

Dotz secures \$5.15 million investment to accelerate R&D, marketing and development of Theracell Labs Project

Highlights:

- **\$5.15 million investment by New York-based Lind Partners, an institutional fund manager**
- **Funds raised to be used to accelerate development of Theracell Labs Project, Oil & Gas solutions, and develop other commercial partnerships in DOTZ verticals**

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 it has executed an agreement with Lind Global Fund II, LP, a fund managed by The Lind Partners (together, **Lind**), for an investment of \$5.15 million (**Funding Agreement**).

The \$5.15 million investment by Lind is via a pre-payment for a placement of ordinary full paid shares and 7,118,644 unlisted 4-year options with an exercise price of 47.5 cents.

The funding commitment will be made by way of a share placement, the proceeds of which will be used to:

- accelerate projects associated with the recent commercial agreement with Theracell Labs Ltd, specialising in development of cell and gene therapy devices, treatments and processing systems;
- scale up the commercialisation of Dotz solutions in the Oil & Gas sector;
- support further R&D;
- expand marketing activities; and
- build additional commercially viable partnerships in Dotz verticals.

Dotz Chairman, Bernie Brookes AM, said "Dotz has substantial visible commercial opportunities ahead. To best position the Company in the near-term so that it can execute on those opportunities, the placement to Lind provides us with the runway needed to deliver on the TheraCell Labs agreement ([Refer ASX Announcement: 12 April 2022](#)) and other growth opportunities.

We believe the most rapid way of delivering on the potential we see for Dotz is via strategic partnerships. With this funding we will be able to build more commercially viable partnerships across authentication, bio-medical and bio-processing, that will underpin long term growth in shareholder value.

Our new and experienced management team has put in place a refreshed structure, process and procedures to direct the growth opportunities that exist. As a result we have shifted our focus to product, commercialisation and sales with advanced negotiations underway with multiple potential customers."



Jeff Easton, Lind Partners Founder, commented "We have been impressed by Dotz' innovative technology and are very pleased to be making this investment to expand its ties with leading industry players and build channels for future growth."

Key terms of the Funding Agreement are summarised in the attached Appendix.

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

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About The Lind Partners

The Lind Partners manages institutional funds that are leaders in providing growth capital to small- and mid-cap companies publicly traded in the US, Canada, Australia and the UK. Lind's funds make direct investments ranging from US\$1 to US\$30 million, invest in syndicated equity offerings and selectively buy on market. Having completed more than 100 direct investments totaling over US\$1 Billion in transaction value, Lind's funds have been flexible and supportive capital partners to investee companies since 2011. For more information, please visit www.thelindpartners.com

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



Appendix: Summary of key terms of the Funding Agreement

- **Overview:** Lind will pre-pay \$5,150,000 within five business days (**Advance Payment**) subject to satisfaction of customary conditions precedent (including confirmation by the Company that it has performed or complied in all material respects with all obligations required to be performed or complied with under the Funding Agreement), in return for the Options and a credit amount worth \$5,650,000 (**Advance Payment Credit**), which may be used to subscribe to shares during the Term (**Placement Shares**).
- **Commitment Fee paid to Lind:** A fee of \$150,000 is payable to Lind, and will be deducted from the Advance Payment.
- **Initial Shares:** On receipt of the Advance Payment, the Company will issue to Lind 5,500,000 shares (which may be applied towards satisfying the Company's subscription obligations under the Funding Agreement). If at the expiration of the Term there are still Initial Shares that have not been applied towards subscription, then Lind will pay the Company for those shares based on a formula set out in the Funding Agreement.
- **Options:** On receipt of the Advance Payment, the Company will issue to Lind 7,118,644 options, with an exercise price of \$0.475 per share, which expire 48 months after the date of issue.
- **Purchase Price of Placement Shares:** Placement Shares may be issued at two different prices, being:
 - \$0.45 per share (**Fixed Subscription Price**); or
 - 90% of the average of the five lowest daily VWAPs during the 20 days the Company's shares trade on the ASX prior to the date on which the price is to be determined, rounded down to the lowest 0.01 (**Variable Subscription Price**).
- **Purchase of Placement Shares:** Lind can subscribe for Placement Shares during the Term at:
 - Until 28 February 2023, the Fixed Subscription Price;
 - From 1 March 2023 until 31 August 2023, the Fixed Subscription Price or the Variable Subscription Price, however Lind may only subscribe for shares at the Variable Subscription Price up to a maximum amount of \$300,000 during this period; and
 - From 1 September 2023 until 31 August 2024; the lesser of the Fixed Subscription Price and the Variable Subscription Price.
- **Unused Advance Payment Credit:** The Advance Payment Credit (initially \$5,650,000) will be depleted by the value of shares subscribed for by Lind during the Term.
- **Term:** 24 months after the Advance Payment Date, subject to Lind's right to extend for 6 months.
- **Company's Option to Pay in Cash:** following a subscription request by Lind, the Company has the right to pay an amount to Lind instead of issuing shares, with this amount being the amount of shares applied for multiplied by the daily VWAP on the trading day immediately prior to the subscription request.
- **Company Buy-Back Right:** the Company may elect to repay the entire Unused Advance Payment Credit at any time by providing notice to Lind. If the Company does so, Lind has the right to apply to subscribe to shares to the aggregate value of one-third of the Unused

Advanced Payment Credit, at either the Fixed Subscription Price or the Variable Subscription Price.

- **Other Terms:** the agreement contains customary investor protections such as negative covenants and representations and warranties.
- **Shares Issued at Maturity:** If any amount of the Advance Payment Credit is unused at the end of the Term, the Company will issue shares to Lind to the extent that no amount of the Advance Payment Credit remains unused.

There is no security provided by Dotz to Lind in respect to the Funding Agreement. No interest is payable under the Funding Agreement.

The Options and Initial Shares are being issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1. The aggregate maximum number of Placement Shares that the Company may or is required to issue on one or more subscriptions under the Funding Agreement (not including the Initial Shares), without the Company first obtaining shareholder approval, is 50,000,000 Placement Shares.