

ASX and MEDIA RELEASE

21 October 2020

OPTIONS PROSPECTUS

Dotz Nano Limited (ASX:DTZ) ("Dotz" or "The Company"), an advanced technology company developing, manufacturing and commercialising marking, tracing and verification solutions, is pleased to announce that as noted in the Company's June 2020 Quarterly Activities Report released to ASX on 31 July 2020, the Company agreed to issue unquoted options to various employees, consultants and Directors via an Options Prospectus ("**Prospectus**").

Attached is the Prospectus in respect of the proposed issue. In total, the Company is proposing to issue a total of 24,035,000 unquoted options on the terms and conditions set out in the Prospectus, comprised of:

- 17,950,000 options to Israeli based employees and consultants;
- 4,835,000 options to the Directors (1,940,000 each to Messrs Brookes and Eldar and 955,000 to Mr Ian Pamensky); and
- 1,250,000 options to former Director and CEO Mr Uzi Breier.

The Company notes that the proposed issue of options to the Directors (including former director Mr Uzi Breier) is subject to shareholder approval at the Company's next general meeting.

This announcement has been authorised for release by the Company Secretary, Ian Pamensky.

- 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, 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



DOTZ NANO LIMITED
ACN 125 264 575

OPTIONS PROSPECTUS

THIS PROSPECTUS IS BEING ISSUED FOR THE OFFER OF 24,035,000 UNQUOTED OPTIONS TO SPECIFIC EMPLOYEES, FORMER EMPLOYEES AND CONSULTANTS OF THE COMPANY ON THE TERMS AND CONDITIONS SET OUT IN SECTIONS 4.2 AND 4.3.

THIS PROSPECTUS HAS ALSO BEEN PREPARED FOR THE PURPOSE OF FACILITATING SECONDARY TRADING OF ANY UNDERLYING SHARES ISSUED UPON EXERCISE OF THE OPTIONS PURSUANT TO ASIC CORPORATIONS (SALE OFFERS THAT DO NOT NEED DISCLOSURE) INSTRUMENT 2016/80.

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 21 October 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 Options 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).

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 Prospectus will be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's registered office by contacting the Company. The Company will also provide copies of other documents on request (see Section 4.6).

The Company will not apply for Official Quotation by ASX for any of the Options offered under this Prospectus.

The Offer is only available to those Eligible Participants who are personally invited to accept the Offer. Applications for Options under the Offer can only be submitted on an original Application Form which accompany this Prospectus. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

The Options offered under this Prospectus should be considered speculative. Eligible Participants and potential investors should be aware that subscribing for Securities 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 future.
- **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 Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. Eligible Participants should consider consulting their professional advisers before deciding whether to apply for Options 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 Securities 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 Options over 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.

This document is important and should be read in its entirety before deciding to participate in the Offers. This does not take into account the investment objectives, financial or taxation, or particular needs of any Eligible Participant. Before making any investment in the Company, each Eligible Participant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Eligible Participant should consult his/her stockbroker, solicitor, accountant or other professional adviser without delay.

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 AEDT 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 & Interim CEO
Mr Doron Eldar - Non Executive Director
Mr Ian Pamensky - Non Executive Director

Company Secretary

Mr Ian Pamensky

Registered Office

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MELBOURNE VIC 3000

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Email: ian@cfo2grow.com.au

Share Registry*

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SYDNEY NSW 2000

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Solicitors

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240 St Georges Terrace
PERTH WA 6000

ASX Code: DTZ

Website: www.dotz.tech

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

TIMETABLE

Event	Date*
Lodgement of Prospectus with ASIC and ASX	21 October 2020
Opening Date of Offer	21 October 2020
Closing Date of Offer	8 January 2021
Anticipated date of issue of Options (not requiring Shareholder approval) ASX announcement confirming issue	30 October 2020
Anticipated date of issue of Options (requiring Shareholder approval) ASX announcement confirming issue	11 December 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, up to a total of:

- (a) 17,950,000 unquoted options to acquire fully paid ordinary shares on the terms and conditions set out in Section 4.2 (**Israeli Options**);
- (b) 4,835,000 unquoted options to acquire fully paid ordinary shares on the terms and conditions set out in Section 4.3 (**Australian Options**), and
- (c) 1,250,000 unquoted options to acquire fully paid ordinary shares on the terms and conditions set out in Section 4.4 (**Former CEO Options**),

for nil cash consideration (**Offer**).

