



**DOTZ NANO LIMITED**  
**ACN 125 264 575**

**PROSPECTUS**

**THIS PROSPECTUS IS BEING ISSUED FOR THE OFFER OF 100 SHARES AT AN ISSUE PRICE OF \$0.086 PER SHARE.**

**THIS PROSPECTUS HAS BEEN PREPARED PRIMARILY FOR THE PURPOSE OF SECTION 708A(11) OF THE CORPORATIONS ACT TO REMOVE ANY TRADING RESTRICTIONS ON SHARES ISSUED PRIOR TO THE CLOSING DATE.**

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.**

**IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.**

**THE SECURITIES OFFERED BY THIS PROSPECTUS ARE OF A SPECULATIVE NATURE.**

## IMPORTANT INFORMATION

This Prospectus is dated 18 June 2020 and was lodged with the ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Shares will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus). The Company will apply for Official Quotation by ASX of the Shares offered by this Prospectus.

A copy of this Prospectus is available for inspection at the registered office of the Company at Level 14, 330 Collins Street, Melbourne, Victoria, during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 4.3). The Offer is only available to those who are personally invited to accept the Offer. Applications for Shares under the Offer can only be submitted on an original Application Form which accompany this Prospectus.

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 2 of this Prospectus, including, but not limited to) risks in respect of:

- **Additional Requirements for Capital:** The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company will require further financing in the short term.
- **Development and commercialisation risks:** a failure or delay in successfully developing and commercialising the Company's technology could lead to a loss of opportunities and adversely impact on the Company's operating results and financial position; and
- **Competition risks:** the failure to establish and maintain an appreciable market share and differentiation from its competitors in the industry in which the Company operates may impede the financial condition and rate of growth of the Company.

These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

Definitions of certain terms used in this Prospectus are contained in Section 6. All references to currency are to Australian dollars and all references to time are to AEST unless otherwise indicated. Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed.

## CORPORATE DIRECTORY

### Directors

Mr Bernie Brookes AO Chairman  
Mr Uzi Breier Executive Director & CEO  
Mr Doron Eldar Non-Executive Director

### Company Secretary

Mr Ian Pamensky

### Registered Office

Level 14, 330 Collins Street  
MELBOURNE VIC 3000

Tel: + 61 414 864 746

Email: [ian@cfo2grow.com.au](mailto:ian@cfo2grow.com.au)

### Share Registry\*

Automic Registry Services  
Level 5, 126 Phillip Street  
SYDNEY NSW 2000

Tel (within Australia): 1300 288 664

Tel (outside Australia): +61 2 9698 5414

### Solicitors\*

HWL Ebsworth  
Level 20  
240 St Georges Terrace  
PERTH WA 6000

ASX Code: DTZ

Website: [www.dotz.tech](http://www.dotz.tech)

\*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

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## TIMETABLE

Event	Date*
Lodgement of Prospectus with ASIC and ASX	18 June 2020
Opening Date of Offer	18 June 2020
Closing Date of Offer	15 September 2020

\* These dates are indicative only and subject to change. Subject to the Corporations Act and the Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date, without prior notice.

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# 1. Details of the Offer

## 1.1 Summary of the Offer

The Company is offering, pursuant to this Prospectus, 100 shares (**Shares**) at an issue price of \$0.086 each to raise \$8.60 (before costs) (**Offer**).

The Offer will only be extended to specific parties unrelated to the Company on invitation of the Directors. An Application Form will only be provided by the Company to these parties, together with a copy of this Prospectus.

Shares issued under the Offer will be issued as fully paid ordinary shares and will rank equally in all respects with the existing Shares on issue. Refer to Section 4.1 for a summary of the rights and liabilities attaching to the Shares under the Offer.

## 1.2 Purpose of the Offer

Generally, section 707(3) of the Corporations Act requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

The Corporations Act provides an exception to section 707(3) where an entity issues a 'cleansing' notice under section 708A(5) within 5 days of the date of issue of the securities. The Company has been suspended from trading on the ASX for more than 5 days in the last 12 months and as a result is precluded from issuing a 'cleansing' notice in accordance with section 708A(5) of the Corporations Act.

Section 708A(11) of the Corporations Act provides another exemption from the general requirement under section 707(3) where:

- (a) the relevant securities are in a class of securities of the company that are already quoted on ASX;
- (b) a prospectus is lodged with ASIC either:
  - (i) on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
  - (ii) before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the Company that are in the same class of securities as the relevant securities.

