticipated recurring revenue. We remain committed to our Fiscal 2021 revenue growth range of 15% to 25%, depending on the level of new recurring LumaChrome sales, additional contract services, and successful product launches.

I also reaffirm our prior financial 2021 guidance for modest Adjusted EBITDA losses. With a strong balance sheet, including no debt, an expanded IP portfolio, record contract services awards for 2021, and recurring LumaChrome business, the Company is well positioned for future product revenue growth and diversification.

I would now like to conclude by saying that I'm pleased with our progress during the second quarter of Fiscal 2021. Having grown the top line and improved Adjusted EBITDA losses on a year-over-year basis, our balance sheet is solid, our product roadmap is defined, and our sales strategy is working. Our 2021 strategy to further develop products and functionality and commercialize our entire portfolio of solutions is underway and on the right path for growth.

Operator, we are ready to take questions from investors.

**Operator:**

We will pause for a moment as callers join the queue.

**Troy Bullock:**

Operator, I did have an online question and somebody emailed me a question. So, if there's no voice questions, I'd like to address a couple of those if I could.

**Operator:**

Absolutely.

**Troy Bullock:**

Before the call, I received an email from a shareholder, and I also see one on the online forum. So, the two questions are somewhat related and are relating to the new or the potentially new frame contract that I'm referring to that could be for multiple years and can I share any more information on that.

The challenge for me is because of the confidential nature, there is limited amounts we can say, and certainly we're only in the negotiating stages, so it's really hard for me to put parameters around it or draw complete conclusions because we're not there yet. But what I can say is we're targeting the signing by the August-September timeframe, and we anticipate it to be similar to the previous contract. The previous one, as many know, was about \$30 million. We're hopeful that we can have it grow, it can be larger than that.

Timeframes, it's likely going to be in that same three- to five-year time horizon. However, what that means is it's a vehicle that this government can use so that we can establish future development work for them next year or the year after and beyond. It doesn't necessarily mean that we have to wait three to five years before we are selected to be put on their banknote.

Both ourselves and the government would like to see that happen as soon as possible and are working collectively together to make that happen. And if we were put onto a banknote or awarded to be put onto a banknote in a shorter period of time, in 12 months or 18 months, we would then be negotiating a production contract. So, that would be in addition to this development contract, this frame contract that that we're working on.

Timing wise, certainly before the end of our fiscal year; and dollar wise, I can't say right now, but I am hopeful that it is going to be about the same as what we had last year, maybe with a little bit more upside.

The other parts of the questions would be focused on what are the top banknote producers and central banks issuing as far as banknotes each year.

I've talked a little bit about this in the past, and I believe we had a slide up on our deck in our investor presentation. But if I look at the whole of the top 10 central banks in the world, they're producing about two-thirds of the world's banknotes. China and India are the largest, and they're typically producing in the neighborhood of 25 billion to 50 billion banknotes each per year. And then outside of China and India, the rest of the sort of top 10 would be in magnitude of sort of 5 billion to 10 billion, 7 billion to 10 billion banknotes per year.

And so, what's important to know about being awarded or designed into a banknote is, once you're designed in, they do produce those banknotes every year. And typically, it's recurring revenue for you for a period of seven to ten years going forward. So, getting designed into a banknote, being on one or two denominations could be 2 billion or 3 billion banknotes per year for a seven- to ten-year period.

And pricing as it relates to it, just trying to address all the questions in this one email, pricing, typically, it varies. The average banknote typically has around 10 security features on it. Some banknotes in the world have upwards of 25 or 30 security features on it, and pricing really varies depending on the prominence of that security feature. On the low end, it could be a tenth of a cent per banknote, and on the more prominent high profile security features that could be over a \$0.01 per banknote. So really, that revenue opportunity could be tens of millions of dollars once you're designed into banknote, which makes the industry very exciting because, again, it's recurring revenue for a long period of time.

And then, I guess, the last question that I see here, oh, a couple more coming up as well. The last question is around the intellectual property ("IP") related to this government contract.

