



5 August 2021

ASX and MEDIA RELEASE

Dotz to commence legal proceedings against Breathe Medical

Dotz Nano Limited (ASX:DTZ) (the “**Company**”) provides the following update in relation to its purchase agreement with Breathe Medical Manufacturing Ltd (“**Breath Medical**”), initially announced to the ASX on 8 September 2020 (the “**Breathe Medical Agreement**”).

As previously disclosed by the Company, Breathe Medical has been unable to satisfy its obligations under the Breathe Medical Agreement as a result of various personnel, manufacturing and other issues at Breathe Medical, and the Company had reserved its rights under the Breathe Medical Agreement and was attempting to find an amicable solution. In addition, Breathe Medical has not fulfilled its first quarter obligations under the Breathe Medical Agreement.

As at the date of this announcement, the Company has not been able to agree an amended arrangement with Breathe Medical or find an amicable solution. Accordingly, the Company engaged New York based lawyers, and is formally referring the matter to binding arbitration in accordance with the Breathe Medical Agreement. The binding arbitration is expected to occur in New York and is expected to take between 9-12 months (although the Company cautions that this time period is uncertain and may be longer).

Under the Breathe Medical Agreement, it was agreed that the Company would supply its ‘Secured by Dotz’ authentication solution for face masks in the USA and Canadian markets, and enable implementation of its authentication solution at Breathe Medical’s manufacturing facilities. During the initial three-year period of the Breathe Medical Agreement, the total minimum order amount was US\$13 million, and to maintain exclusivity a total minimum amount of US\$24.6 million.

The Company is seeking an award for amounts due under the Breathe Medical Agreement (including the enforcement of minimum purchase requirements). The Company cautions that there is no certainty that this outcome, or another satisfactory outcome, will be achieved. The Company will keep shareholders apprised of any material developments regarding this matter.

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

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For further information, please contact:

Investors:

Eric Kuret

Market Eye

E: eric.kuret@marketeye.com.au

P: +61 3 9591 8904

Media:

Tristan Everett

Market Eye

E: tristan.everett@marketeye.com.au

P: +61 403 789 096

About Dotz Nano Limited

Dotz Nano Limited (ASX: DTZ) is a technology leader in research, production and marketing of anti-counterfeiting, authentication and tracing solutions.

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