Accordingly, the purposes of this Prospectus are to:

- (a) make the Offer; and
- (b) ensure that any on-sale of Shares issued by the Company prior to the Closing Date do not breach section 707(3) of the Corporations Act. These include but are not limited to any Shares issued upon the exercise of unquoted options.

The Shares issued under the Offer will be issued under the Company's existing placement capacity under Listing Rule 7.1. The Company will raise \$8.60 under the

Offer (before costs). The total estimated expenses of the Offer of \$7,128 will be paid by the Company from its cash reserves.

### **1.3 Closing Date**

The Closing Date for the Offer is 15 September 2020. The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend the Closing Date without prior notice. If the Closing Date is varied, subsequent dates may also be varied accordingly.

### **1.4 Minimum subscription**

There is no minimum subscription for the Offer.

### **1.5 Application Forms**

The Offer is being extended to investors who are invited by the Company to subscribe for Shares and is not open to the general public. The Company may determine in its discretion whether to accept any or all Applications.

Applications must be made using the Application Form attached to this Prospectus. To the maximum extent permitted by law, the Directors will have discretion over which Applications to accept.

Completed Application Forms, together with application monies, must be received by the Company prior to the Closing Date. Application Forms should be delivered to the Company in accordance with the instructions on the Application Form. If you are in doubt as to the course of action, you should consult your professional advisor.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Shares accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of the Shares under the Offer.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Application Form is final.

### **1.6 Issue and dispatch**

Subject to the Corporations Act and the Listing Rules, the Company intends to issue the Shares under the Offer on or before 15 September 2020. Shareholder statements will be dispatched as soon as possible after the issue of the Shares under the Offer.

### **1.7 Application Monies held on trust**

All Application Monies received for the Shares under the Offer will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Shares are issued. All Application Monies will be returned (without interest) if the Shares are not issued.

### **1.8 ASX quotation**

Application will be made to ASX no later than 7 days after the date of this Prospectus for official quotation of the Shares under the Offer. If permission is not granted by ASX for the Official Quotation of the Shares offered by this Prospectus within 3 months after the date of this Prospectus (or such period as the ASX allows), the Company will

repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

## **1.9 CHESS**

The Company participates in the Clearing House Electronic Sub-register System, known as CHESS, operated by ASX Settlement Pty Limited (a wholly owned subsidiary of ASX), in accordance with the Listing Rules and ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares. If you are broker sponsored, ASX Settlement Pty Limited will send you a CHESS statement.

The CHESS statement will set out the number of Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares.

If you are registered on the Issuer Sponsored sub-register, your statement will be dispatched by Automatic Registry Services and will contain the number of Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

## **1.10 Residents outside Australia**

This Prospectus and any accompanying Application Form do not, and are not intended to, constitute an offer of Shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

## **1.11 Risk factors**

An investment in Shares of the Company should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are detailed in Section 2.

## **1.12 Taxation implications**

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Shares under this Prospectus. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders or potential investors. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Shares under this Prospectus.

## **1.13 Major activities and financial information**

A summary of the major activities and financial information relating to the Company can be found in the Company's Annual Report for the financial year ended 31 December 2019, lodged with ASX on 30 March 2020 (**Annual Report**). The Company has made



continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Report on 30 March 2020.

Copies of the Annual Report are available free of charge from the Company. The Directors strongly recommend that Applicants review this and all other announcements prior to deciding whether or not to participate in the Offer.

#### **1.14 Privacy**

Applicants will be providing personal information to the Company (directly or by the Company's share registry) on the Application Forms. The Company collects, holds and will use that information to assess the Application, service Shareholders' needs, facilitate distribution payments and corporate communications to Shareholders and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

Shareholders can access, correct and update the personal information the Company holds about them by contacting the Company or its share registry at the relevant contact numbers set out in this Prospectus. A fee may be charged for access. Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

Applicants should note that if they do not provide the information required on the Application Form, the Company may not be able to accept or process their Application.

#### **1.15 Enquiries concerning Prospectus**

Enquiries relating to this Prospectus should be directed to the Company Secretary by email to [ian@cfo2grow.com.au](mailto:ian@cfo2grow.com.au)

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## 2. Risk factors

The Shares offered under this Prospectus should be considered speculative because of the nature of the business activities of the Company. Potential investors should consider whether the Shares offered are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risk factors set out below. This list is not exhaustive and potential investors should read this Prospectus in its entirety and if in any doubt consult their professional adviser before deciding whether to participate in the Offer.