As announced on 26 March 2020 and 31 July 2020, the Company has implemented cost reduction measures to minimise the impact of the COVID-19 pandemic on business operations. These actions included reducing staff, minimising expenses and utilising technology to continue valuable communications with our potential partners and customers. As part of these measures, certain employees and consultants of the Company agreed to accept Plan Options in lieu of certain payments due under their relevant employment, consultancy and services agreements.

Accordingly, a purpose of the Offer is to issue the Plan Options to these employees and consultants in lieu of the payments described above and to also further incentivise the employees and consultants of the Company and to align their interests with those of the Company's Shareholders.

In addition, the Company has agreed to issue to its former CEO, Mr Uzi Breier, the Former CEO Options. This issue of the Former CEO Options is subject to prior shareholder approval to be obtained at a meeting to be held in December 2020.

No funds will be raised under the Offer.

The Offer will only be extended to specific employees and consultants of the Company and the former CEO on invitation of the Directors (**Eligible Participants**). An Application Form will only be provided by the Company to these parties, together with a copy of this Prospectus.

The Israeli Options will be exercisable for the exercise prices per Share stated in Section 4.2(c) and are subject to certain vesting conditions. Further details of the terms and conditions of the Israeli Options are in Section 4.2. The Australian Options will be exercisable for the exercise prices per Share stated in Section 4.3(c) and are subject to certain vesting conditions. Further details of the terms and conditions of the Australian Options are in Section 4.3. The Former CEO Options will be exercisable for the exercise prices per Share stated in Section 4.4 and are subject to certain vesting conditions. Further details of the terms and conditions of the Former CEO Options are in Section 4.4.

Shares issued upon the exercise of Options will be fully paid and will rank equally with the Company's existing Shares on issue as at the date of this Prospectus. Refer to Section 4.1 for a summary of the rights and liabilities attaching to Shares.

1.2 Purpose of the Prospectus

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.

This Prospectus has been issued to facilitate secondary trading of any Shares issued upon exercise of the Options to be issued under the Offer. Issuing the Options under this Prospectus will enable persons who are issued the Options to on-sell the Shares issued on exercise of the Options pursuant to *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80*.

Accordingly, the purpose of this Prospectus is to:

- (a) make the Offer; and
- (b) ensure that the on-sale of any underlying Shares issued upon the exercise of the Options does not breach section 707(3) of the Corporations Act.

1.3 Closing Date

The Closing Date for the Offer is 8 January 2021. 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 Eligible Participants who are invited by the Company to subscribe for Options and is not open to the general public.

Only Eligible Participants will be provided a copy of this Prospectus and a personalised Application Form. Applications must be made using the Application Form attached to this Prospectus.

Completed Application Forms 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 Options on the Application Form accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of the Options 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.

By completing and returning an Application Form, Applicants will be deemed to have represented and warranted on behalf of themselves or each person on whose account they are acting that the law in their place of residence and/or where they have been

given the Prospectus, does not prohibit them from being given the Prospectus and that they:

- (a) agree to be bound by the terms of the Offer;
- (b) declare that all details and statements in the Application Form are complete and accurate;
- (c) declare that they are over 18 years of age and have full legal capacity and power to perform all their rights and obligations under the Application Form;
- (d) authorise the Company and its respective officers or agents, to do anything on their behalf necessary for the Securities to be issued to them, including to act on instructions of the Company's share registry upon using the contact details set out in the Application Form;
- (e) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Securities are suitable for them given their investment objectives, financial situation or particular needs; and
- (f) acknowledge that the Securities have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia.

1.6 Issue and dispatch

Subject to the Corporations Act and the Listing Rules, the Company intends to issue the Options that do not require prior shareholder approval under the Offer on or about 30 October 2020. Security holder statements will be dispatched as soon as possible after the issue of the Options under the Offer.

1.7 ASX quotation

The Company does not intend to apply for quotation of the Plan Options on the ASX.

1.8 Residents outside Australia

(a) General

This Prospectus and any accompanying Application Form do not, and are not intended to, constitute an offer of Securities 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.

