

**Retraction and clarification of statements**

**Dotz Nano Limited (ASX:DTZ, the “Company” or “Dotz”)**, an advanced technology company developing, manufacturing and commercialising marking, tracing and verification solutions, confirms that on Friday, 4 December 2020 its Chairman and Interim CEO Mr Bernie Brookes AM participated in a webinar presentation in relation to the Company hosted by Spark PE with a small number of overseas investors (**Webinar**).

During the Webinar, Mr Brookes made certain statements relating to the position of the Company and its operations based on either the information provided to him by the management and technical teams in the weeks prior to the Webinar or his understanding of such information. Due to a breakdown in the Company’s internal communication processes, some of the statements made did not accurately reflect the position as at the time of the Webinar. To ensure the market is fully informed, ASX has asked Dotz to retract and/or clarify the following statements made by Mr Brookes during the Webinar.

Statement(s)	Retraction/Clarification
<p>An application for a CE mark and FDA approval in relation to the Dotz Test Kits has been made by the Company.</p>	<p>Submission of the CE mark application was delayed until 17 December 2020 and authorisation to use the CE mark for its Rapid SARS-CoV-2 Diagnostic kit (<b>Dotz Test Kit</b>) was received on 25 January 2021.</p> <p>The Company has yet to submit its application for an Emergency Use Authorisation from the FDA of the Dotz Test Kits but expects that this will occur by the end of March 2021 once certain clinical trials are completed with Excelya in Greece.</p> <p>Accordingly, at the time of the Webinar, the applications for a CE mark and FDA approval had not been submitted by the Company.</p> <p>See the Company’s business and trading announcement which was released earlier today (<b>Company Update</b>) for further details in respect of the grant of the CE mark for the Dotz Test Kit and the FDA Application.</p>
<p>The CE mark and FDA approvals were going to take only 10 days because the Company understands that it will be approved fairly quickly.</p>	<p>The CE mark approval process took longer than the expected 10 days (as noted above).</p> <p>The Company now anticipates that its application for an Emergency Use Authorisation from the FDA will also take longer than 10 days once submitted (but at this time the Company is unable to provide an estimated timeframe).</p>
<p>The Dotz Test Kit is being trialled with the Sheba Medical Group in Israel, Turkey and the Middle East.</p>	<p>The Dotz Test Kits were only being trialled with Sheba Medica Centre in Israel (and not in Turkey or elsewhere in the Middle East) at the time of the Webinar. However, these clinical trials could not be progressed as Sheba Medica Centre was unable to deliver confirmed SARS-CoV-2 patients for the Company’s clinical testing due to a decrease in confirmed SARS-CoV-2 patients in Israel.</p> <p>Given the above, the Company has since engaged Excelya in Greece to facilitate clinical testing on confirmed SARS-CoV-2 patients.</p>
<p>The Company’s COVID-19 virus detection technology had a 99% success rate and 99% accuracy rate.</p>	<p>The Dotz Test Kit has the following features:</p> <ul style="list-style-type: none"> <li>• 100% True Positive Rates for viral loads of 2,500 copies per mL;</li> <li>• the limit of detection for the Dotz Test Kit is 2500 copies per mL when using 1mL of input sample. The True Positive Rates at other limits at other copy numbers are as follows:</li> </ul>