The principal risks include, but are not limited to, the following:

### 2.1 Company's Current Operations Risks

#### (a) Development and commercialisation of the technology

The Company is in the business of development and commercialisation of anti-counterfeiting, authentication and tracing solutions (**Technology**). The success of the Company will depend upon the Company's ability to commercialise the Technology. A failure to successfully commercialise the Technology, after it had completed the production of its unique products, ValiDotz™, Fluorensic™, and InSpec™ (**Products**) in commercial quantities, could impact the Company's operating results and financial position.

The Company continues to focus its commercialisation activities in areas that are considered new markets for the Technology. There is a risk that Products produced by the Company will not be accepted by market participants in these fields (or other fields) (such as anti-counterfeiting, authentication and tracing solutions). Failure to create a market in these fields will have an adverse effect on the Company's potential profitability.

The Company is seeking to develop the Technology with organisations that provide chemical production industry services. If the Company is successful in developing the Technology, there may be further additional risks associated with how the Technology fits within industry standards (including legal and regulatory standards), and issues faced with production.

The global marketplace for most products is ever changing due to new technologies, new products, changes in preferences, changes in regulation and other factors influencing market acceptance or market rejection. This market volatility and risk exists despite the best endeavours of market research, promotion, and sales and licensing campaigns. There is a risk that if the Technology is not accepted by the market or the Products are not utilised in the Company's proposed markets or continuing to be utilised in the existing markets that currently use the Technology, the Company will not be able to commercialise its products which could adversely impact the Company's operations.

Even if the Company does successfully commercialise the Technology, there is a risk the Company will not achieve a commercial return and will not be able to sell products and services to clients at a rate which covers its operating and capital costs.

#### (b) Competition and new technologies

The industry in which the Company is involved is subject to increasing domestic and global competition which is fast-paced and fast-changing. While

the Company undertakes all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively or negatively affect the operating and financial performance of the Company's projects and business. For instance, new technologies could result in the Company's technology not being differentiated to other similar offerings.

The size and financial strength of some of the Company's competitors may make it difficult for it to maintain a competitive position in the technology market. In particular, the Company's ability to acquire additional technology interests could be adversely affected if it is unable to respond effectively and/or in a timely manner to the strategies and actions of competitors and potential competitors or the entry of new competitors into the market. This may in turn impede the financial condition and rate of growth of the Company.

The key competition risk is in achieving appreciable market share and differentiation from its key competitors.

**(c) Staff Risk**

There is a risk that knowledge will be lost in the event that development staff who have knowledge of the technology and business resign or retire. This involves the risk that those staff will have information in respect of the Company's intellectual property which has a commercial value to the Company as well as an opportunity cost for replacement of those staff and subsequent training.

This risk is mitigated as the Company has historically had low levels of staff turnover in the development teams. In addition, all staff contracts contain express provisions with respect to ownership of intellectual property and restraints of trade to limit any potential loss suffered by the Company to the maximum extent possible. Furthermore, the Company has taken measures to mitigate this risk by expanding its research staff so that technological intellectual property is not converged into one person but is disbursed among several people within the Company.

**(d) Outsourcing**

The Company outsources to consultants for expert advice and contracts organisations for some manufacturing, marketing and distribution services and there is no guarantee that such experts or organisations will be available as required or will meet expectations.

**(e) Protection of intellectual property rights**

If the Company fails to protect its intellectual property rights adequately, competitors may gain access to its technology which may harm its business.

Securing rights to intellectual property, and in particular patents, is an integral part of securing potential product value from the development of information technology. Competition in retaining and sustaining protection of intellectual property and the complex nature of intellectual property can lead to expensive and lengthy patents disputes for which there can be no guaranteed outcome.

Legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain. Effective patent, trademark,

copyright and trade secret protection may not be available to the Company in every country in which the technology may eventually be sold. Accordingly, despite its efforts, the Company may not be able to prevent third parties from infringing upon or misappropriating the intellectual property.

Market conditions depending, the Company may be required to incur significant expenses in monitoring and protecting future intellectual property rights. It may initiate or otherwise be involved in litigation against third parties for infringement, or to establish the validity, of its rights. Any litigation, whether or not it is successful, could result in significant expense to the Company and cause a distraction to management.

As the Company licenses its intellectual from third parties, there is an additional risk that these third parties will fail to keep the patents licensed to the Company valid, resulting in competitors being entitled to apply for patents in the same area.