(b) Residents in Israel

The Securities have not been registered, and no prospectus will be issued, under the Israeli Securities Law 1968. Accordingly, the Securities will only be offered and sold in Israel pursuant to an applicable private placement exemption namely, the Offer will be made to no more than 35 offerees, subject to certain conditions or to more than 35 offerees subject to prior obtaining of any required approval from the Israel Securities Authority according to any applicable law. This offer document and any activities in

connection with it shall not be deemed to be the provision of investment advice or invest marketing services. If any recipient in Israel of this offer document is not the intended recipient, such recipient should promptly return it to the Company. This offer document has not been reviewed or approved by the Israeli Securities Authority in any way.

1.9 Risk factors

An investment in Securities 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.

1.10 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Plan Options under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Plan Options under this Prospectus.

1.11 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.

1.12 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 Security holders' needs, facilitate distribution payments and corporate communications to Security holders 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.

Security holders 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.

1.13 Enquiries concerning Prospectus

Enquiries relating to this Prospectus should be directed to the Company Secretary by email to ian@cfo2grow.com.au.

2. Risk factors

The Options offered under this Prospectus should be considered speculative because of the nature of the business activities of the Company. Eligible Participants and potential investors should consider whether the Options offered and the underlying Shares 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. The Company believes its currently available cash and resources, together with the \$7.1 million placement (before costs) announced to ASX on 19 October 2020 should be adequate to fund its business activities for approximately 12 months. However, unless the Company is able to generate substantial income from its operations, the Company will require further financing in the future.

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, whilst opening up various new opportunities for the deployment of the Company's technology, 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 Securities offered under this Prospectus. Therefore, the Securities carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Eligible Participants should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for the Options.

3. Effect of the Offer

3.1 Capital structure on completion of the Offer

	Shares ¹	Unquoted Options ²	Performance Shares ³
Balance at the date of this Prospectus	336,680,046	73,357,211	22,000,000
To be issued pursuant to Placement announced to ASX on 19 October 2020 ⁴	28,268,000	5,000,000	-
Israeli Options to be issued under the Offer ⁵	-	17,950,000	-
Australian Options to be issued under the Offer ⁶	-	4,835,000	-
Former CEO Options to be issued under the Offer ⁷		1,250,000	
Issue to V2 Tech ⁸	-	1,500,000	-
Issue to TT Medical ⁹	-	4,000,000	
Balance after the Offer⁴	364,948,046	107,892,211	22,000,000

Notes:

1. Ordinary shares (ASX: DTZ) on issue at 21 October 2020.
2. Unquoted Options currently on issue consist of:
 - (a) 630,000 unquoted Options exercisable at \$0.00 each on or before 1 October 2021.
 - (b) 200,000 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;
 - (c) 2,000,000 unquoted options exercisable at \$0.13 each on or before 15 February 2024, lapsing if the Option holder ceases employment;
 - (d) 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;
 - (e) 5,000,000 unquoted Options exercisable at \$0.10 each and expiring on 19 June 2021 issued to Hunter Capital Advisors Pty Ltd (or its nominees);
 - (f) 10,800,003 unquoted Options exercisable at \$0.085 each on or before 07 May 2021;
 - (g) 5,134,611 unquoted options exercisable at \$0.09 and expire on 29 July 2021. As at date of this Prospectus, notice to exercise 314,517 has been received and will be duly processed;
 - (h) 10,000,000 unquoted options exercisable at \$0.10 and expire on 11 September 2021;
 - (i) 16,983,337 unquoted options exercisable at \$0.09 and expiring on 11 December 2021. As at date of this Prospectus, notice to exercise 925,926 has been received and will be duly processed; and
 - (j) 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;
- (k) The Company has agreed to issue a total of 3,000,000 unquoted options exercisable at A\$0.048 and expiring on 11 May 2023 with 375,000 options to be issued each quarter over 2 years (with the first tranche issued on 11 May 2020).
- (l) 4,629,630 unquoted options exercisable at \$0.09 and expiring on 17 June 2022 issued to SIBF.
- (m) 4,629,630 unquoted options exercisable at \$0.09 and expiring on 10 September 2022 issued to SIBF.
- (n) 1,350,000 unquoted options exercisable at \$0.07 and expiring on 18 May 2022, issued 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 the 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 the 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 the agreement on 18 May 2020.
- (o) 1,000,000 unquoted options split into 2 Tranches to a consultant for work undertaken by the consultant. The options vest as follows:
 - a. Tranche 1 - 500,000 unquoted options - vest on 30 June 2021, exercisable at \$0.12 and expire on 31 December 2022; and
 - b. Tranche 2 - 500,000 unquoted options - vest on 31 December 2021, exercisable at \$0.15 and expire on 31 December 2022.
- 3. 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.
- 4. See ASX announcement and Appendix 3Bs dated 19 October 2020. Excludes 1,240,443 Shares to be issued due to exercise of options noted in items 2 (g) and (i) above.
- 5. The Israeli Options are to be issued on the terms and conditions set out in Section 4.2. .
- 6. The Australian Options are to be issued on the terms and conditions set out in Section 4.3. include the issue of 1,940,000 Australian Options to each of Directors Mr Bernie Brookes and Mr Doron Eldar, and 955,000 to Director Mr Ian Pamensky, subject to Shareholder approval at the Company's next general meeting.
- 7. The Former CEO Options are to be issued on the terms and conditions set out in Section 4.4.
- 8. As announced on 4 August 2020, subject to prior shareholder approval, the Company has agreed to issue 1,500,000 unquoted options as part consideration for distribution services provided by V2 Tech Distributors. The options will have an exercise price of \$0.23 each, will vest on a pro-rata quarterly basis over a 2 year period if performance targets are met, and expire on 4 August 2023.
- 9. As announced on 28 August 2020, subject to prior shareholder approval, the Company has agreed to issue 4,000,000 unquoted options as part consideration for distribution services provided by TT Medical UAE. The options will have an exercise price of \$0.252¹ each, will vest on a pro-rata quarterly basis over a 3 year period if performance targets are met, and expire on 25 November 2023 (3 ¼ Years from the date of the agreement).

