

30 October 2023

DOTZ Q3 FY2023 ACTIVITY REPORT

Completion of strategic acquisition of carbon capture technology, followed by AU\$4 million raise

Strategic collaboration with SINTEF

Strengthened the board with climate technology industry experts

Dotz Nano Limited (**ASX: DTZ**, “**Dotz**” or “**Company**”), a leading developer of innovative climate and industrial nanotechnologies, provides its Activity Report for the quarter ended 30 September 2023, along with the Appendix 4C cash flow report.

Key Highlights of third quarter and recent weeks:

- Completed the acquisition of an innovative CO₂ capture technology (**Dotz Earth**), which utilises plastic waste to produce carbon-based solid sorbent to capture CO₂ from flue gas;
- Successfully completed an AU\$4 million raise via private placement to a combination of existing and new investors to fund growth initiatives, including the acquisition and other corporate purposes;
- Signed strategic collaboration with SINTEF to advance the development of Company’s carbon capture technology - **Dotz Earth**;
- Strengthened the Company’s Board with the appointment of Mr Glenn Kelly and Mr Mitchell Board, climate technology industry experts, as non-executive directors; and
- Progressed multiple commercial opportunities with potential partners and customers.

Dotz CEO Sharon Malka said, "The third quarter of 2023 and the subsequent weeks have been eventful, highlighted by several important milestones. Following the completion of the strategic acquisition of **Dotz Earth** technology and the subsequent capital raise, we now focus our attention on ground-breaking carbon management technologies and advancing the development of **Dotz Earth**.

"We are very pleased with the strategic partnership with SINTEF, one of the leading global research organisations for climate technologies, to advance our innovative sorbent-based technology for CO₂ capture - **Dotz Earth**. This strategic collaboration is a significant step in advancing our breakthrough technology as viable solution for industrial decarbonization. In addition, we strengthened our Board with the appointment of Mr Kelly and Mr Board, climate technology industry experts, who will provide valuable insight as we position ourselves for the next stage of growth.

"Our thoughts and prayers are with the victims and families of the fallen of the 7 October terror attack, and I am confident we can weather this storm while we remain committed to executing on our strategy and delivering growth."



CORPORATE & OPERATIONAL

Since its establishment, Dotz has identified new market opportunities that align with the Company's vision to harness nanotechnologies and advanced materials to tackle global environmental and industrial challenges.

On 16 August 2023, the Company completed the acquisition of an innovative CO₂ capture technology, which utilises plastic waste to produce carbon-based solid sorbent with nanosized pores to capture and store CO₂ gases. The new technology, **Dotz Earth**, which was developed at Rice University, represents the next evolution in carbon capture technologies, offering an efficient and sustainable approach to drive industrial deep decarbonization towards sustainable energy future.

The CO₂ capture industry is undergoing significant growth while playing a critical role in energy transition and industrial decarbonisation, representing a significant scale of opportunity of over \$100 billion by 2030.

Subsequent to this strategic acquisition, the Company raised AU\$4.0 million (US\$2.7 million) via private placement offering (refer to ASX Announcement 26 July 2023), enabling Dotz to pursue growth initiatives including the acquisition and fund the development and exploitation of our new carbon capture technology.

The Company's primary focus is now centred around ground-breaking carbon management technologies as enablers of carbon neutrality, while continuing discussions with potential customers to secure commercial collaboration for our tagging solution, **Dotz Shield**.

Innovative technologies are one of the key enablers of energy transition, and as a technology developer, Dotz's goal is to provide industrial emitters in hard-to-abate sectors with an environmentally friendly and affordable means to reduce their carbon footprint. Establishing strategic partnerships with leading partners is a key component of Dotz's strategy, while enhancing its innovate technologies portfolio.

As a first step toward that goal, the Company recently partnered with SINTEF, one of Europe's largest independent contract research and development organisations to advance **Dotz Earth** for industrial deep decarbonisation, leveraging SINTEF's extensive experience and knowledge in carbon capture technologies. The collaboration with SINTEF is a strategic step towards achieving our goal of providing industrial emitters sustainable and cost-effective solution for decarbonisation as we continue to advance the **Dotz Earth** development program.

In addition, the Company appointed Mr Glenn Kelly and Mr Mitchell Board as non-executive directors (refer to ASX Announcement 16 October 2023). Mr Kelly and Mr Board are esteemed industry experts, bringing extensive experience and knowledge in the climate technology sectors to Dotz, and are a great asset to the Company as it aims to address the growing need for efficient and sustainable deep decarbonisation.

Dotz confirms that it has a business continuity plan and procedures in place, ensuring operational and financial continuity. As a result, Dotz's operations and development activities are not impacted by the current situation in Israel.

FINANCIALS (all figure in US\$)

As at 30 September 2023, Dotz had \$1.3 million in cash and cash equivalents, compared with \$3.0 million as at 31 December 2022. The Company will receive additional proceeds from the recent private placement of approximately \$0.7 million, following the shareholders' meeting of September 14th 2023 which approved the placement.