In addition, unauthorised use of the "Dotz" brand in counterfeit products or services may not only result in potential revenue loss, but also have an adverse impact on its brand value and perceptions of its product qualities.

**(f) Currency Risk**

The Company expects to derive a majority of its revenue from the United States, in US dollars. The Company will also be required to pay fees in the currency for the State of Israel (shekel). Accordingly, changes in the exchange rate between the US dollar and the Australian dollar or the Israeli shekel and the Australian dollar would be expected to have a direct effect on the performance of the Company.

## **2.2 General risks relating to the Company**

**(a) Additional Requirements for Capital**

The Company's activities require substantial expenditure and depend on numerous factors. As announced on 26 March 2020, the Company has implemented cost reduction measures to minimise the impact of the COVID-19 pandemic on business operations. These actions include reducing staff, minimising expenses and utilising technology to continue valuable communications with our potential partners and customers. The Company believes its currently available cash and resources should be adequate to fund its business activities through to July 2020. In this regard, and as announced by the Company on 26 November 2019, the Company has entered into an agreement to receive further funding from the Southern Israel Bridging Fund (SIBF) of \$1 million, to be paid in 2 Tranches as follows:

- i. Tranche 1: 13,888,889 Shares and 4,629,630 Placement Options using the Company's placement capacity under ASX Listing Rules 7.1 (**Tranche 1 Securities**) in consideration for \$500,000. The Company notes the \$500,000 was due to be paid on or before 1 April 2020. The full amount was paid by 17 June 2020 and the Company intends to issue the Tranche 1 Securities shortly after lodgement of this Prospectus; and
- ii. Tranche 2: 13,888,889 Shares and 4,629,630 Placement Options using the Company's placement capacity under ASX Listing Rules 7.1 and 7.1A

**(Tranche 2 Securities)** in consideration for \$500,000 due to be paid on or before 1 August 2020,

of which shareholder approvals under Listing Rules 7.4 and 7.1, respectively, were obtained at the Company's annual general meeting held on 10 June 2020.

Upon receipt of the full funds due from SIBF in relation to the Tranche 2 Securities, the Company believes its available cash and resources should be adequate to extend the funding of business activities through to September 2020. However, unless the Company is able to generate substantial income from its operations, the Company will require further financing in the short term.

If the Company is unable to use debt or equity to fund its business development activities after the substantial exhaustion of its cash reserves, there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to Shareholders and any debt financing, if available, may involve restrictive covenants, which may limit the Company's operations and business strategy.

The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities, including its ability to continue as a going concern. Unfavourable market conditions may also adversely affect the Company's ability to raise additional funding regardless of the Company's operating performance.

**(b) Reliance on Key Management**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and directors. There can be no assurance that there will be no detrimental impact on the performance of the Company or its growth potential if one or more of these employees cease their employment and suitable replacements are not identified and engaged in a timely manner.

**(c) Trading Price of Shares**

The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Shares. In addition, the price of Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to general economic conditions including the performance of the Australian dollar on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Shares.

In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

**(d) Litigation Risks**

The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. As at the date of this Prospectus the Company is not involved in any litigation or material disputes.

**(e) Economic Risks**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's Securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as: general economic outlook; interest rates and inflation rates; currency fluctuations; changes in investor sentiment toward particular market sectors; the demand for, and supply of, capital; and terrorism or other hostilities.

**(f) Force Majeure**

The Company, now or in the future, may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

**(g) Acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, companies, products, technologies and/or products that are complementary to the Company's business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the sales and margins anticipated and retaining key staff and customer and supplier relationships.

**(h) Infectious disease pandemics**

Infectious disease pandemics such as the coronavirus have the potential to interrupt the Company's operations, impair deployment of its products to customers and prevent suppliers or distributors from honouring their contractual obligations. Such pandemics could also cause hospitalisation or death of the Company's existing and potential customers and staff.

While the Company has introduced a COVID-19 action plan including remote working to mitigate the effects of the current pandemic of the Company's operations, there is no guarantee that this plan will limit the impact of the pandemic on its operations and results.

## **2.3 Investment Speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by prospective investors in the Company. The above factors, and

others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for the Shares.

