NANOTECH Entertainment™

January 21, 2018

On Friday January 19, NanoTech Entertainment held its annual shareholder's meeting at Casino M8trix in San Jose California. Twenty shareholders attended the meeting.

Through a combination of proxy voting and in person votes, 93,391,935 votes were recorded. Per the bylaws a Quorum was established, and the vote was confirmed. The Board of Directors was established with David R. Foley receiving 99% of the vote being voted as the new Director and interim Chairman and CEO. The company will extend offers to join the board to Kris Dillinger, Rod Riegel and Myron Nash and the advisory board as follows:

- Kris Dillinger
- Rod Riegel
- Myron Nash
- David Foley

Proposal #2 was confirmed with 99% of the vote. The Company will set aside ten percent (10%) of its profits to engage in a share buyback plan of at least 100,000,000 shares returning shares to the treasury.

Proposal #3 was confirmed with 99% of the vote. The Company will reduce the Authorized Shares from 499,000,000 to 250,000,000.

Proposal #4 was confirmed with 97% of the vote. The Company will set aside a pool of 100,000,000 shares from the treasury, without increasing the outstanding shares for Executive Compensation packages.

Proposal #5 was confirmed with 99% of the vote. The Company will set aside a pool of 50,000,000 shares from the treasury, without increasing the outstanding shares for Executive Compensation packages.

2450 Kruse Drive, San Jose, CA 95131   1.408.414.7355   www.ntek.com

With no other business proposals, the meeting moved to a presentation of the State of the Business. The presentation opened with the moniker, The Good, The Bad and The Ugly.

The first group of topics were labeled "The Ugly" Ivan Gulas of SWIG had joined as CEO of NTEK, but the relationship did not work out leaving NTEK is a worse state from when he joined. During 2017 the company saw the stock price drop from a high of $0.07 to the current $0.02 range. The cancellation of the Paramount contract was a blow to the revenues and to the popularity of the UltraFlix network. Several years ago NTEK entered into a financing agreement with Longside. That agreement had multiple stages of investment. Longside never completed the investment. The investment agreements allowed NTEK to repay in cash or stock, at NTEK's choice. At the time that Longside demanded payback, NTEK optioned to issue shares. The share price at the time was subpenny. NTEK issued the shares in blocks representing each of the payments that was owed to NTEK by Longside. NTEK put the shares in escrow with instructions to the lawyer controlling them to release them upon delivery of proof of payment. Longside refused to provide proof of payment and refused to accept shares for payment. The shares were eventually returned to treasury. Several years later with the stock price significantly grown, Longside demanded the same number of shares as payment without adjusting for current price. The dispute over this became a lawsuit. The lawsuit was settled in December of 2016. The terms of the settlement were not completed by previous management. The settlement payment will be made from the first tranche from the $21M investment. 3DCH and K2 both had contracts for content that fell in dispute over the terms and payments made. Both lawsuits will be settled in the current calendar quarter. The company received a caveat emptor on the OTC markets for not having a current OTC IQ account and a promotion on an opt-in mail service being run.

The next group of topics were labeled "The Bad". The UltraFlix content library had grown stagnant in 2017 with only a handful of B and C class titles added. Revenues had substantially declined in 2017 and there were no profits. A significant portion of the staff was lost in 2017. In the first half of the year there was continued share increase. Mid-year saw a stop-sign on OTC markets.