¹ 40% premium to the closing Dotz share price on 25 August 2020

3.2 Financial effect of the Offer

There will be no proceeds of the Offer as the Options are being offered for nil cash consideration. The expenses of the Offer will be met from the Company's existing cash reserves. The Offer will have an effect on the Company's financial position of reducing the cash balance by approximately \$9,206. Please refer to Section 4.17 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 4.11).

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 on issue 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 Terms and conditions of Israeli Options

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise.

(b) Plan and consideration

The Options will be granted under the Incentive Option Plan for nil cash consideration. In the event of any inconsistency between the Incentive Option Plan and these terms and conditions, these terms and conditions will apply to the extent of the inconsistency.

(c) Number and Exercise Price

- (i) **Tranche 1:** 6,650,000 unquoted options each with an exercise price of nil (\$0.00) per Share (**Tranche 1 Israeli Options**);
- (ii) **Tranche 2:** 5,650,000 unquoted options each with an exercise price of nil (\$0.00) per Share (**Tranche 2 Israeli Options**); and
- (iii) **Tranche 3:** 5,650,000 unquoted options each with an exercise price of \$0.20 per Share (**Tranche 3 Israeli Options**),

(each of the above exercise prices being an **Exercise Price**).

(d) Expiry Dates

Subject to the Incentive Option Plan and these terms and conditions, the Options will expire on the earlier to occur of the Options lapsing and being forfeited under the Incentive Option Plan or these terms and conditions and 5:00pm (AEST) on:

- (i) **Tranche 1 Israeli Options:** 31 December 2022;
- (ii) **Tranche 2 Israeli Options:** 31 December 2022; and
- (iii) **Tranche 3 Israeli Options:** 31 December 2023,

(each of the above dates being an **Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(e) Vesting and Vesting Dates

Subject to these terms and conditions:

- (i) the Tranche 1 Israeli Options will vest on 30 June 2021 provided that the Option holder is an employee or consultant of the Company at all times during the period from the date of issue and ending on the Vesting Date;
- (ii) the Tranche 2 Israeli Options will vest on 31 December 2021 provided that the Option holder is an employee or consultant of the Company at all times during the period from the date of issue and ending on the Vesting Date; and
- (iii) the Tranche 3 Israeli Options will vest on 31 December 2022 provided that the Option holder is an employee or consultant of the Company

at all times during the period from the date of issue and ending on the Vesting Date; and

(each of the above dates being a **Vesting Date**).

(f) **Exercise Period**

Each vested Option is exercisable at any time and from time to time on and prior to the Expiry Date (**Exercise Period**).

(g) **Exercise of Options**

Subject to these terms and conditions and the Incentive Option Plan, an Option holder may exercise their Options by lodging with the Company a written notice of exercise of Options (in the form set out in the Incentive Option Plan) specifying the number of Options being exercised (**Exercise Notice**). The Option holder may only exercise Options in multiples of 100,000 Options unless the Option holder exercises all Options held by the Option holder.