### 3. Effect of the Offer

#### 3.1 Capital structure on completion of the Offer

	Shares	Unquoted Options	Performance Shares <sup>2</sup>
Balance at the date of this Prospectus	295,852,351	76,674,527 <sup>1</sup>	22,000,000
To be issued under the Offer	100	-	-
Cancellation of Shares issued to Mr Uzi Breier <sup>6</sup>	(1,000,000)	-	-
Issue of Shares to Mr Uzi Breier <sup>6</sup>	1,000,000	-	-
Exercise of Employee Options <sup>1(a)</sup>	1,000,000	(1,000,000)	-
Issue of Shares to former employee <sup>3</sup>	1,000,000	-	-
Exercise of Employee Options <sup>1(c)</sup>	1,200,000	(1,200,000)	-
Exercise of Employee Options <sup>1(d)</sup>	1,500,000	(1,500,000)	-
Tranche 1 Securities <sup>4</sup>	13,888,889	4,629,630	-
Tranche 2 Securities <sup>4</sup>	13,888,889	4,629,630	-
Cancellation of unquoted options <sup>1(k)</sup> on resignation of an employee	-	(210,000)	-
Issue of unquoted options <sup>5</sup>	-	1,350,000	-
Balance after the Offer	328,330,229	83,373,787	22,000,000

**Notes:**

1. Unquoted Options currently on issue consist of:
  - (a) 1,000,000 unquoted Options with a nil exercise price exercisable on or before 1 November 2020;
  - (b) 1,500,000 unquoted Options exercisable at \$0.20 each on or before 1 August 2020;
  - (c) 2,025,000 unquoted Options exercisable at \$0.00 each on or before 1 October 2021.
  - (d) 2,000,000 unquoted Options exercisable at \$0.00 each on or before 1 October 2021, vesting 27 November 2019 provided that the Option holder is an employee or consultant of the Company at all times during the period ending on the Vesting Date;
  - (e) 2,666,659 unquoted options exercisable at \$0.12 each on or before 30 June 2020;
  - (f) 2,000,000 unquoted options exercisable at \$0.13 each on or before 15 February 2024, lapsing if the Option holder ceases employment;



- (g) 1,000,000 unquoted options exercisable at \$0.00 each on or before 15 February 2023, lapsing if the Option holder ceases to be an officeholder of the Company;
- (h) As announced on 1 May 2019, the Company has issued to Hunter Capital Advisors Pty Ltd (or its nominees) 5,000,000 unquoted Options exercisable at \$0.10 each and expiring on 19 June 2021;
- (i) 12,500,005 unquoted Options exercisable at \$0.085 each on or before 07 May 2021;
- (j) 8,064,526 Unquoted options exercisable at \$0.09 and expire on 29 July 2021;
- (k) 210,000 Unquoted Options exercisable at \$0.00 expiring 22/08/24. Vesting - 70,000 Options (33.33%) shall vest on the date which is 12 months from the date of issue provided that you are an employee of the Company at all times during the period ending on that date, and the remaining 140,000 Options (66.67%) shall vest in Eight (8) consecutive equal instalments upon the lapse of each three-month period thereafter, provided that you are an employee of the Company at all times during the period;
- (l) 10,000,000 Unquoted options exercisable at \$0.10 and expire on 11 September 2021;
- (m) 18,333,337 Unquoted options exercisable at A\$0.09 and expiring on 11 December 2021; and
- (n) 10,000,000 Unquoted options exercisable at A\$0.09 and expiring on 11 December 2021, issued to Silverella Pty Ltd pursuant to a consulting agreement, vesting as follows:
  - a. 25% vesting immediately on issue on 11 December 2019;
  - b. 25% vesting, subject to the agreement remaining on foot, on 11 June 2020;
  - c. 25% vesting, subject to the agreement remaining on foot, on 11 December 2020; and
  - d. 25% vesting, subject to the agreement remaining on foot, on 11 June 2021;
- 2. The terms and conditions of the performance shares are outlined in section 14.5 of the Company's prospectus dated 24 August 2016. The performance shares will convert into Shares upon the Company achieving the production and distribution of an aggregate of 100 kilograms of Product in any 12 month period through formal off-take agreements with a reputable third party by 31 October 2020. Per the Company's announcement dated 26 July 2017, a 'reputable third party' in this milestone means those parties whose offtake arrangements result in A\$12 million in revenue.
- 3. Issue of shares to Talsbar Consulting Ltd, a Company associated with former employee, Avigdor Kaner, as a signing on bonus.
- 4. See Section 2.2(a) for more information. The Placement Options are exercisable at A\$0.09 and expiring on the date that is 2 years after issue.
- 5. 1,350,000 Unquoted options exercisable at A\$0.07 and expiring on 18 May 2022, issued to Mr Ricky Newman pursuant to a consulting agreement, vesting as follows:
  - a. 25% shall vest immediately upon issue;
  - b. 25% shall, subject to the agreement remaining in effect and not terminated, vest on the date that is 4 months following the date of execution of this agreement on 18 May 2020; and
  - c. 25% shall, subject to the agreement remaining in effect and not terminated, vest on the date that is 8 months following the date of execution of this agreement on 18 May 2020; and
  - d. 25% shall, subject to the agreement remaining in effect and not terminated, vest on the date that is 12 months following the date of execution of this agreement on 18 May 2020.
- 6. On 7 May 2018, the Company appointed Mr Uzi Breier as CEO. As announced on 14 August 2018, pursuant to Mr Uzi Breier's executive services agreement with the Company, Mr Breier was, subject to shareholder approval, to receive 1,000,000 Shares on 31 December 2019 as a retention bonus, provided Mr Breier was still engaged by the Company at that time (**Breier Shares**).

