



Letter to Shareholders

Dear NanoTech shareholder,

We are sending out this letter to update you on several exciting things taking place at NanoTech Entertainment. While the current stock price does not reflect confidence, we believe that the company is very undervalued and that as we move into 2016 the many positive advancements will bring back confidence and help restore shareholder value. Our primary focus is in building a long term profitable business and taking the steps necessary to ensure a long future of prosperity for the company and our shareholders.

Historically the company has been underfunded, and has used convertible debt in order to build the world class award winning technology and products that we currently have on offer. Previous management has leaned too heavily on this method of funding, and as a result we have seen a subsequent increase in our share structure.

NanoTech, and our flagship UltraFlix streaming network product have continued to experience unprecedented growth and market acceptance. In a few short years we have evolved the company into a market leading provider of the best quality streaming television experience available anywhere in the world. Our development and studio teams have created the best looking versions of movies available on offer today, with our streams providing higher quality video than Blu-ray discs, and our side by side comparison to other streaming services showing a superior image quality.

The industry leaders have proven that you must invest heavily in content in order to maintain a position in the streaming television market. To that end we will be increasing our budget for content acquisition and creation this year in order to facilitate continued growth. Now that we have deployed our second generation technology to every major platform, we will be focusing on features that enhance the user experience and, most importantly, continuing to expand our library offering with hundreds more blockbuster titles, including the most desired and requested titles available. In addition, we will continue working with independent film makers and studios alike to expand our exclusive and original programming content.

In order to achieve our goals, we will be recapitalizing the company. In this process, we have agreements in place which will eliminate approximately 80% of our current convertible debt allowing us to limit future share growth to those strategically valuable uses such as key employee acquisition and retention. We will accomplish this with several funding agreements, a reverse split and an overall reduction in our authorized share structure. Finally, we will be offering another round of private placement funding to increase our cash reserves, and closing multiple new major studio content deals that we have negotiated and are ready to pull the trigger on signing.

All of this will coincide with an expanded marketing campaign to further increase our user base and both rental and advertising revenue streams.

We have also identified several key personal positions, and candidates for those positions and will be expanding our management team in the coming quarter, with an eye towards our growth into the next phase of the company.

We are very excited about our products, our team and our future and we believe we are on a path that will not only increase shareholder value, but also help propel nanotech into the next phase of global expansion.

If you have any questions, suggestions or comments feel free to email them to us at ir@ntek.com and we will be happy to address them for you.