(h) **Issue of Shares**

Subject to the Corporations Act, the Listing Rules, the Incentive Option Plan and these terms and conditions, within 10 Business Days of delivery of an Exercise Notice, the Company will issue the Shares pursuant to the exercise of the Options together with any additional Shares an entitlement to which has arisen under the Incentive Option Plan in consequence of the exercise of the Options.

(i) **Quotation**

- (i) The Company will not apply for quotation of the Options on the ASX.
- (ii) If admitted to the Official List at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options in accordance with the Listing Rules.

(j) **Ranking of Shares**

All Shares allotted upon the exercise of Options will upon allotment rank *pari passu* in all respects with other Shares.

(k) **Transfer**

The Options are only transferrable in special circumstances as set out in the Incentive Option Plan.

(l) **Dividend and voting rights**

The Options do not confer on the holder an entitlement to vote at general meetings of the Company or to receive dividends.

(m) **Participation rights**

- (i) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

- (ii) An Option does not confer the right to a change in Exercise Price or in the number of underlying Shares over which the Option can be exercised.
- (iii) The Company will ensure that, for the purposes of determining entitlements to any such issue, the record date will be the minimum period required by the Listing Rules after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(n) **Adjustments for reorganisation**

If at any time the capital of the Company is reorganised (including consolidation, subdivision, reduction or return), the terms of the Options will be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reorganisation. Whenever the number of Shares to be issued on exercise of an Option or the Exercise Price is adjusted pursuant to these terms and conditions, the Company will give notice of the adjustment to the Option holder and ASX together with calculations on which the adjustment is based.

(o) **Israeli Participant**

The Options granted to participants who are residents of the Israel or those who are deemed to be residents of Israel for tax purposes shall be subject to the terms and provisions set out in the Israeli Sub-Plan to the Incentive Option Plan.

4.3 **Terms and conditions of Australian Options**

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise.

(b) **Plan and consideration**

The Options will be granted under the Incentive Option Plan for nil cash consideration. In the event of any inconsistency between the Incentive Option Plan and these terms and conditions, these terms and conditions will apply to the extent of the inconsistency.

(c) **Number and Exercise Price**

- (i) **Tranche 1:** 1,085,000 unquoted options each with an exercise price of \$0.07 per Share (**Tranche 1 Australian Options**);
- (ii) **Tranche 2:** 1,250,000 unquoted options each with an exercise price of \$0.12 per Share (**Tranche 2 Australian Options**);
- (iii) **Tranche 3:** 1,250,000 unquoted options each with an exercise price of \$0.12 per Share (**Tranche 3 Australian Options**); and
- (iv) **Tranche 4:** 1,250,000 unquoted options each with an exercise price of \$0.20 per Share (**Tranche 4 Australian Options**);

(each of the above exercise prices being an **Exercise Price**).

(d) **Expiry Dates**

Subject to the Incentive Option Plan and these terms and conditions, the Options will expire on the earlier to occur of the Options lapsing and being forfeited under the Incentive Option Plan or these terms and conditions and 5:00pm (AEST) on:

- (i) **Tranche 1 Australian Options:** 31 December 2022;
- (ii) **Tranche 2 Australian Options:** 31 December 2022;
- (iii) **Tranche 3 Australian Options:** 31 December 2022; and
- (iv) **Tranche 4 Australian Options:** 31 December 2023,

(each of the above dates being an **Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(e) **Vesting and Vesting Dates**

Subject to these terms and conditions:

- (i) the Tranche 1 Australian Options will vest on the date of issue;
- (ii) the Tranche 2 Australian Options will vest on 30 June 2021 provided that the Option holder is an employee or consultant of the Company at all times during the period from the date of issue and ending on the Vesting Date;
- (iii) the Tranche 3 Australian Options will vest on 30 June 2021 provided that the Option holder is an employee or consultant of the Company at all times during the period from the date of issue and ending on the Vesting Date; and
- (iv) the Tranche 4 Australian Options will vest on 31 December 2022 provided that the Option holder is an employee or consultant of the Company at all times during the period from the date of issue and ending on the Vesting Date; and

(each of the above dates being a **Vesting Date**).

(f) **Exercise Period**

Each vested Option is exercisable at any time and from time to time on and prior to the Expiry Date (**Exercise Period**).

