

Corporate Overview

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May 2020

Forward Looking Statements

THIS PRESENTATION HAS BEEN PREPARED BY NANOTECH SECURITY CORP. (THE "COMPANY") SOLELY AS AN INTRODUCTION TO THE COMPANY AND ITS TECHNOLOGY.

The Presentation contains "forward looking information" within the meaning of applicable Canadian Securities legislation. By their nature, forward-looking statements are subject to a variety of factors that could cause actual results to differ materially from the results suggested by the forward-looking statements. In addition, the forward-looking statements require management to make assumptions and are subject to inherent risks and uncertainties. Information contained herein does not purport to be complete and is subject to certain qualifications and assumptions and should not be relied upon for the purposes of making an investment in the securities or entering into any transaction. Accordingly, readers should not place undue reliance on the forward-looking statements.

Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "predicts", "potential", "targeted", "plans", "possible" and similar expressions, or statements that events, conditions, or results "will", "may", "could" or "should" occur or be achieved. Forward-looking statements contained in this Presentation include, without limitation, stabilized revenues and earnings after entry into the Brand Protection market; products directly targeting the commercial market; the size of the market for potential applications of the Company's technology; the timing of technical development of the Company's projects; and the Company's market opportunities, strategies, and competition.

Some of the risk factors which could affect future results and could cause results to differ materially from those expressed in the forward looking-statements and information contained herein include: lost customers; negative market reactions to the Company's products; intellectual property protection; technological non-feasibility; obsolescence; inadequate economics; dependence on key personnel; and other risk factors more particularly described in under the heading the "Business Risks and Uncertainties" in the Company's annual Management Discussion and Analysis and the notes to the audited consolidated financial statements for the year ended September 30, 2019, as well as with the Company's continuous disclosure materials filed from time to time with Canadian securities regulatory authorities, which are available online at <u>www.sedar.com</u>. Additional risks and uncertainties not presently known to the Company or that the Company currently believes to be less significant may also adversely affect the Company.

These forward-looking statements are based on a number of assumptions which may prove to be incorrect including, but not limited to: general economic, market and business conditions; ability to obtain sufficient capital on satisfactory terms; availability of equipment and personnel; changes in demand; and the impact of changes in applicable laws and regulations.

The information and opinions contained in the Presentation are provided as at the date of this Presentation (or the dates specifically referenced in this Presentation, where applicable) and are subject to change without notice. Nanotech disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law. Caution needs to be used when taking forward-looking statements into account when evaluating the Company. No stock exchange, securities commission or similar regulatory authority has passed on the merits of any securities referred to in the Presentation, nor has it passed on or reviewed the Presentation.



Secure and Memorable Nano-optics for Currency Authentication and Brand Protection

Nanotech provides fully customizable nano-optic visual authentication solutions with a unique combination of:

- Multiple colours
- 3D depth
- Omni-directional movement







Customers





Over 7 billion security features delivered









| Recurring Revenue | |
|-----------------------|-----------|
| | Typically |
| Brand Protection | 4-5 years |
| Government & Banknote | 5-7 years |

Transitioning from R&D to commercialization



Government and Banknote

Our KolourOptik[®] technology helps governments and central banks protect the public from counterfeit-related losses using security features that incorporate multi-colour moving images that are nearly impossible to replicate.

Brand Protection

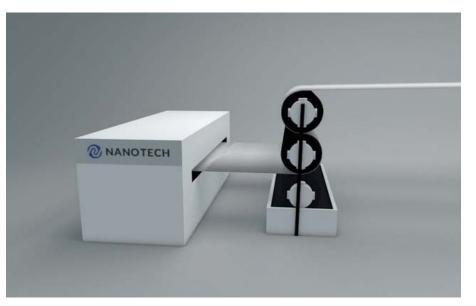
Our LiveOptik[™] technology allows customers to authenticate their products, protect their brand, and maximize their revenues using security features that incorporate multi-colour moving images that are nearly impossible to replicate.