At this stage, most of the IP was developed by Nanotech predating the contract, and Nanotech certainly owns all of that IP. We continue to file patents, we're in the process of filing patents in Nanotech's name for new IP that's developed.

What we would work with our partner on at the end would be ensuring that they have some sort of exclusive security feature that would be unique to them. They would not want to see that security feature, their imagery, their local government official, whoever that image is or whatever it is that we're creating, they would not want to see that on another banknote in the world; but the base technology could be used on other banknotes around the world.

So, we would want to make sure our customer does get something that's highly secure, that that customer has exclusive rights to it and it won't be used on other—that exact image, that exact security feature would not be used on other banknotes. But at the same time, the core base technology which is owned by Nanotech can be used for different security features.

Just a new one coming in on the computer here, sort of bouncing back and forth. The question is, is there any promising opportunities for brand enhancement, brand protection revenues?

What I can say about that is, I'm actually really excited about our brand protection business. One of the things as we've talked about in the past, we entered this market about 18 months ago and we brought into it the products that we had the ability to produce at that point in time. And those were largely by using a partner making PSA labels, stickers, if you will, that people could use onto their products for authenticating their products.

We've had some wins, as you know, some very nice reference wins. We've been on the UEFA World Cup tickets, we've been on a number of different wins that are high profile and are getting our name out. But what we found is the bigger opportunities, the many hundreds of thousands, the million dollar opportunities, the big players in the space, they didn't have interest in buying labels from us. They wanted to buy something that I refer to as bulk foil: large rolls of film that they could sell to their customers and convert it to whatever format they wanted. They could create labels for their customers so they could make different wraps and application types for their customers.

And so, this past year, we've made a pivot away from targeting the end customer to sell them PSA labels, but really targeting bulk roll formats. In talking to these channel partners, a couple of things have really resonated with them. One of the things is that they had interest in our colour-shifting film that we were making in Thurso. This is our LumaChrome optical thin film that we've been selling into the banknote market for security features for decades, but that hasn't been available in the brand protection space.

So, making that film available in a bulk roll format to channel partners really is creating a lot of interest from them. And so, we've been doing that now since the last kind of a couple of months. And we've got five or six really strong solid channel partners that are testing that into their applications and in the process of putting that into their catalogs to be selling to their customer base. And we're already starting to see some interest around that LumaChrome foil there. And I'm quite excited that in the next six months, years to come, that that's going to generate a real good business for us, selling bulk roll format foils that we can inventory and sell on to these channel partners.

At the same time, we've taken our diffractive technology, that's the technology that somewhat looks like a hologram, arguably a much more high definition hologram, and we've made a wallpaper-type format of that. This is our LiveOptik PROTECT that we launched about six weeks ago. Same strategy. Feedback from customers: they liked the technology, but they wanted to have it in a bulk roll format.

And again, we're in the same process: those bulk rules are being tested and sampled. We're talking to some customers that have 18 salespeople out on the road that have already gone through a training session on selling these products.

To me, the real big winner for us is going to be the plasmonic wallpaper. Plasmonic, if you look on our website, it's the security features like the colour depth stripe that look like they're always on; they are always on. They don't look like a hologram at all. They look like moving ink or high 3D depth ink. And we're coming out, we've made some really strong technology advancements in the last kind of couple of months, and we're now kind of a way to the races on moving that forward to production.

And so, internally in our Thurso facility, we'll be able to produce that later this summer. But also with our production partner, we're now in a position where we can start to produce bulk roll format in that always-on plasmonic effect, which is really exciting. I think that's a very differentiated product in the marketplace and we're getting really good feedback from our channel partners.

So, when we talk about that brand protection market, yes, we're going to continue to pursue high-profile names to sell direct to end customers. But I think that the scalability and the leverage is really going to be coming from continued release of differentiated bulk roll films that we can sell through our channel partners.

I think that's it. I don't see any more questions online. So perhaps, Operator, back to you for closing comments.