Next, a list of shareholder concerns was discussed based on questions previously sent in to the IR/SR department. There have been a lot of questions about the company dealing with Naked Shorting and Market Manipulation. The company believes that during the past year this opportunity has taken place due to the resilience of the stock and the lack of buying due to lackluster company performance. The concern over the PPS has been a major topic of question by shareholders. The PPS is a direct reflection of the performance of the company, specifically with regards to revenues and profits. With both in decline, and the addition of the OTC Stop, the PPS decline is an expected occurrence. With the OTC accounts established, and improved quarter over quarter financial performance, and a cap on share issuance the PPS should have a positive improvement in 2018 and beyond. The question of buybacks has been brought up and the company plans, as indicated in the approved proposals to set aside a portion of profits to buyback shares. Many shareholder's' have asked when NTGL shares would be distributed. NTEK has no control over NTGL and does not have possession of the shares that were issued in NTEK's name. The value of the IP and physical assets that were sold to NTGL were worth about a million dollars. NTEK agreed to take NTGL shares in lieu of a cash payment for the transfer of the assets. The plan was to distribute those shares to NTEK shareholders. Those shares were allocated on the books, but never transferred to NTEK. NTEK is putting together an offer to allow the payment by cash or shares to get it closed out. Shareholder's have seen an outreach program implemented in the past quarter and part of that program was a detailed survey so that the company could get a detailed understanding of the shareholder landscape. With 120 shareholders responding the company has direct contact with owners of over 60% of the outstanding shares. The company will continue to be responsive to shareholder inquiries and is going to establish Quarterly Calls.

The discussion then moved to the topic of the OTC Markets. The new management team sees the value in Audits in the future when changes need to be implemented. The cost estimates have been given to NTEK at $250,000 to perform. They will be scheduled when revenues & profits can sustain the expense. Questions have been asked about uplisting to a higher market. When audits have been completed the company will move up to the OTC-QB, and possibly OTC-QX depending on revenues and other factors. With sustained revenues and increased PPS the company will make efforts to move up to the NASDAQ to get away from the market makers in the OTC market. That move will not happen in 2018. The company has already taken measures to remove the Caveat Emptor symbol. Nothing could be done with OTC markets until the new board was put into place at the meeting. Previous management had not taken the steps to allow any changes to be made on behalf of the company. With the new board in place these changes can be made. The new OTC account will be established. The company has also hired an SEC attorney that specializes in removal of the Caveat Emptor symbol. OTC Markets policy is to have the symbol for a minimum of 30 days.

Finally, the 2017 review moved to the Good. The company has not issued shares in the past six months. The new board of directors has been put in place. Key hires on the management team have been solidified. Proper funding has been established. The UltraFlix product has continued to attract new users. The development team has continued to push forward with new technology and product updates. The company has increased communications with shareholders.

The meeting then moved to discussion of the new management team. Kris Dillinger has joined the Board of Directors as an independent external member of the Board. Mr. Dillinger's sphere if influence has been instrumental in helping the company right the ship and being together discussions with the proper people to help finance and grow the company.

Rod Riegel joins the board and has been engaged to take over as CEO of UltraFlix. Mr. Riegel's career has been highlighted by spearheading the merger of content and delivery of the content for the past 20 years.

The meeting was then addressed with a video message from Myron Nash. Myron has been ramping up his involvement with NTEK over the past few months. In addition to joining the board, Myron is taking over as CEO of the Ultra Media Group in charge of licensing and distribution of our original content efforts, alternative channel distribution and original content creation and acquisition.

Myron explained that he is very excited to be joining the NTEK family. He stated that he has experience in producing over 600 hours of broadcast television. He believes that the technology and infrastructure that NanoTech is key in reaching the entire world.

David R. Foley, one of the company's founders, was also elected to the board of directors. His focus is on leading the development efforts and technology for both UltraFlix and 4K Studios.

The meeting was then addressed with a video message from Janell Smith. Janell is heading up the Iron Dragon TV effort and will be bringing both original and exclusive content from Asia for release on NanoTech Networks as well as theatrical release.

A top priority of the new board is to identify and select some key personnel to include expanding the management team. The three positions that they will be immediately addressing are hiring a CEO and CFO for NTEK and a CEO for 4K Studios.

The meeting then addressed the plan for 2018 featuring growth through expansion. The projections for 2018 at $13M in revenue, $3M in gross profit and $1M in net profit. For 2019, $38M in revenue, $29M gross profit and $11M in Net profit, which includes paying back the $21M and all other debts.