1 Full customization – motion, 3D depth, colour, design

- 2 Multi-colour palette no holographic rainbowing
- **3** "Always on" easy to authenticate, light condition agnostic
- 4 Movement omni-directional movement/full parallax effects
- **5 3D depth** three dimensional effects and floating effects
- 6 <5 micron ultra-thin nano- scale form factor
- 7 **Resolution** 127,000 dpi resolution; 6,350 ppi resolution







| Capabilities | Micro-lens | Hologram | Nanotech |
|------------------------|----------------|----------------|----------------|
| Multi-colour | No | Yes | Yes |
| 3D Depth | Yes | Yes | Yes |
| Movement | Yes | Yes | Yes |
| Viewing Angles | Up to 180 deg. | Up to 45 deg. | Up to 180 deg. |
| Photorealism | Νο | No | Yes |
| Resolution | n/a | 50um to 200 um | 8um to 200 um |
| Diffraction Efficiency | n/a | Up to 45% | Up to 75% |
| Thickness | 20 to 100 um | 1 to 10 um | 0.2 to 4 um |

Significant advantages over the competition



Case Study

World Baseball and Softball Confederation

- Represent 211 national federations in 138 countries
- 65 million athletes and 150 million fans

Exclusive supplier of brand protection and security authentication products to WBSC and its licensees.

Enable WBSC to maximize its revenue, protect its brand, track license product sales, and combat counterfeits.

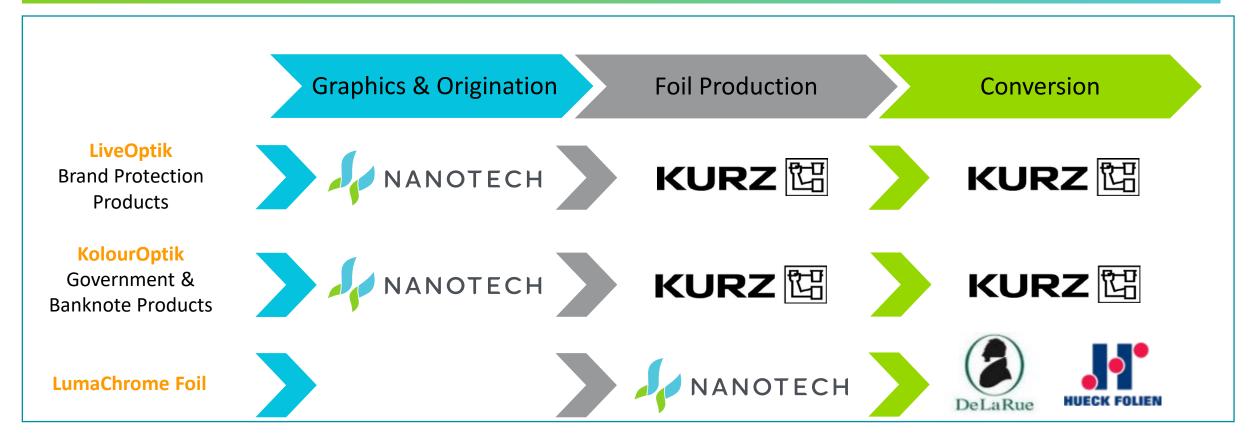
Three-year agreement to supply brand protection authentication labels to protect all merchandise manufactured, distributed, or sold under license from WBSC.