Due to an administrative error, it was mistakenly believed that approval to issue the Breier Shares had been received from Shareholders pursuant to Listing Rule 10.11 at a general meeting of Shareholders on 8 February 2019, which was not the case. Accordingly, the issue of the Breier Shares on 31 December 2019 was done so without prior Shareholder approval and in breach of Listing Rule 10.11. Once the error became known, the Company immediately took action to enter into a holding lock deed with Mr Breier for a period from the date of the deed and ending on the date that the Company obtains the appropriate shareholder approval. This holding lock was also actioned by the Company's share registry

shortly after execution of the deed and none of the Breier Shares were traded by Mr Breier prior to execution of the deed.

On 10 June 2020, the shareholders approved, by special resolution, the cancellation of the Breier Shares.

On 10 June 2020, the shareholders approved, by ordinary resolution, to issue 1,000,000 Shares to Mr Uzi Breier to replace the Breier Shares to be cancelled.

### **3.2 Financial effect of the Offer**

After paying the expenses of the Offer of approximately \$7,128, there will be no proceeds from the Offer. The expenses of the Offer (exceeding \$8.60) will be met from the Company's existing cash reserves. The Offer will have a nominal effect on the Company's financial position of reducing the cash balance by \$7,119, being receipt of funds of \$8.60, less expenses of the Offers of \$7,128.

As the issue of the 100 Shares under this Prospectus will not have a material impact on the Company's financial position, a pro-forma statement of financial position of the Company showing the financial effect of the Offer has not been included in this Prospectus.

Please refer to Section 4.14 for further details on the estimated expenses of the Offer.

### **3.3 Effect of the Offer on control of the Company**

The Company is of the view that the Offer will not affect the control (as defined by section 50AA of the Corporations Act) of the Company. No new investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offer. (see Section 4.8).

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## **4. Additional information**

### **4.1 Rights and liabilities attaching to Shares**

A summary of the rights attaching to Shares in the Company is below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

#### **(a) General Meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

#### **(b) Voting Rights**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder will, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares will have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

#### **(c) Dividend Rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which will be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend will carry interest as against the Company.

Subject to the Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit, under which participants may elect in respect of all or part of their Shares to receive a dividend or to forego a dividend from the Company and receive some other form of distribution or entitlement (including securities) from the Company or another body corporate or a trust.

**(d) Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

**(e) Shareholder Liability**

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

**(f) Transfer of Shares**

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

**(g) Variation of Rights**

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

**(h) Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

## 4.2 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the stock market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with the ASIC yearly and half-yearly financial statements, accompanied by a Directors' statement and report and an audit review or report. Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 4.3 below).

## 4.3 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of the ASIC. The Company will provide free of charge to any person who requests it during the period of the Offer, a copy of:

- (a) the Annual Report for the period ending 31 December 2019 as lodged with ASX on 30 March 2020;
- (b) the Half Yearly Report for the period ending 30 June 2019 as lodged with ASX on 29 August 2019; and
- (c) the continuous disclosure notices given by the Company to notify ASX of information relating to the Company since the Company lodged its Annual Report and before the date of issue of this Prospectus which are as follows:

Date Lodged	Subject of Announcement
15/06/20	Cancellation of Unquoted Options
10/06/20	CEOs Presentation to Shareholders at the AGM
10/06/20	Results of Meeting
12/5/20	Notice of Annual General Meeting/Proxy Form
11/5/20	Appendix 3B
11/5/20	Dotz signs A\$1.5M Agreement to mark medical Face Masks
8/5/20	Revised trading halt request
8/5/20	Trading halt
8/5/20	Pause in trading
6/5/20	Appendix 2A

