



ASX and MEDIA RELEASE

31 August 2020

Dotz sales and growth momentum building over FY20 as need for authentication security increases

Dotz Nano Limited (**ASX: DTZ, Dotz or Company**), an advanced technology company developing, manufacturing and commercialising tagging, tracing and verification solutions, is pleased to provide its results for the six months ended 30 June 2020 (H1 FY20).

Key highlights since 1 January 2020:

- US\$1 million commercial agreement (A\$1.53 million at time of signing) with Universal Exports Group to authenticate up to 100 million face masks
- A\$528,000 agreement with V2Tech in Australia to authenticate 30 million face masks
- US\$100,000 ValiDotz purchase order (A\$166,000 at time of signing) from a Swiss-based plastic compounder
- US\$1.6 million 3-year 3-tranche commercial agreement (A\$2.2 million at time of signing) with TT Medical for PPE authentication across 8 countries
- Signed Letters of Intent for clinical trials with Sheba Medical Centre and FullDNA, of Dotz's real-time virus detection technology on confirmed COVID-19 patients
- Commenced pilot with Zohar-Dalia Cooperative to verify effective surface sanitation
- Reduced cost of doing business while navigating through COVID-19 environment
- Appointed Bernie Brookes AM as Chairman and Doron Eldar as a Non-Executive Director to drive strategic direction.

Commenting on the Company's achievements year to date, Dotz Chairman Bernie Brookes AM said: "The impact of COVID-19 has brought to the fore the need for companies to authenticate and secure their products and supply chains. Dotz has had a strong start to the 2020 financial year with signed commercial agreements of nearly US \$3.1 million [A\$4.3 million] to date, and several additional pipeline opportunities being progressed."

"These contracts, together with our growing sales pipeline, provide strong momentum for future sales growth. Alongside this, while PPE is a current focus, we continue to progress negotiations with potential customers within the broader anti-counterfeiting, product liability and oil and gas markets," added Mr Brookes.

Dotz CEO Uzi Breier said: "Our focus on providing solutions for PPE authentication has been successful and is rapidly gaining momentum. This builds on our end-to-end technology enabling product verification throughout the supply chain, providing quality assurance to essential healthcare and frontline workers globally who rely on good quality products to perform at high standards, as well as the general public."

"Dotz has the world's leading two-factor authentication solution for PPE, combining our ValiDotz physical security taggants with a digitally traceable serialisation solution. This unique technology is



driving the growing interest and commercial agreements from both manufacturers and distributors in multiple countries,” added Mr Breier.

PPE authentication sales

In response to the increasing prevalence of counterfeit Personal Protective Equipment (PPE) due to COVID-19, Dotz developed a two-factor authentication solution that combines its ValiDotz™ security taggants with digital location based traceable serialisation solution.

In Q2 2020, Dotz signed a US\$1 million commercial agreement (A\$1.53 million at time of signing) with Hong Kong-based Universal Exports Group (UEG) to mark up to 100 million medical face masks with its newly developed PPE authentication solution. The first phase of this agreement has been completed with Dotz authenticating 30 million face masks in May. UEG has paid Dotz US\$300,000 for this initial order.

The remaining 70 million masks will be authenticated under Phase Two of the agreement, subject to customer demand.

Order from plastic compounder

Dotz increased its traction within the plastics market in Q1 2020, signing a two-year US\$100,000 frame purchase order (A\$166,000 at time of signing) with a leading Switzerland-based plastic compounder, with an advance payment of US\$10,000 already made. The compounder on-sells Dotz’s ValiDotz™ security markers to its customers as an anti-counterfeiting solution inserted during the plastic compounding process.

Dotz’s non-toxic security markers can be cost-effectively embedded directly into polymers during the compounding or injection molding process and do not affect the properties or appearance of the plastic.

Clinical trials and pilots

During H1 2020, Dotz secured Letters of Intent towards in-hospital clinical trials of its portable and real-time virus detection technology on confirmed COVID-19 patients. The clinical trial will be carried out in partnership with globally recognised Sheba Medical Centre in Israel and Brazilian genetic and analytics company FullDNA. Similar to a roadside drug test, Dotz’s virus detection technology is less invasive than current testing methods and, if successful, is a major step towards enabling detection of viruses in real-time and on-site.

A pilot to verify effective surface sanitation is also underway with Zohar-Dalia Cooperative Agricultural Association – Israel’s largest manufacturer, supplier and developer of detergent intermediates and cleaning products. Dotz’s ValiDotz™ markers are being inserted into 1,000 litres of disinfectant materials to trace and verify the proper spread of disinfectant on surfaces, including hospital floors, in real-time.

Board changes

Dotz restructured its Board during H1 2020, with highly experienced executive Bernie Brookes AM appointed as Chairman in January. Doron Eldar was also appointed to the Board as a Non-Executive Director at the same time.



To minimise the impact of COVID-19 on the business, Non-executive Directors Ashley Krongold and John Bullwinkel both resigned as Directors in March. The Company wishes to thank both Ashley and John for the advice and counsel they have provided, particularly during the Company's early stages of product and business development. Dotz looks forward to their continued support.

Further sales post 30 June

Dotz has had a strong start to H2 2020, securing commercial agreements for PPE authentication with distributors V2Tech in Australia and TT Medical in Turkey.

As part of a A\$528,000 two-year agreement with V2Tech, Dotz will initially authenticate 30 million medical face masks for the Australian health sector, government, and retailers. During the two-year period, V2Tech will be the sole distributor of Dotz's 'Secured by Dotz' PPE authentication solution in Australia provided annual sales targets are met.

Dotz's US\$1.6 million agreement (A\$2.2 million at time of signing) with TT Medical will see Dotz supply its anti-counterfeiting and tracing capabilities for face masks and other PPE equipment in 8 countries within Europe, the Middle East and Africa. TT Medical has placed an initial US\$250,000 order to be delivered in Q4 FY20 and a follow-up order of US\$450,000 due in Q1 FY21. The remaining value of the contract is subject to customer demand. TT Medical will be the sole distributor of the 'Secured by Dotz' face mask authentication solution in Turkey, Italy, Cyprus and Ghana for a three-year period while TT Medical UAE, will cover the UAE, Qatar, Saudi Arabia and Egypt.

Positive outlook

Dotz remains focused on executing its growth strategy, increasing sales of its industry-leading end-to-end track-and-trace technology within its key markets of anti-counterfeiting, product liability and oil and gas.

The Company is in advanced negotiations with several potential customers, across not only PPE but also other applications for Dotz's technology, and is confident of converting these negotiations and pilots into contracts and recurring sales before the end of this year.

This announcement has been authorised for release by the Board of Dotz Nano Limited.

-ENDS-

For further information, please contact:

Investor Enquiries:

Eric Kuret
Market Eye
E: eric.kuret@marketeye.com.au
P: +61 417 311 335

Media Enquiries:

Tristan Everett
Market Eye
E: tristan.everett@marketeye.com.au
P: +61 403 789 096



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, China 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, polymers tagging and bio imaging.

Recently the company has harnessed its technology to mark personal protective gear including face masks.

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