Go to Market - Production



Providing the high-value part of the solution



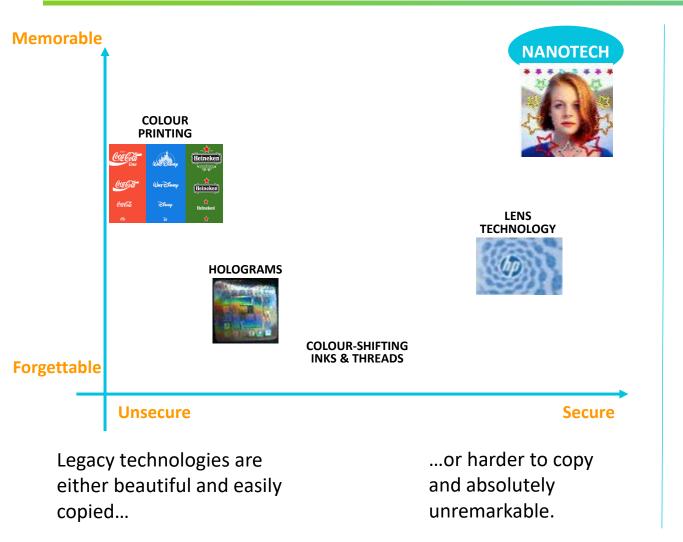
Go to Market – Sales Channels





Focused channel strategy in the banknote market

Competitive Advantages



Nanotech Advantages

Technology Leader

A leader in nano-optic currency authentication and brand protection

Engaging Security Products

Secure and memorable security features that include motion, depth and colours

3 Multiple Markets

Diversity through numerous market opportunities

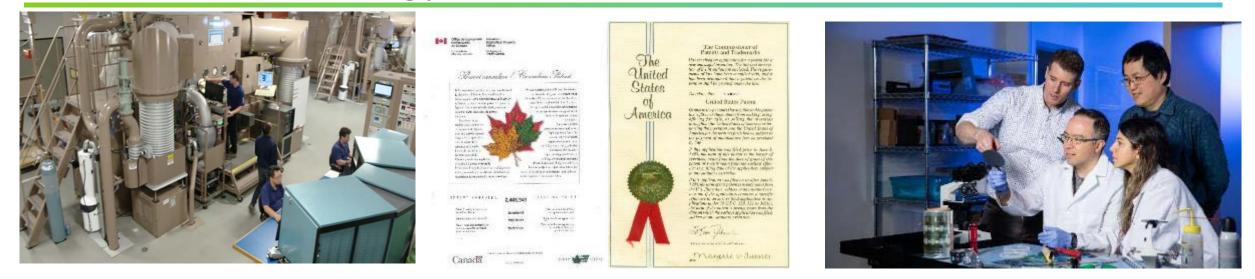
World-class Manufacturing

Leveraging world-class production partners



Nanotech products are memorable and secure

Nanotech Technology



- Invested over \$16 million dollars in research and development
- 35 issued patents and 24 patents pending
- Significant investment in Jeol EBL system
- Major granted patent countries:
 - United States
 Australia
 - Canada

• China

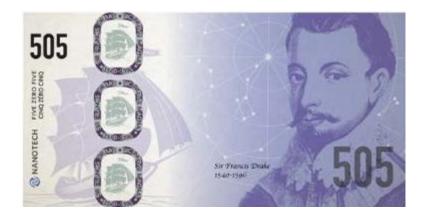
• Europe

• Indonesia

A leader in nano-optic currency authentication and brand protection



Banknote Security Products



M²

- ✓ Highly customizable
- ✓ Multi-colour images
- ✓ Programable movement
- ✓ "Always on"



KolourDepth[™]

- ✓ Multiple 3D elements
- ✓ Multi-colour images
- Omni-directional movement
- ✓ "Always on"



LumaChrome Foil

- ✓ Used in 30+ banknote denominations
- ✓ Easy to use
- ✓ Striking colour transitions
- ✓ Durable

Unique combination of motion, depth, and colour



Brand Protection Products



LiveLogo™

- ✓ Distinctive 3-image switch
- ✓ Extensive design options
- ✓ Flexible form factor
- ✓ Secure



LivePortrait[™]

- ✓ Unprecedented resolution
- ✓ Extensive design options
- ✓ Flexible form factor
- ✓ Secure

Engaging security features with RGB colour, 3D images, and movement



Development Contracts



- 1 Won a \$30 million development contract in 2017
- 2 The contract is with one of the top ten central banks
- 3 The development contract is to design security features for their next series of banknotes
- When completed is expected to result in recurring annual revenues
- 5 Secured 2020 Revenue of \$5.0 million

