

19 October 2020

Dotz secures ~A\$7.1 million to accelerate growth momentum

- **Successful A\$7.067 million Placement to fund delivery of existing PPE authentication contracts, establish distribution networks, and sales and marketing support**
- **Strongly supported Placement involving new and existing sophisticated and institutional investors in Australia and offshore, including additional investment by largest shareholder SIBF**
- **Funds raised will be also support proof of concepts for new business**
- **Dotz is now well funded to maximise the value of its existing agreements, convert pipeline opportunities, and accelerate its growth strategy**

Dotz Nano Limited (ASX: DTZ) (“Dotz” or “Company”), a technology leader in authentication and tracing solutions, has received commitments for A\$7.067 million before costs via a strongly supported share Placement to new sophisticated and institutional investors in Australia and offshore, as well as existing shareholders (**Placement**). Dotz’s largest shareholder, the Southern Israel Bridge Fund (SIBF), and investors in SIBF’s funds, are also participating in the Placement, committing \$2 million¹.

The successful capital raising will enable Dotz to fulfil its four existing PPE authentication contracts, while also accelerating its growth momentum by increasing production capacity and establishing new distribution networks for Dotz’s products. Funds will also be used for sales and marketing activity and proof of concepts for new products and potential customers, including commercialisation of Dotz’s surface sanitation and on-site virus detection.

Market Eye acted as corporate advisor and Bell Potter Securities Limited acted as Lead Manager to the Company on the Placement.

Commenting on the successful raise, Dotz Chairman & Interim-CEO Bernie Brookes AM said: “We are very encouraged by the strong level of support shown by both new and existing investors in Australia and overseas. We are now well-funded to increase production capacity to meet our obligations under existing long-term contracts, as well as accelerate our next growth phase within the broader anti-counterfeiting and authentication sectors.

“Our recent sales success in PPE authentication verifies the value of our end-to-end authentication technology in protecting the reputation of high-quality products throughout global supply chains. The versatility of our industry-leading technology provides us with a sizeable addressable market with multiple commercial applications.

¹ SIBF’s investment of \$750,000 is subject to shareholder approval at an Extraordinary General Meeting at a date to be advised.

“I would like to thank our existing shareholders, including our largest shareholder SIBF, for their continued support. We also welcome the new shareholders to our register during an exciting period in the Company’s history. We are on well on the path to profitability and are rapidly scaling to capitalise on the attractive growth opportunities currently available to us.”

The funds raised from the Placement will be used in the proportions set out in the table below:

Planned use of funds	A\$
Marketing plan and PR campaign	1,250,000
Establish distribution network	1,250,000
Deliver current in-place contracts	1,250,000
Proof of concept costs for new business	1,250,000
Working capital	1,679,000
Offer costs	388,000
Total	7,067,000

Placement details

Dotz has successfully secured commitments for a share Placement to institutional and sophisticated investors, raising A\$7.067 million before administrative costs. The Placement was supported by existing shareholders, including the SIBF, as well as several new high-quality institutional and sophisticated investors.

The Placement comprises an offer of 28.268 million fully paid ordinary shares (Shares) in Dotz at an issue price of A\$0.25 (25 cents) per share. The issue price of A\$0.25 per share represents a 13.8% discount to the last closing share price and a 3.8% discount to the 30-day volume weighted average market price of the Company’s shares on the ASX.

SIBF’s commitment of A\$750,000, as well as A\$150,000 of Director participation in the Placement, is subject to shareholder approval at an Extraordinary General Meeting at a date to be advised.

New shares issued under the Placement will rank equally with the Company’s existing ordinary shares on issue. The Placement will take place as a single tranche and will be undertaken using the Company’s available Listing Rule 7.1 and 7.1A capacity.

Settlement of the Placement shares is anticipated to occur on or about Tuesday 27 October 2020, with commencement of trading anticipated to occur on Wednesday 28 October 2020.

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

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For further information, please contact:

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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 established distributors in North America, Europe and Japan 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