**Operator:**

Thank you, we do have a few questioners in the queue. Our next question comes from Jeff Kowal, Private Investor. Please go ahead.

**Jeff Kowal:**

Thanks, Operator. Hi, Troy.

**Troy Bullock:**

Hi, Jeff.

**Jeff Kowal:**

Two questions for you. One pertaining to what you just described, the plasmonics. And thank you for that colour. Could you just generically maybe describe to investors, you mentioned you have half a dozen or so channel partners that you've been working with that could potentially market these bulk roll plasmonic foils for you. What's the universe of channel partners out there? I know you're talking to five or six of them. Are there a hundred of them? Are there only five or six? And maybe could you just pick a random example and throw a name out there, maybe not one that you're dealing with? Let's leave it at that for now.

**Troy Bullock:**

Typical people in this space, some of the bigger players would be somebody like CCL Industries. It's a Canadian public company, but they have a presence around the world. They're arguably the largest packaging company, labels company in the world, multi-billion dollar. I'm not sure their exact revenue, but I wouldn't be surprised if it's close to \$10 billion or something like that. They're in many different markets, but a company like that would always be looking for different ways to differentiate their product offering to their customer base.

At the same time, there's smaller private companies in the United States that would be more in the \$100 million revenue range that have a solid customer base makeup in certain industries. Some might be targeting the pharmaceutical industry and be selling them labels and different packaging solutions. Most of these companies are competing to differentiate, so they'll be selling things from traditional holograms, to foils, to wrap, to QR codes, and different things like that. And a lot of those things become commoditized, so they're very interested in finding something that's differentiating, something that's new.

The opportunity for Nanotech is to search out some of those people, partner with them, create them something that's unique, and help service them in that industry. We do hope, and I would expect that in the next couple of months, we'll put out some announcements jointly with a couple of these partners, because, again, we really see these as partnership opportunities. We're not just looking to sell them foil, but we want to promote them and refer business to these partners as well, and so we have gone through some training sessions.

I know one in particular, I don't necessarily want to say the name until we put a news release out, but our sales team met with a group of 18 salespeople from their organization and provided them training on our products and how to differentiate them against other things to their customers. I think there's a lot of positive feedback from both sides, and I think that's what gives me excitement around the market. What, frankly, has kept me up at night recently has been, I really want to get these plasmonic products out because I think that's the game changer differentiator. I think technology-wise, I think this past kind of 60 days, we've made some really good headway there and I'm really excited that we're going to be able to bring something out later in the summer sort of timeframe into that market.

**Jeff Kowal:**

Okay, appreciate that. I had one more question.

On the new presentation, relatively new presentation on Slide 18, which is the applications beyond security, which you touched in your prepared remarks. What was that prompted by? It kind of feels like it came out of nowhere. And I guess my question is, are you making people aware of this as kind of a marketing tool, or were you approached perhaps by one of these industries that has done some research on your ability to deal with nanostructure technology? Any colour on that would be appreciated, and thanks very much.

**Troy Bullock:**

Yes, thanks, Jeff.

So, this has always been something on our distant product roadmap, if you will. If I go right back to the original IP from Nanotech, our master patents, our master patent really had three features to it. It was the ability to harness energy, the idea was to almost make a solar powered banknote, if you will, with the ability to harness light energy, capture it, store it in a battery structure on a banknote and ultimately illuminate it and create a visual image.

Currently we focus all of our effort, frankly, on the visual image side; that's where our development has been, that's where our business has been around banknotes and brand protection. But the original IP does certainly still have application into other areas like that solar or like battery storage, etc. So, we've known that, we've looked at a couple opportunities in the past on licensing opportunities, but we hadn't spent a lot of effort doing things.

I think in the lab once, we made a coating to go on the back of an Apple phone that we could put in the sun and could make a 9-1-1 call or something. I mean, we did some lab experiments, that's about it. But really what we started to notice this past year is when we were trying to take these more complicated plasmonics structures that I'm referring to and bring them to market, we realized that nobody could do that for us. We could create the originations, we were trying to find production partners, and we really realized that it was difficult for people to take super complicated nanostructures and produce kilometres of them with high precision.