	Virus	Material	Copy Number per mL	True Positive Rate
	2019 Novel Coronavirus	Chemically-inactivated SARS-Cov-2 in VITM	2,500	100%
			1,250	86%
			625	81%
	N/A	Nuclease-Free Water	0	0%
	<ul style="list-style-type: none"> <li>100% specificity, following a negative cross-reactivity results for a range of other viruses.</li> </ul> The Company Update provides further details in respect of the Dotz Test Kit.			
<p>The Dotz Test Kits can test over 700 simultaneous samples in about 17 minutes.</p>	<p>The Dotz Test Kits can test over 700 simultaneous samples if two heating blocks are used, but if only one heating block is used then Dotz Test Kit's capability is reduced to 378 simultaneous samples (other materials including a viral RNA extraction kit are required for testing but not included in the Dotz Test Kit).</p> <p>Test results from the Dotz Test Kit, when using two heating blocks, are received within 15-17 minutes.</p>			
<p>The Dotz Test Kit is a saliva test that simply scrapes the tongue.</p>	<p>While the Dotz Test Kit has been created and tested for use with both nasopharyngeal swab and saliva samples, after the Webinar it was determined to only seek CE mark authorisation for nasopharyngeal swab samples, as this is the standard method of sample collection in the European Union and most other parts of the world.</p> <p>The Company intends to make a secondary CE submission for the Dotz Test Kit in respect of saliva samples, which is expected to occur by 15 March 2021.</p>			
<p>The Dotz Test Kits had been developed in conjunction with a company in South America that specialises in DNA.</p>	<p>Mr Brookes was referring to FullDNA Diagnósticos Médicos Ltda (<b>FullDNA</b>), who was to be engaged by the Company to assist with results analysis (see the Company's announcement dated 21 July 2020 in relation to the letter of intent with FullDNA).</p> <p>Whilst FullDNA did assist the Company in the preliminary stages, due to certain required changes in the development of the Dotz Test Kits, the Company did not formally engage FullDNA, and the relationship between the parties ceased on or about August 2020.</p>			
<p>The Company has also been involved with Washington University and a number of other businesses in relation to the Dotz Test Kit.</p>	<p>The Company has not been party to any agreement with the University of Washington or any other institutions / businesses, except as disclosed in the Company Update, in relation to the Dotz Test Kits. The Company's involvement with the University of Washington was indirect, through its arrangements with FullDNA (which had ceased at the time of the Webinar).</p>			
<p>The Company had lined up three manufacturing facilities for the Dotz Test Kit, with the first in the United States, the second in Canada, and the third in Vietnam.</p>	<p>Whilst, at the time of the Webinar, the Company had not entered into any formal arrangements with any manufacturers it was in discussions with various parties.</p> <p>The Company entered into a services agreement for manufacturing and regulatory consultancy with US-based manufacturer Systaaq Diagnostic Products (<b>Systaaq</b>) on 13 December 2020 as a requirement for the CE mark application.</p> <p>The Company is currently negotiating a manufacturing agreement for the Dotz Test Kits with Systaaq and is engaged in confidential negotiations with additional manufacturers based in Canada and Asia.</p> <p>As at the date of this announcement, the Company has not entered into any binding agreements with those manufacturers or any other manufacturers.</p> <p>See the Manufacturing section of the Company Update for further information.</p>			
<p>That there are already a number of countries lined up to take the Dotz Test Kit.</p> <p>That, at this stage, there are a large number of international</p>	<p>The Company had not entered into any binding agreements for the sale of the Dotz Test Kits at the time of the Webinar.</p> <p>However, the Company had held confidential preliminary discussions and negotiations with counterparties for the supply of its Dotz Test Kits, including preliminary verbal discussions in September and October 2020 with representatives of three governments (two of which were in Africa) in which the</p>			