(g) **Exercise of Options**

Subject to these terms and conditions and the Incentive Option Plan, an Option holder may exercise their Options by lodging with the Company a written notice of exercise of Options (in the form set out in the Incentive Option Plan) specifying the number of Options being exercised (**Exercise Notice**). The Option holder may only exercise Options in multiples of 100,000 Options unless the Option holder exercises all Options held by the Option holder.

(h) Issue of Shares

Subject to the Corporations Act, the Listing Rules, the Incentive Option Plan and these terms and conditions, within 10 Business Days of delivery of an Exercise Notice, the Company will issue the Shares pursuant to the exercise of the Options together with any additional Shares an entitlement to which has arisen under the Incentive Option Plan in consequence of the exercise of the Options.

(i) Quotation

- (i) The Company will not apply for quotation of the Options on the ASX.
- (ii) If admitted to the Official List at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options in accordance with the Listing Rules.

(j) Ranking of Shares

All Shares allotted upon the exercise of Options will upon allotment rank *pari passu* in all respects with other Shares.

(k) Transfer

The Options are only transferrable in special circumstances as set out in the Incentive Option Plan.

(l) Dividend and voting rights

The Options do not confer on the holder an entitlement to vote at general meetings of the Company or to receive dividends.

(m) Participation rights

- (i) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (ii) An Option does not confer the right to a change in Exercise Price or in the number of underlying Shares over which the Option can be exercised.
- (iii) The Company will ensure that, for the purposes of determining entitlements to any such issue, the record date will be the minimum period required by the Listing Rules after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(n) Adjustments for reorganisation

If at any time the capital of the Company is reorganised (including consolidation, subdivision, reduction or return), the terms of the Options will be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reorganisation. Whenever the number of Shares to be issued on exercise of an Option or the Exercise Price is adjusted pursuant to

these terms and conditions, the Company will give notice of the adjustment to the Option holder and ASX together with calculations on which the adjustment is based.

4.4 Terms and conditions of Former CEO Options

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise.

(b) Consideration

The Options will be granted to the Former CEO for nil cash consideration.

(c) Number and Exercise Price

(i) **Tranche 1:** 500,000 unquoted options each with an exercise price of nil (\$0.00) per Share (**Tranche 1 Former CEO Options**);

(ii) **Tranche 2:** 750,000 unquoted options each with an exercise price of nil (\$0.00) per Share (**Tranche 2 Former CEO Options**);

(each of the above exercise prices being an **Exercise Price**).

(d) Expiry Dates

The Options will expire at 5:00pm (AEDT) on:

(i) **Tranche 1 Former CEO Options:** 31 December 2022; and

(ii) **Tranche 2 Former Options:** 31 December 2022,

(each of the above dates being an **Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(e) Vesting and Vesting Dates

Subject to these terms and conditions:

(i) the Tranche 1 Former CEO Options will vest on the date of issue, but are subject to voluntary escrow until 25 March 2021;

(ii) the Tranche 2 Former CEO Options will vest by no later than 30 August 2021, provided that at least US\$1 million has been received in accordance with the Company's contract with Breathe Medical;

(each of the above dates being a **Vesting Date**).

(f) Exercise Period

Each vested Option is exercisable at any time and from time to time on and prior to the Expiry Date (**Exercise Period**).

(g) Exercise of Options

Subject to these terms and conditions, an Option holder may exercise their Options by lodging with the Company a written notice of exercise of Options specifying the number of Options being exercised (**Exercise Notice**). The

Option holder may only exercise Options in multiples of 100,000 Options unless the Option holder exercises all Options held by the Option holder.

(h) Issue of Shares

Subject to the Corporations Act, the Listing Rules, and these terms and conditions, within 10 Business Days of delivery of an Exercise Notice, the Company will issue the Shares pursuant to the exercise of the Options.

(i) Quotation

- (i) The Company will not apply for quotation of the Options on the ASX.
- (ii) If admitted to the Official List at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options in accordance with the Listing Rules.

(j) Ranking of Shares

All Shares allotted upon the exercise of Options will upon allotment rank *pari passu* in all respects with other Shares.

(k) Transfer

The Options are only transferrable with the consent of the Board.

(l) Dividend and voting rights

The Options do not confer on the holder an entitlement to vote at general meetings of the Company or to receive dividends.