Key central bank validation

- 1 Large Market Opportunity \$2 billion banknote security feature and brand protection market opportunity
- 2 Innovative Technology invested more than \$16 million in nano-optic research and development with 35 issued patents and 24 patents pending
- 3 Highly Differentiated Products innovative security products help governments guarantee their currency and brands authenticate "genuine products"
- 4 Customer Validation –\$30 million central bank development contract, UEFA Euro Cup, and recurring channel partner revenue
- 5 Strong Balance Sheet \$9.2 million in cash and no debt



About Us

Head Office &4D Labs – Burnaby BC

- Corporate, Sales & Marketing
- Research & Development
- State-of-the-art Jeol EBL system
- 4,500+ sq. foot Class 100 clean room

Secure Production – Thurso Canada

- R&D and Production
- Optical thin film operations

Patents and People

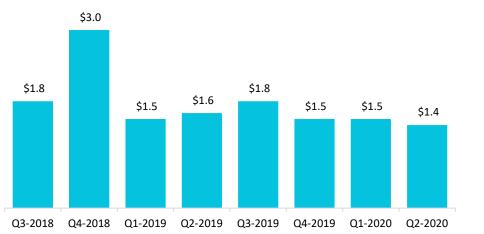
- 30 Employees
- Invested > \$16.0 million in nanotechnology IP
- 35 Patents issued and 24 pending



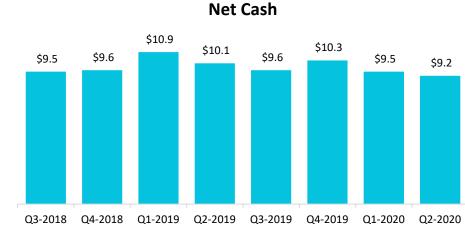
Leveraging large international manufacturing partners



Financial Snapshot



Revenue



(in \$ millions, Canadian dollars)

| | As at March 31, 2020 |
|------------|----------------------|
| Cash | \$9.2M |
| Debt | \$0.00 |
| Net Assets | \$28.1M |

| | Q2 2020 | YTD 2020 |
|--------------|----------------------|-------------|
| Revenue | \$1.4M | \$2.9M |
| Gross Margin | 82% | 80% |
| EBITDA | \$(576 <i>,</i> 484) | \$(836,947) |

Revenue is presented net of tenant and steam income in accordance with IFRS 15. Certain comparative periods may be adjusted from the results as originally filed. Adjusted EBITDA is a non-IFRS measure as described in the Non-IFRS Financial Measures section of the Company's MD&A

Management delivering operational efficiencies



Capital Structure

| Nanotech | |
|---------------------------------|---------------------|
| Closing Share Price | \$0.28 ¹ |
| 52 Week High | \$0.56 ¹ |
| 52 Week Low | \$0.19 ¹ |
| # of Shares Outstanding (basic) | 69.2M ² |
| # of Shares (Fully Diluted) | 74.3M ² |
| Market Capitalization | \$19.4M |
| Enterprise Value ("EV") | \$10.2M |

¹ as at May 5, 2020

² as at March 31, 2020

Valuation Metrics

| EV-to-Revenue Ratio (TTM) | 1.7x |
|---------------------------|--------|
| Cash/Basic Share | \$0.13 |
| Asset/Basic Share | \$0.41 |

| TSXV | NTS |
|-------|-------|
| ОТСQХ | NTSFF |

(in Canadian dollars)

22% directors' and officers' ownership



Management Team

Troy Bullock *Chief Executive Officer*



Monika Russell Chief Financial Officer



Brian Donnelly EVP Sales & Marketing



Clint Landrock *Chief Technology Officer*

Extensive experience



1 A leader in nano-optic currency authentication and brand protection

2 Highly differentiated products with extensive patent protection

3 Key customer validation

4 Strong balance sheet

Well positioned for growth





Troy Bullock Chief Executive Officer Nanotech Security

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