Advance ZincTek Ltd Market Update

November 2026



Managing Director for ANO: Geoff Acton
Appointed March 2016

Sales and Capital Management

As announced in early October, first quarter sunscreen sales were down 71%. We have witnessed a significant recoupment of sales with the end of October now down only 20%.

ANO capital reduction of 3 cents in 2027

The board is planning a second capital reduction of 3 cents. Further information will be provided to shareholders in the next two months.

14 US Shipments unaffected by FDA

The board confirms that since the Import Alert 14 shipments to the US have been unaffected.

Operational Cost Comparisons

Operating Costs	FY25 '000	FY26 '000	% Movement
Employees	$1,637	$1,657	up 1.2%
Super	$257	$339	up 31.9%
Legal	$76	$58	down 23.68%
Directors' Fees	$395	$336	down 14.93%
Insurance	$184	$177	down 3.8%
Patents	$83	$82	down 1.2%
Corporate	$163	$148	down 9.2%
Consulting	$120	$262	up 118.33%
Other	$584	$714	up 22.26%
Total Sales	$11,639	$13,111	up 12.64%

2026 Marketing Results

Website traffic

Measure	Jan 1 to Oct 31 2025	Jan 1 to Oct 31 2026	Change
Website sessions	14,168	**93,929**	**+563%**
Website visitors	11,347	**89,389**	**+688%**

Website enquiries

Measure	Jan 1 to Oct 31 2025	Jan 1 to Oct 31 2026	Change
Total enquiries *Filtered to remove spam*	125	**180**	**+44%**
Online orders	65	**67**	**+3%**
Sample requests	28	**77**	**+175%**
Distributor enquiries	4	**32**	**+700%**

LinkedIn ads

Measure	Jan 1 to Oct 31 2025	Jan 1 to Oct 31 2026	Change
Spend	$133.7K	**$121.3K**	**-9%**
Website clicks	26,726	**122,165**	**+357%**
Cost per website click	$5.00	**$0.99**	**-80%**

Recent UV Filter Developments: Homosalate

Global status

- **EU:** Commission Regulation (EU) 2022/2195 caps it at 7.34%, face products only, down from 10% across all cosmetics. Applies from 1 January 2025 for placing on the market and 1 July 2025 for making available.
- **Thailand:** a June 2026 draft proposes the same 7.34% cap.
- **UK:** the EU cap has not been adopted. It stays at 10% in all cosmetics.
- **US:** the limit is 15%.

Australia

- **Limit:** permitted at up to 15% by weight, unchanged.
- **July 2025:** the TGA's safety review found the margin of safety falls below its threshold of 100 at 15% for body application.
- **8 July 2025:** the TGA proposed adding homosalate to Schedule 5 of the Poisons Standard, with exemptions by concentration, body site and age. Consultation closed 12 August 2025.
- **Proposed limits:** 0.28% in all products, 0.68% in face-and-hands sunscreens, or 2.7% in face-and-hands sunscreens for adults.
- **17 September 2025:** the joint scheduling committee considered the proposal. No decision was made, and the TGA agreed to review further evidence.
- **Next step:** the interim decision is due by the end of 2026.

Recent UV Filter Developments: 4-MBC

Global status

126 jurisdictions prohibit, restrict or do not permit it (Australian Sunscreen Council count)

Reason

- ECHA listed it as a Substance of Very High Concern for endocrine disruption.
- The EU SCCS (April 2022) found 4% unsafe and could not identify a safe concentration.
- The UK SAG-CS (March 2025) classed it a reproductive and developmental toxicant and declined to set a safe level.

Where it is prohibited

- **EU:** Commission Regulation (EU) 2024/996 moved it from Annex VI to Annex II. Prohibited in all 27 member states from 1 May 2025 and off the market from 1 May 2026. The previous limit was 4%.
- **UK:** Statutory Instrument 2026/23 prohibits it from 15 July 2026, with sell-through ending 15 January 2027.
- **China:** NMPA Announcement No. 6 of 12 January 2026 prohibits it from 1 January 2027. The previous limit was 4%.
- **ASEAN:** moved to Annex II of the ASEAN Cosmetic Directive in November 2025, effective 17 November 2028, excluding Brunei, Indonesia and Lao PDR.
- **US and Japan:** never approved. It is not in 21 CFR Part 352 or on Japan's permitted UV absorber list (MHLW Notification No. 331).
- **Reefs:** prohibited in Palau and in Thai marine national parks. Hawaii's counties allow only mineral sunscreens.

Australia

4% the limit is 4%, unchanged

- The TGA's July 2026 review recommends restrictions.
- Consultation closed 12 October 2026.
- The options are a 0.39% limit, a 3.8% limit for adult face-and-hands products, or a full ban.
- The interim decision is expected in 2027.

$330.5 Million Pledged for Reef Water Quality, With No Monitoring or Testing of Chemical UV Filters (e.g. 4-MBC)

The issue

40+ countries prohibit or never permitted 4-MBC. Still legal in Australia at up to 4%