(m) Participation rights

- (i) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (ii) An Option does not confer the right to a change in Exercise Price or in the number of underlying Shares over which the Option can be exercised.
- (iii) The Company will ensure that, for the purposes of determining entitlements to any such issue, the record date will be the minimum period required by the Listing Rules after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(n) Adjustments for reorganisation

If at any time the capital of the Company is reorganised (including consolidation, subdivision, reduction or return), the terms of the Options will be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reorganisation. Whenever the number of Shares to be issued on exercise of an Option or the Exercise Price is adjusted pursuant to these terms and conditions, the Company will give notice of the adjustment

to the Option holder and ASX together with calculations on which the adjustment is based.

4.5 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 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 4.6 below).

4.6 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 2020 as lodged with ASX on 31 August 2020; 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
19/10/2020	Proposed issue of securities
19/10/2020	Proposed issue of securities
19/10/2020	Proposed issue of securities
19/10/2020	Dotz secures A\$7.1 million to accelerate growth momentum
19/10/2020	Dotz receives new UEG order for medical gown authentication
15/10/2020	Trading halt
15/10/2020	DTZ presentation at TechOpps virtual investment conference
08/10/2020	Cleansing Statement and Appendix 2A
07/10/2020	Dotz to present at TechOpps virtual investment conference

Date Lodged	Subject of Announcement
25/09/2020	Cleansing Statement and Appendix 2A
25/09/2020	Initial director's interest notice - IP
25/09/2020	Final director's interest notice - UB
25/09/2020	Leadership Changes
15/09/2020	Dotz largest shareholder SIBF commits further growth funding
11/09/2020	Change in substantial holding
10/09/2020	Proposed issue of securities
10/09/2020	Cleansing Statement and Appendix 2A
08/09/2020	Reinstatement to Official Quotation
08/09/2020	Dotz Signs PPE Authentication Agreement in USA and Canada
04/09/2020	Voluntary Suspension
03/09/2020	Cleansing Statement and Appendix 2A
02/09/2020	Trading Halt
31/08/2020	Half-Year Update Presentation - June 2020
31/08/2020	Half-Year Update - June 2020
31/08/2020	Appendix 4D & Half-Year Financial Statements
28/08/2020	DTZ Signs Significant Agreement for Face Mask Authentication
26/08/2020	Trading Halt
20/08/2020	Proposed issue of securities
20/08/2020	Cleansing Statement and Appendix 2A
4/08/2020	Dotz signs A\$528K agreement to authenticate face masks
3/08/2020	Cancellation of Unquoted Options
31/07/2020	Quarterly Report & Appendix 4C Cashflow Report - 30 June 2020
28/07/20	Cleansing Statement and Appendix 2A
22/07/20	Cleansing Statement and Appendix 2A
21/07/20	Response to ASX Price Query
21/07/20	Pause in trading

Date Lodged	Subject of Announcement
17/07/20	Change of Director's Interest Notice - BB
10/07/20	Cleansing Statement and Appendix 2A
09/07/20	Change of Director's Interest Notice - BB
30/06/20	Cancellation of Unquoted Options
24/06/20	Change in substantial holding
22/06/20	Notification of cancellation of shares
18/06/20	Proposed issue of Securities - DTZ
18/06/20	Cancel Unquoted Options and Appendix 2A
18/06/20	Proposed issue of Securities - DTZ
18/06/20	Proposed issue of Securities - DTZ
18/06/20	Proposed issue of Securities - DTZ
18/06/20	Cleansing Prospectus
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
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:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 4.18 and the consents provided by the Directors to the issue of this Prospectus.

4.7 Information excluded from continuous disclosure notices

The Company is in advanced negotiations with respect to the application of its technology for a number of use-cases and products, and in respect of potential acquisitions where its technology may be used. As at the date of this Prospectus, it is unknown whether any binding agreement will materialise from these discussions. The Company will update the market in accordance with its continuous disclosure obligations if any such agreement is executed.

Besides the information disclosed above, 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.

4.8 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 Securities under this Prospectus.

4.9 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: \$0.31 per Share on 29 and 30 September 2020.

Lowest: \$0.14 per Share on 22 and 23 July 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 \$0.29 per Share on 20 October 2020.

4.10 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.

4.11 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 %
Silversea Asset Management Pte Ltd ¹	29,302,538	8.70
Southern Israel Bridging Funds (SIBF) ²	58,333,334	17.33
Mr Ariel Malik ³	19,268,894	5.72

Notes:

1. Shares held by CitiCorp Nominees Pty Ltd.
2. Details as per Notice of Change in substantial holder lodged with the ASX on 11 September 2020.
3. Details as per Notice of Initial substantial holder lodged with the ASX on 13 January 2020.