<p>governments that are quite interested in taking the Dotz Test Kit.</p>	<p>representatives expressed an interest in obtaining the Dotz Test Kit subject to the test kits receiving all regulatory approvals.</p> <p>As at the date of this announcement, the Company has not entered into any binding agreements for the sale of the Dotz Test Kits.</p> <p>See the Business Development section of the Company Update for further information.</p>
<p>The Company expects to receive significant orders for its Dotz Test Kits.</p>	<p>Assuming the Company obtains all necessary regulatory approvals for its Dotz Test Kit (whether the approved Dotz Test Kit is based on nasopharyngeal swab or saliva samples), the Company anticipates there will be significant demand for either Dotz Test Kit based on test results achieved to date and its engagement with prospective customers.</p> <p>See the Business Development section of the Company Update for further information.</p>
<p>That the Company is expecting governments to order multi-millions of the Dotz Test Kits.</p> <p>That a government could take a couple of hundred million of the Dotz Test Kits.</p>	<p>At the time of the Webinar, it was the expectation of the Company that there would be significant demand for its Dotz Test Kits, however the Company had not entered into any binding agreements for the sale of the Dotz Test Kits or received any orders from any government for the sale of the Dotz Test Kits.</p> <p>The Company continues to expect that there will be significant demand for its Dotz Test Kits based on test results achieved to date and its engagement with prospective customers (assuming the Company obtains all necessary regulatory approvals for its Dotz Test Kit, whether the approved Dotz Test Kit is based on nasopharyngeal swab or saliva samples), however the Company cannot predict whether governments will order the Dotz Test Kit or the likely scale of any orders the Company might receive.</p> <p>As at the date of this announcement, the Company has not entered into any binding agreements for the sale of the Dotz Test Kits or received any orders from any government for the sale of the Dotz Test Kits.</p>
<p>The Dotz Test Kits can be manufactured at a cost of \$2 and retail for \$5 to \$6.</p> <p>The profit margins for the Dotz Test Kit would be 60%-70%.</p>	<p>The Company estimates that its Dotz Test Kits will retail for approximately US\$5 to US\$6. This is based on discussions with potential buyers in various regions, the price of similar and alternative products and the estimated production costs per unit based on the Company's discussions with Systaaq and other manufacturers, which is expected to be below US\$2.</p> <p>The Company estimates that its Dotz Test Kits will deliver an anticipated gross profit margin of between 60-70% assuming that its Dotz Test Kits retail for approximately US\$5 to US\$6 (as per the above and subject to mass production).</p> <p>See the Pricing and budgeted revenue section of the Company Update for further information and the factors that may effect the Company's revenue (if any).</p>
<p>Caerus Therapeutics Inc. (<b>Caerus</b>) will be paid an honorarium for any services or a fee per product sold provided to the Company.</p>	<p>At the time of the Webinar, the final compensation arrangements had yet to be formally agreed with Caerus.</p> <p>The only compensation arrangements to be paid by the Company to Caerus are set out in the updated services agreement.</p> <p>See the Company Update for a summary of the updated services agreement.</p>
<p>A deal had been struck with Zohar Dalia Co-operative Agricultural Association and the Company would announce the deal prior to Christmas.</p>	<p>As previously disclosed to the market, the Company entered into a pilot agreement with Zohar Dalia Co-operative Agricultural Association, and since completing the pilot study the parties have had continuing discussions as to the possibility of entering into an agreement for the on-going supply of the Company's Validotz™ markers.</p> <p>The Company had not entered into a definitive agreement with Zohar Dalia Co-Operative Agricultural Association at the time of the Webinar.</p> <p>As at the date of this announcement, the parties have not yet entered a definitive agreement but the Company will keep the market informed to the extent required in accordance with its continuous disclosure obligations.</p>



-ENDS-

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

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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: bio-imaging, liquids tagging, lubricants and DEF authentication, polymers tagging, anti-counterfeiting, brand & reputation protection and oil & gas industry.

To learn more about Dotz, please visit the website and corporate video via the following link [www.dotz.tech](http://www.dotz.tech)

**Forward-Looking Statements**

This announcement contains or may contain forward-looking statements that are based on the Company's beliefs, assumptions, and expectations and on information currently available to the Company. Forward-looking statements involve known and unknown risks, uncertainties, contingencies and other factors, many of which are beyond the Company's control (including but not limited to the COVID-19 pandemic), subject to change without notice and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct.

All statements that address operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements, including without limitation our expectations with respect to our ability to commercialise our products including our estimates of potential revenues, costs, profitability and financial performance; our ability to develop and commercialise new products; our expectations with respect to our clinical trials, including enrolment in or completion of our clinical trials and our associated regulatory submissions and approvals; our expectations with respect to the integrity or capabilities of our intellectual property position.

You should not place undue reliance on forward-looking statements because they speak only as of the date when made. Given the current uncertainties regarding the impact of the COVID-19 on the trading conditions impacting the Company, the financial markets and anti-counterfeiting, authentication and tracing solutions services world-wide, investors are cautioned not to place undue reliance on the current trading outlook.

The Company may not actually achieve the plans, projections or expectations disclosed in forward-looking statements, and actual results, developments or events could differ materially from those disclosed in the forward-looking statements.