



ASX and MEDIA RELEASE

15 August 2019

Dotz secures A\$296,000 to support its product development for BioDotz™ sales in the Canada cannabis market

- Dotz has partnered with Slalom Capital Inc, a Canadian entity focusing on commercialising cannabis-related solutions (Slalom)
- Slalom to pay A\$296,000¹, within 60 days, to expedite BioDotz™ adaptation to cannabis
- Upon development completion, Dotz to grant exclusive sales rights for Canada cannabis market to Slalom with the first annual wholesale target to consist of income of A\$370,000 for Dotz²
- The partnership follows Dotz's successful in-house proof of concept on plants with a close biological structure to cannabis, relevant patent submission and the recent collaboration agreement with Seàch Medical.

Dotz Nano Limited (ASX:DTZ) (Dotz) an advanced technology company developing, manufacturing and commercialising tagging, tracing and verification solutions, has entered into a licensing agreement with a Canadian company to finalise development and sale of the BioDotz in-plant end-to-end anti-counterfeiting solution.

Slalom Capital, a Canadian private equity firm with extensive interests in the cannabis sector, will pay a non-refundable one-time payment to Dotz of A\$296,000 within 60 days, to finalise the development of the BioDotz™ technology on cannabis plants over the nine months following the A\$296,000 payment.

Dotz will then grant Slalom exclusive rights to sell BioDotz in Canada, assuming annual wholesale targets are reached. The first annual wholesales target is A\$370,000 (as income for Dotz). The parties will then negotiate annual sales targets, consisting of at least the higher of: 125% of the prior year's target; or 105% of the prior year's actual sales.

Should Slalom undertake an initial public offering or assign their rights under the agreement, 20 per cent of the equity in Slalom or the assignee entity will transfer to Dotz. The agreement also contemplates the parties entering a more formal licence and supply agreement upon completion of the development phase.

Canada is the largest country in the world to have legalised medicinal and recreational cannabis (since 2001 and 2017 respectively). The Canada cannabis market is set to grow at a Compound

¹US\$200,000 payment from Slalom to Dotz at 0.68 exchange rate as at 14 August 2018¹
²US\$250,000 payment from Slalom to Dotz at 0.68 exchange rate as at 14 August 2018²



Annual Growth Rate (CAGR) of 44.4 percent from US\$569 million in 2018, the first year of adult-use sales, to nearly US\$5.2 billion by 2024³.

Commenting on the partnership agreement, Dotz CEO Uzi Breier said: “This is a logical next step in us commercialising our pending patent for the use of BioDotz™ as a direct taggant of cannabis and other high-value or restricted plants, and our work with Israeli medicinal cannabis producer Seàch.

“Slalom is very keen to ensure that finalisation of product is expedited, and to work with us as the exclusive distributor of our product in Canada.

“While regulation does vary from province to province in Canada, there are strict general rules regarding promotion, packaging, advertising and supply, which mean licenced producers in that country need to ensure they can track-and-trace cannabis to prevent illegal cannabis from being introduced into the legal market as well as legal cannabis from being diverted to the illegal market.

Slalom Capital’s Managing Partner Sukhmohan Athwal, said, “We are excited to be partnering with Dotz to help finalise BioDotz™ for cannabis and be their exclusive distributor in Canada. The Canadian cannabis market is due for prodigious growth as it increases the number of licenced growers of both medicinal and recreational products, improves the retail location network, addresses supply issues and provides a better selection of non-flower products as the legitimate growing market takes hold. To protect their market share growers will be very keen to ensure they can protect their brands throughout their supply chain.”

-ENDS-

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About Dotz Nano Limited

Dotz Nano Limited (ASX: DTZ) is a technology leader in research, production and marketing of anti-counterfeiting, authentication and tracing solutions. Dotz has strong, established distributors in North America, Europe, Japan and Australia as well as scientific collaborations and partnerships with leading academic institutes.

Its unique products ValiDotz, BioDotz, Fluorensic and InSpec are exceptional solutions for numerous applications, such as: anti-counterfeiting, brand & reputation protection, oil & gas industry, liquids tagging, lubricants and DEF authentication, polymers tagging and bio-imaging.

To learn more about Dotz, please visit the website and corporate video via the following link www.dotz.tech

https://bdsanalytics.com/wp-content/uploads/2019/04/BDS_Canada_Infographic.pdf³

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About Slalom Capital Inc.

Located amidst the bustling Canadian technology ecosystem, Slalom Capital works to identify, incubate, and bring truly world-changing technology companies to the market. The company is an active global private markets investor, with well-established track record of success, in both the Canadian market and abroad. Slalom is committed to building long-term relationships with its investors, investment partners and colleagues based on trust, openness, respect and the highest standards of integrity and professionalism.

Company's goal: Invest early in passionate, mission-driven founders who are working on disruptive, industry changing technologies. All of Slalom partners are active investors, proud to be part of every team they invest in. Most importantly, they invest in great people first, and their companies second.