4.12 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 Securities offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Securities 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 Securities offered under this Prospectus.

4.13 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	625,000	0.17%	Nil	Nil
Ian Pamensky	Nil	Nil	Nil	Nil
Doron Eldar	277,778	0.08%	92,593 ¹	Nil

Notes:

1. 92,593 unquoted Options exercisable at \$0.09 and expiring on 11 December 2021.

4.14 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 (comprised solely of short term salary, fees and commissions) for the financial year ended 31 December 2019:

Directors	Short Term Salary, Fees and Commission (US\$)	Other US(\$) ¹	Share-based payments (US\$)	Total (US\$)
Uzi Breier ²	237,470	25,507	197,185	460,162
Dr Volker Mirgel ³	100,000	25,000	34,593	159,593
John Bullwinkel ⁴	34,765	Nil	Nil	34,765
Ashley Krongold ⁸	34,768	Nil	Nil	34,768
Bernie Brookes AO ⁷	Nil	Nil	Nil	Nil
Doron Eldar ⁶	Nil	Nil	Nil	Nil
Steve Bajic ⁵	1,414	Nil	Nil	1,414
Ian Pamensky ⁹	Nil	Nil	Nil	Nil

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.
- Resigned 25 September 2020.
- Resigned as Director and Chairman on 1 December 2019.
- Resigned as a Director on 23 March 2020.
- Mr Bajic resigned as a Director on 16 January 2019.
- 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 \$50,000 per annum (inclusive of superannuation) for services provided to the Company as Non-Executive Director.
- 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 \$120,000 per annum (inclusive of superannuation) for services provided to the Company as Non-Executive Director and Chairman. From 25 September 2020, Mr Brookes will receive an additional \$5,000 per month for 8 months to act as Interim CEO.
- Mr Krongold resigned as a Director on 23 March 2020.
- Appointed as a director 25 September 2020.

No amounts have been recognised for long service leave.

4.15 Related party transactions

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

4.16 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.

HWL Ebsworth will be paid approximately \$6,000 (plus GST) in fees for legal services in connection with the Offer.

4.17 Expenses of Offer

Estimated expenses of the Offer	A\$
ASIC lodgement fee	3,206
Legal and preparation expenses	6,000
TOTAL	9,206

4.18 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Securities under this Prospectus), the Directors, any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

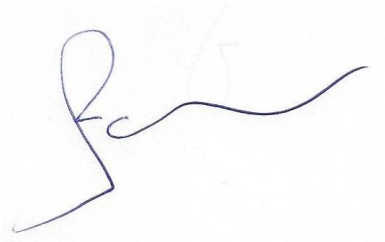
- (a) has not authorised or caused the issue of this Prospectus or the making of the Offer;
- (b) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (c) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

HWL Ebsworth has given its written consent to being named as the solicitors to the Company in this Prospectus. HWL Ebsworth has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

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:



Ian Pamensky
Director
Dotz Nano Limited

Dated: 21 October 2020

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 Saving Time, being the time in Melbourne, Victoria.

Annual Report has the meaning given in Section 1.11.

Applicant means a person who submits an Application Form.

Application means a valid application for Options made on an Application Form.

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

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.

Australian Options means the Options to be issued to Eligible Participants under the Offer on the terms and conditions in Section 4.3.

Board means the Directors meeting as a board.

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.

Eligible Participant means any full time or part time employee, director or consultant of the Company who is declared by the Board to be eligible to receive grants of Plan Options.

Israeli Options means the Options to be issued to Eligible Participants under the Offer on the terms and conditions in Section 4.2.

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 of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

Offer means the offer of Options under this Prospectus detailed in Section 1.1.

Official List means the official list of ASX.

Official Quotation means quotation of Securities on the Official List.

Option means an option to acquire a Share.

Plan or Incentive Option Plan means the Company's Incentive Option Plan adopted by Shareholders at the annual general meeting held on 2 September 2016 and renewed at a general meeting of Shareholders on 2 March 2020.

Plan Options means, collectively, the Israeli Options and the Australian Options.

Prospectus means this prospectus dated 21 October 2020.

Section means a section of this Prospectus.

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

Shareholder means a holder of Shares.

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

US\$ means United States dollars.