We had some of the ability a year ago in our internal facility to do that in Thurso, but we didn't have all the equipment and we are still working on that. Well, this past year, we've made great progress and we're now at a stage where we're pretty close to being able to do that; and when we searched the marketplace, we realized not too many other people can do that. So, coincidentally, then at the same time, some parties have come to us and talked to us about they've got some IP around certain industries like solar or like 5G and we're looking for production solutions.

We've started in some early-day discussions about how we might be able to partner with some of these other industries and perhaps become a production house for producing some of that. Some of it might end up being our own IP; but at this stage, it kind of was a combination of we had some IP, we weren't really using it. We've learned a lot in the last 18 months around production and we've gotten really good at it. And then finally, some opportunities presented themselves.

We're still going to focus, we're still focusing on banknote and brand protection. However, I think it is prudent for us to start to look at, longer term, what are the exciting other growth opportunities that we can play in, because we've got lots of production capacity in our Thurso facility.

**Jeff Kowal:**

Thanks very much.

**Troy Bullock:**

You're welcome, Jeff.

**Operator:**

Our next question comes from Bill Chapman, Private Investor. Please go ahead.



**Bill Chapman:**

Troy, Monika, good afternoon.

**Troy Bullock:**

Hi, Bill.

**Bill Chapman:**

Hi, guys. Troy, give me an update, if you could please, on the possibility of you presenting at more of these conferences throughout the year?

**Troy Bullock:**

The investor conferences?

**Bill Chapman:**

Yes.

**Troy Bullock:**

Yes, I am scheduled for one, I think it's in May actually. I think it's actually in a couple of weeks, Bill. We're likely going to put a news release out on that next week. I don't have the date in front of me, but there is one in May that I'm going to be presenting at. What our approach to that has been is, obviously, these are all virtual for us at this stage and so we wanted to make sure we're hitting kind of one a quarter, if you will.

We've done a couple in the fall. I think we've got this one scheduled in May and we're likely looking for another one in the summertime. At the same time. I'm trying to do direct sort of one-on-one meetings with shareholders to keep existing shareholders and try and make new introductions as well through our investor relation campaign.

**Bill Chapman:**

Okay, thank you. One other question.

The COVID vaccination cards and the simplicity of duplicating it, is there anything you're looking at or working on that you can get involved in possibly verifying that on those cards using your technology with any company?

**Troy Bullock:**

Yes, we've had a couple of discussions. I mean, I think our role in that would be to find somebody that is producing the cards that has that solution that is looking for some way to differentiate it. This would be a perfect example for something like our PSA labels with maybe a unique identifier number on it so you could put some sort of authentic label on it.

So, yes, I think there are opportunities for that. More than likely, we're one step removed; maybe one of our channel partners would be trying to win that business and using us as a solution for it. I'm not sure if it makes sense for us to go chasing that directly ourselves. It's usually a channel strategy for that.

**Bill Chapman:**

Yes, that makes sense. Okay, thank you very much.

**Troy Bullock:**

Okay. Thanks, Bill. Take care.

**Operator:**

This concludes today's question-and-answer session. I would now like to turn the conference over to Mr. Bullock for any additional or closing comments.

**Troy Bullock:**

Thank you, Operator.

I'd like to thank everyone for joining our Second Quarter of Fiscal 2021 Conference Call and thank you for your questions. We're halfway through our fiscal year, with demonstrated results and a strong foundation to continue growing the Company through the rest of the year and beyond. Our results have proven our strategy and we will stay focused on this strategy. I look forward to updating you on the developments in progress on our Third Quarter of Fiscal 2021 Conference Call.

Thanks, everybody, and please stay safe.

**Operator:**

This concludes Nanotech's Second Quarter of Fiscal 2021 Conference Call. A replay of this call will be available until Sunday, June 6, 2021. Please refer to Nanotech's website for the replay details. Thank you, and have a wonderful evening.