The plan was further shown with the three content networks forecasts. UltraFlix is targeting 1.5M users in 2018 growing to 5.0M users in 2019. Iron Dragon TV will have 50K users in 2018 and 100K users in 2019. RevTV will launch with 50K users in 2018 and 175K users in 2019.

The next topic in the presentation discussed the financing of the company. Bridgeport has committed to providing an initial round of $21M in funding to the company in the form of a two-year note. The note is structured in favor of the company and does not provide for toxic conversion. The funding will commence immediately and be completed in the first quarter of 2018. The company has also secured an additional commitment for $26M for further M&A beyond the current plan if opportunities present themselves.

Discussions then turned to the functional aspects of the new business plan. A portion of the funding that has been secured will be used acquisitions in key areas of need. Given the plan of adding 2,500 titles to the library, there will be a need for expansion of 4K Studios. This will be done through acquiring other studios and integrating them into the work flow. In addition, there are a few technology and content company's that have been identified as acquisition targets.

Content is key to the success of the UltraFlix network. With the new leadership at UltraFlix, direct contact with the 6 major studios will provide quick completion of contracts that will provide access to new releases as well as back catalogs. In addition to the major studios, Mr. Nash will be focusing on secondary studios and independent content creators. In addition, both Mr. Nash and Ms. Smith will be bringing original content to the networks through creation and purchasing.

Shareholder communications will continue to be improved through the continuation of weekly updates and the addition of quarterly conference calls.

Primary facilities and operations will be handled out of Southern California. With the focus on the movie industry, having the studio and business facilities local will help optimize the business. An R&D facility will be opened in Los Gatos in Northern California.

This past year the company expanded our technical partnerships with Google Cloud and Hybrik. Moving our network operations to Google Clouds global infrastructure has allowed for significant performance gains and cost reductions. In addition, by using Hybrik's cloud technology that takes advantage of AWS spot pricing, our encoding times have been reduced from hours to minutes and costs have been cut by 90%. 4K movie delivery costs have been reduced by 50%, and will be further reduced in the coming year as plans to sign a long-term contract with Sony DADC to further reduce network delivery costs.

An overview of 4K Studios was discussed, with the focus moving from external work to all internal work as the need for the NTEK products will consume 100% of 4K Studios bandwidth. Examples of 4K studios graphical & technical capabilities was shown. The entire UltraFlix library is being upgraded to HDR and will include surround sound for all movies.

Ultra Media Group will be focused on licensing and acquisition of content including exclusive distribution rights and original content. UMG will also be licensing NTEK owned content into secondary markets including linear and OTA distribution networks providing additional revenue streams.

Iron Dragon TV will be released as a stand-alone HD streaming network. The Iron Dragon TV app will be featured on all streaming devices and will be a subscription based service. Iron Dragon TV will feature exclusive and original content.

RevTV will be released as a stand-alone HD streaming network. RevTV will be a subscription based service focused on automotive content including motorsports and racing.

UltraFlix is the flagship network. Details were discussed about the upcoming 3.0 release. 3.0 is based on the React system and is a complete rewrite from the ground up on all platforms. New content releases are not dependent on the 3.0 release. 3.0 will improve performance, allow for more audio features. The current 2.x engine does support surround sound and HDR content. 3.0 will be released this year when it is ready. UltraFlix will remain a PPV model and will not offer any subscription option. UltraFlix will continue to be focused on providing the best version of movies available for streaming.

The marketing plans for the NTEK products was discussed. There is $1.2M budgeted for 2018 marketing. The focus for the first year will be on targeting 30-50 year old males, as that is the primary market for the 4K TVs being sold. Advertising on broadcast television is not focused. Advertising on Podcasts will be used with several of the biggest podcasts in the world. In addition, placement of on-box advertising with TV manufacturers will be used. Finally, working with retailers to provide free movie coupons to new TV purchasers will be used to target 4K HDR TV customers.

The presentation was followed by a question and answer period where those in attendance could ask for further details about the presentation and information provided.