

NanoTech Entertainment (NTEK) Shareholder Letter

Corporate Updates as of July 28, 2015

NanoTech Entertainment is undergoing tremendous expansion and growth. During this time we have been focused on looking forward to Q3 2015 and beyond. The company has long been underfunded for the type of expansions necessary to become a leading provider in the entertainment business. While we have been building a strong base and growing the company from nothing by developing many products and services to help fuel that growth. We have also acquired technologies and companies in an attempt to continue a longer vision that has driven the company since its inception.

Earlier this year we increased our authorized shares. This was necessary to help the company reach our long-term goals and meet contractual obligations that have provided the company with much needed intellectual property and licenses. We believe that the last raise was sufficient to cover our short-term goals and do not have plans for another raise.

We are making progress on the audit process. In an effort to streamline the process and optimize our ability to move beyond some issues we encountered and complete the audits, we have taken the steps necessary to ensure that each division can be fully audited. This will allow us to uplist in the future providing full audited financials. The first audit of NanoTech Gaming has started and will be completed in a matter of days,

Part of the benefit of this process and the new financial terms is that we will be able to provide accurate and realistic forecasting of future financial plans as we move forward. Our initial look at 2016-2018 will be shared with you at our 2015 shareholders meeting this August.

We have been asked about the distribution of NTGL shares to NTEK shareholders. Our plan has not changed to distribute these shares as soon as they are made available to us. We do know that NTGL is near completion of the requisite steps in order for those shares, which have been issued and are being held by the transfer agent, to be distributed to us and in turn to our shareholders.

NanoTech is currently comprised of several business units. Each of these units has a specific function to help the company as a whole. During the last three months and the upcoming quarter we are working to optimize a strategy that focuses the company on our core competencies, maximizing the long-term earnings and growth, which will inevitably provide for optimal shareholder returns.

Earlier this year NanoTech divested itself of the gaming division. During that process we have learned many things that will optimize our strategy and shorten the time to reach our financial goals moving forward. We are currently negotiating divestments of Clear Memories and Magic Screen 3D. These business units operate on their own with little impact on NanoTech other than marginal profits. Finding the right homes for these companies will maximize our return, providing quick shareholder value.

4K Studios continue to provide world-class conversions and remastering of movies. We expanded operations to the Czech Republic earlier this year. Its patent pending video enchantment and remastering technology continues to achieve market recognition. 4K Studios recently received its' first motion picture credits in "Winning: [The Racing Life of Paul Newman](#)" for its restoration and digital cinema mastery work. 4K Studios is currently working with producers on more major picture releases as well as its own line of content.

NanoTech Communications has been working closely with our Media Group, leveraging their technology to provide the OS X and iOS versions of UltraFlix. The communications team has recently filed several patents for upcoming app releases planned for Q4 this year.

Our Media Group has been making significant strides in building UltraFlix into a world-class offering. With the market still in flux with hardware and software, it has fallen to the hardware manufacturers to sort our firmware issues. The company has experienced some delays in fully functional hardware support because of optimization work required to support different hardware capabilities. However, we are pleased to announce that as of this week UltraFlix is now fully functional for Vizio, Samsung, Sony, Apple OS X, Android, and HiSense. We are also currently in test with other TV manufacturers including the most popular set top box manufacturer. By Q4 2015, we expect UltraFlix to be available on 90% of all 4K devices in the world.

Part of our development strategy with UltraFlix is developing a universal engine that allows us to have a single code base operating on all platforms. Our team has recently been developing a plethora of new technology that has been behind the scenes, but will not only enhance our ability to deliver a significant increase in content, but include the ability to provide best-in-class streaming in as little as 4Mb/s. We have also added HDR support in the latest version of our engine that will allow us to be one of the first companies to deliver "visually strong" Ultra HD.

With our new encoding engine, we can additionally deliver ultra HD Blu-Ray quality streams to those customers that have 100 Mb/s Internet connections, allowing our streams to provide the

same quality and features that will be found in the upcoming new Blu-ray standards expected to hit shelves later this year. Part of our strategy for significant exposure of UltraFlix includes expanding our relationships with the major motion picture studios. In the short amount of the time that we have been delivering television products, we have been able to demonstrate that our world-class images are second to none. In the coming weeks we will be announcing expanded relationships with two major studios that we believe will increase our library by over 500 titles, all of which will be well known A Class box office hits and represent a major portion of the top 250 movies ever produced.

All delivered by UltraFlix's unmatched clarity and visual quality!

Summertime is typically known as the slow season for television providers. Families are enjoying the outdoors, taking holiday trips and vacations. This is the perfect time for us to roll out our new technology, but not for a strong muscle campaign. This Fall will be the focus of our major marketing push, which will include in-store promotions with retailers with major TV support, manufacturer bundling deals, and over-the-air television advertising. Portions of the plan are already in motion, and we anticipate hitting our goal of over one million users by Q2 of 2016.

We are very excited about our focus and opportunity at NanoTech Entertainment. We hope that you are able to attend our 2015 Shareholders meeting. If you have further questions please contact Dan Wong at Dan@ntek.com or by calling 858-381-5740

Thank you for your continued support,

Jeffrey A. Foley
Chairman

About NanoTech Entertainment

Headquartered in San Jose, CA, with US operations in NV, MA, along with India and China, NanoTech Entertainment is a global technology company that focuses on all aspects of the entertainment industry. With three business units, focusing on Gaming, Media & IPTV and Mobile Apps, the company has a unique business model. The company has a diverse portfolio of products and technology. NanoTech Gaming Labs operates as a virtual manufacturer, developing its technology and games, and licensing them to third parties for manufacturing and distribution in order to keep its overhead extremely low and operations efficient in the new global manufacturing economy. NanoTech Media develops proprietary technology, which it licenses to publishers for use in their products as well as creating and publishing unique content. NanoTech Communications develops and sells proprietary apps and technology in the Mobile and Consumer space. NanoTech is redefining the role of developers and manufacturers in the global market. More information about NanoTech Entertainment and its products can be found on the web at www.NanoTechEnt.com.

NanoTech Entertainment (OTCPINK: NTEK) trades on OTC Pink, the open marketplace for a wide spectrum

of equity securities. Investors can find real-time quotes and market information at www.otcmarkets.com.

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