Date Lodged	Subject of Announcement
30/4/20	Quarterly Report & Appendix 4C Cashflow Report - 31 Mar 2020
20/4/20	Cancellation of Unquoted Options
31/3/20	Appendix 4G
30/3/20	Full Year Statutory Accounts

The following documents are available for inspection throughout the period of the Offer during normal business hours at the registered office of the Company:

- (d) this Prospectus;
- (e) the Constitution; and
- (f) the consents referred to in Section **Error! Reference source not found.** and the consents provided by the Directors to the issue of this Prospectus.

#### **4.4 Information excluded from continuous disclosure notices**

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules and which is required to be set out in this Prospectus.

#### **4.5 Determination by ASIC**

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares under this Prospectus.

#### **4.6 Market price of Shares**

The highest and lowest closing market sale prices of the Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest: \$0.09 per Share on 15 and 16 June 2020.

Lowest: \$0.042 per Share on 30 April 2020.

The latest available closing market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.086 per Share on 17 June 2020.

#### **4.7 Dividend policy**

The Directors are not able to say when and if dividends will be paid in the future as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

#### **4.8 Substantial Shareholders**

Based on available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Substantial Shareholder	Shares	Voting power % <sup>4</sup>
Silversea Asset Management Pte Ltd <sup>1</sup>	29,302,538	9.90
Southern Israel Bridging Funds (SIBF) <sup>2</sup>	30,555,556	10.33
Mr Ariel Malik <sup>3</sup>	19,268,894	6.51

**Notes:**

1. Shares held by CitiCorp Nominees Pty Ltd.
2. Details as per Notice of Initial substantial holder lodged with the ASX on 16 December 2019.
3. Details as per Notice of Initial substantial holder lodged with the ASX on 13 January 2020.

#### 4.9 Directors' interests

Except as disclosed in this Prospectus, no Director and no firm in which a Director or proposed director is a partner:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Shares offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Shares offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Shares offered under this Prospectus.

#### 4.10 Directors' interests in Company Securities

The Directors have the following relevant interests in the securities as at the date of this Prospectus:

Directors	Shares	Voting power	Unquoted Options	Performance Shares
Bernie Brookes AO	-	-	-	-
Uzi Breier	2,500,000	0.85%	2,000,000 <sup>1</sup>	-
Doron Eldar	277,778	0.09%	92,593 <sup>1</sup>	-

**Notes:**

1. 2,000,000 unquoted Options exercisable at \$0.13 each and expiring 15 February 2024, provided Mr Breier is an employee or consultant of the Company at all times before the expiry date.
2. Unquoted Options exercisable at \$0.09 and expiring on 11 December 2021.

#### 4.11 Remuneration of Directors

The Constitution provides that the non-executive Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Shareholders in general meetings, to be divided among the Directors

as the Directors shall determine, and in default of agreement then in equal shares. The maximum aggregate amount of fees payable to Directors is currently set at \$500,000 per annum. The remuneration of the executive Directors must, subject to the provisions of any contract between each of them and the Company, be fixed by the Directors.

A Director may also be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

The Directors have received the following remuneration for the financial year ended 31 December 2019:

Directors	Short Term Salary, Fees and Commission (US\$)	Other US(\$) <sup>1</sup>	Share-based payments (US\$)	Total (US\$)
Uzi Breier <sup>2</sup>	237,470	25,507	197,185	460,162
Dr Volker Mirgel <sup>3</sup>	100,000	25,000	34,593	159,593
John Bullwinkel <sup>4</sup>	34,765			34,765
Ashley Krongold <sup>7</sup>	34,768			34,768
Bernie Brookes AO <sup>7</sup>	-	-	-	-
Doron Eldar <sup>6</sup>	-	-	-	-
Steve Bajic <sup>5</sup>	1,414			1,414