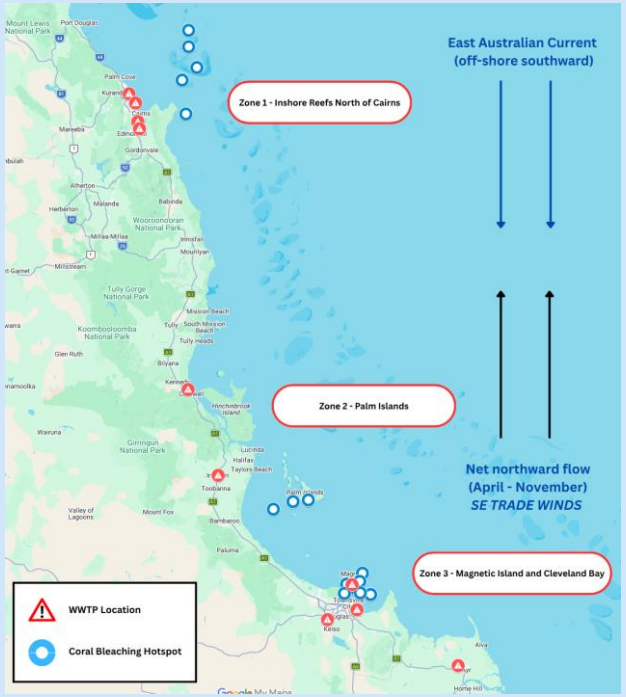
41% passes through wastewater treatment unchanged (O'Malley et al. 2020, 33 plants)

4.6 child Margin of Safety against a required 100. TGA found no safe dose can be established

Research produced

- Independent Evidence Review (May 2026): 4-MBC in Queensland wastewater effluent
- Coral toxicology (Meurer 2022 thesis): ZinClear IM 50CCT caused no coral mortality; unmodified zinc oxide powder caused 96.6% at 338.1 µg/L

The map we developed



Treatment plants against coral bleaching hotspots in three zones. Nine plants discharge to the Coral Sea and Marine Park, serving 400,000+ people

Who we have written to

Responded (3)

- Premier Crisafulli (letters 2 Jul and 30 Jul): referred to Minister Powell. Mr Bacon (DETSI) replied for the Minister on 11 Aug
- Education Minister Langbroek: replied 6 Aug and referred the matter to Ms Bampton
- DETSI (Ms Siggery, for Mr Bacon): replied 28 Sep, but did not say whether 4-MBC is monitored. Our follow-up letter: still no reply

No response (7)

- Education (Ms Bampton), written to 1 Sep
- Primary Industries (Minister Perrett)
- Child Safety (Minister Camm)
- Natural Resources (Minister Last)
- Great Barrier Reef Foundation
- Katter's Australian Party (receipt acknowledged by Shane Knuth's office only)
- 6 regional councils, 17 contacts

Outcome so far: responses came only from the Queensland Government, and none has claimed that chemical UV filters are being tested or monitored.

November 2027 Targets

- Continue to grow the number of distributors in Europe, Asia and South America.
- Continue marketing expenditure to grow sales in Asia and Europe, and grow our distribution network in countries where we are not represented. This will include representation at in-cosmetics Global Barcelona in April 2027.
- Continue to work on the High Purity White Sapphire and launch in 2027.
- Continue working on battery technology and look to develop a solid-state battery prototype in 2027.

Federal Court Filing Against The Honourable Health Minister: Mr. Mark Butler

Orders sought by Veganic SKN Limited

1. A declaration that the 2026 (No. 3) Determination is invalid insofar as it specifies, as permissible ingredients, 4-MBC (item 268), homosalate (item 2575), and trolamine salicylate (item 5069).
2. An order that the 2026 (No. 3) Determination be set aside, or quashed, from the date of the determination insofar as it specifies, as permissible ingredients, 4-MBC (item 268), homosalate (item 2575), and trolamine salicylate (item 5069).
3. A declaration that the 2026 (No. 3) Determination is invalid (or such other s 26BB determination as exists at the time), insofar as it specifies, as permissible ingredients, 4-MBC (item 268), homosalate (item 2575), and trolamine salicylate (item 5069).
4. An order that the 2026 (No. 3) Determination be quashed (or such other s 26BB determination as exists at the time), insofar as it specifies, as permissible ingredients, 4-MBC (item 268), homosalate (item 2575), and trolamine salicylate (item 5069).
5. In the alternative, a declaration that the 2026 (No. 3) Determination is invalid insofar as it permits homosalate at a concentration exceeding the concentration the TGA has assessed as low risk, and 4-MBC at a concentration exceeding the concentration the TGA has assessed as low risk, and an order quashing or setting aside the Determination to that extent.
6. Further or in the alternative an injunction, restraining the Respondent from giving effect to the specification of the 4-MBC, homosalate and trolamine salicylate ingredients in the 2026 (No. 3) Determination.
7. Costs.
8. Such further or other order as this Honourable Court thinks fit

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First Half FY27 Update

Sales revenue for first half of FY27 will be down 11%-18% primarily due to a significant decline in our Australian sales caused by MooGoo and the TV story run by the ABC. As a result, our first half profit will be negatively impacted as our fixed overheads remain stable.

ANO continues to recover the lost sales revenue from the first quarter and is optimistic further recovery in sales will continue in the second half of FY27.

Federal Court Action – MooGoo

ANO is preparing a claim against MooGoo for the loss suffered as a result of MooGoo's misleading public statements about the zinc used in Veganic's sunscreen products.

Following ABC reporting of those statements in December 2025, and the TGA's subsequent involvement in Veganic's product labelling, a number of Veganic's customers cancelled orders. This in turn led Veganic to cancel corresponding orders with ANO, and first quarter FY27 Australian revenue was down 71%.

ANO has engaged legal counsel and is finalising its position, including quantum. Proceedings have not yet commenced but are expected to commence in the near future.

Disclosures Regarding Forward-Looking Statements

- This Market Update includes forward-looking statements based on current expectations and predictions about future events, including Advance ZincTek's intentions.
- These forward-looking statements are 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.
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- We can't predict the situation in Europe with war, issues between China and the USA, and what impact global inflation pressures will have on our views.