**Notes:**

- Other includes termination benefits to Dr Volker Mirgel of US\$25,000 and other benefits such as car lease, fuel, etc. paid to Directors.
- Mr Breier was appointed as a Director on 21 March 2018. As announced on 14 August 2018, the Company's Israeli subsidiary, Dotz Nano Ltd., has entered into an executive consultancy agreement pursuant to which Mr Breier will be paid US\$240,000 per annum plus value added tax (although this amount was temporarily reduced while there were cost-cutting measures in place) for services provided as Executive Director and Chief Executive Officer. At the discretion of the Board, Mr Breier may also be issued various Securities as set out in Section 4.10, subject to Shareholder approval, which includes 2,000,000 unquoted Options issued to Mr Breier on 15 February 2019, which are exercisable at \$0.13 each and expiring 15 February 2024. In addition, Mr Breier may earn US\$310,000 or more in cash bonuses upon the achievement of certain milestones linked to signing of binding sales agreement and achievement of targeted earnings before interest, tax, depreciation and amortisation for the 2019 and 2020 financial years.
- Dr Mirgel was appointed as a Director on 3 April 2018. As announced on 10 August 2018, the Company has agreed to pay Dr Mirgel US\$100,000 per annum (inclusive of superannuation) and Dr Mirgel was issued 1,000,000 unquoted Options exercisable at \$0.13 each and expiring 15 February 2024, in consideration of services provided to the Company as Non-Executive Chairman. Dr Mirgel resigned as Director and Chairman on 1 December 2019.
- Mr Bullwinkel was appointed as a Director on 21 March 2018. On and from that date, the Company has agreed to pay Mr Bullwinkel a director fee of \$50,000 per annum (inclusive of superannuation) for services provided to the Company as Non-Executive Director. Mr Bullwinkel resigned as a Director on 23 March 2020.
- Mr Bajic resigned as a Director on 16 January 2019.



6. Mr Eldar was appointed as a Director on 15 January 2020. On and from that date, the Company has agreed to pay Mr Eldar a director fee of \$120,000 per annum (inclusive of superannuation) for services provided to the Company as Non-Executive Director.
7. Mr Brookes AO was appointed as a Director and Chairman on 15 January 2020. On and from that date, the Company has agreed to pay Mr Brookes a director fee of \$50,000 per annum (inclusive of superannuation) for services provided to the Company as Non-Executive Director and Chairman.
8. Mr Krogold resigned as a Director on 23 March 2020

No amounts have been recognised for long service leave.

#### 4.12 Related party transactions

There are no related party transactions involved in the Offer that are not otherwise described in the Prospectus.

#### 4.13 Interests of other persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Offer.

#### 4.14 Expenses of Offer

Estimated expenses of the Offer	A\$
ASIC lodgement fee	3,206
ASX quotation fee	1,922
Prospectus preparation expenses	2,000
<b>TOTAL</b>	<b>7,128</b>

## 5. Authorisation

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:



**Uzi Breier**  
Director  
Dotz Nano Limited

Dated: 18 June 2020

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## 6. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

**\$** means Australian dollars.

**AEDT** means Australian Eastern Daylight Time, being the time in Melbourne, Victoria.

**Annual Report** has the meaning given in Section 1.13.

**Applicant** means a person who submits an Application Form.

**Application** means a valid application for Shares made on an Application Form.

**Application Form** means the Application Form provided by the Company with a copy of this Prospectus.

**Application Monies** means the amount of money in dollars and cents payable for Shares at the Offer price per Share pursuant to the Offer.

**ASIC** means Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

**Board** means the Directors meeting as a board.

**CHESS** means ASX Clearing House Electronic Sub-registry System.

**Closing Date** has the meaning given in Section 1.3.

**Company** means Dotz Nano Limited ACN 125 264 575.

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Corporations Act** means *Corporations Act 2001* (Cth).

**Directors** mean the directors of the Company as at the date of this Prospectus.

**Issuer Sponsored** means Securities issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

**Listing Rules** means the official listing rules of ASX and any other rules of ASX which are applicable while any Shares are admitted to the Official List, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

**Offer** has the meaning given in Section 1.1.

**Official List** means the official list of ASX.

**Official Quotation** means quotation of Securities on the Official List.

**Options** means an option to acquire a Share.

**Placement Options** means Options to be issued with an exercise price of \$0.09 per share, expiring on the date that is 2 years after issue.

**Prospectus** means this prospectus dated 18 June 2020.

**Section** means a section of this Prospectus.

**Securities** means any securities, including Shares, Options or performance shares, issued or granted by the Company.

**Shares** means ordinary fully paid shares in the capital of the Company.

**Shareholder** means a holder of Shares.

**Tranche 1 Securities** has the meaning in Section 2.2(a).

**Tranche 2 Securities** has the meaning in Section 2.2(a).

**US\$** means United States dollars.