The Company remained on budget, utilising \$0.9 million in the third quarter of FY23 for its operational activities. Notable operating cash flow items during the quarter included R&D costs of \$0.2 million, staff costs of \$0.4 million and administration and corporate costs of \$0.3 million. In addition, the Company utilized \$0.6 million for investing activities, primarily associated with the acquisition of **Dotz Earth** technology (upfront consideration and transaction associated costs), offset by approximately \$1.8 million of net proceeds from the private placement.

Payments to related parties during the third quarter of 2023 were \$0.2 million, including executive remuneration, fees paid to non-executive Directors and corporate advisory fees paid to an entity related to Director Mr Doron Eldar.

OUTLOOK

Dotz is in continued discussions with leading companies in the oil & gas and chemicals sectors for both its **Dotz Shield** and **Dotz Earth** technologies, which represents a significant growth opportunity. Several discussions with potential customers have allowed Dotz to enter negotiations to secure new projects for the Company's authentication solutions to address the challenges of anti-counterfeiting and monitoring that companies in several sectors face.

The company is agile, flexible and constantly examining growth opportunities and strategic partnerships to drive growth. As well as our organic growth activities, we continue to look at other ways to expand our activities and enhance value for shareholders, including diversification opportunities.

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

For further information, please contact:

Media Enquiries:

Sharon Williams
E: info@dotz.tech
P: +61 (0)414 520 529

Investor Enquiries:

John Hurst
E: info@dotz.tech
P: +61 (0)418 798 663

About Dotz Nano Limited

Dotz Nano Limited (ASX: DTZ) is a leading developer of innovative climate and industrial nanotechnologies tackling global environmental and industrial challenges.

The company's primary focus is centered around ground-breaking carbon management technologies as enablers of reducing carbon emissions. Dotz's proprietary carbon-based solid sorbent, represents the next evolution in carbon capture technologies, offering an efficient and sustainable approach to drive industrial deep decarbonization towards sustainable energy future.

To learn more about Dotz, please visit the website via the following link www.dotz.tech

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity
DOTZ NANO LIMITED
ABN
71 125 264 575
Quarter ended ("current quarter")
30 SEPTEMBER 2023

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (9 months) \$US'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	16
1.2	Payments for		
	(a) research and development	(193)	(718)
	(b) product manufacturing and operating costs	(32)	(45)
	(c) advertising and marketing	(162)	(414)
	(d) leased assets	-	(6)
	(e) staff costs	(374)	(1,058)
	(f) administration and corporate costs	(304)	(905)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	16
1.5	Interest and other costs of finance paid	(1)	(2)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other – Input VAT and other	51	116
	Other – Transaction costs/ commitment fee	112	39
1.9	Net cash from / (used in) operating activities	(901)	(2,961)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(65)	(65)
	(d) investments	-	-
	(e) intellectual property	(561)	(561)
	(f) other non-current assets	-	-

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (9 months) \$US'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	7
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(626)	(619)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,838	1,838
3.2	Proceeds from prepayment facility	-	-
3.3	Proceeds from exercise of options	-	93
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	277
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (principal element of lease payments)	(70)	(212)
3.10	Net cash from / (used in) financing activities	1,768	1,996

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,149	3,049
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(901)	(2,961)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(626)	(619)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,768	1,996

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (9 months) \$US'000
4.5	Effect of movement in exchange rates on cash held	(64)	(139)
4.6	Cash and cash equivalents at end of period	1,326	1,326

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$US'000	Previous quarter \$US'000
5.1	Bank balances	1,326	1,149
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,326	1,149

6.	Payments to related parties of the entity and their associates	Current quarter \$US'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	183
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
Payments for CEO salary and non-executive director fees.		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other – Prepayment Facility*	2,346	2,346
7.4	Total financing facilities	2,346	2,346
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

* On 15 September 2022 Dotz Nano Limited executed a Funding Agreement with Lind Global Fund II, LP, a fund managed by The Lind Partners, for an investment of AU\$5.15 million (US\$3.39 million) in return for options and a credit amount worth AU\$5.65 million (US\$3.71).

The Term of the Funding Agreement is 24 months from advance payment date which was on 23 September 2022, subject to extend for 6 months. Subject to the Funding Agreement key terms the Company has option to pay in cash instead of issuing shares following a subscription request by Lind.

The summary of key terms of the Funding Agreement are detailed in **ASX Announcement dated 15 September 2022**.

During the current quarter the Company has issued 5,000,000 fully paid ordinary shares in the capital of the Company as a deemed issue price of A\$0.16 in connection the Funding Agreement. At 30 September 2023 the balance of prepayment facility was A\$3.65 million (US\$2.35 million).

8.	Estimated cash available for future operating activities	\$US'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(901)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,326
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	1,326
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.47

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

The entity expects that it will continue to have the current level of net operating cash flows.

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

The Entity is exploring fundraising options and believes it will be able to secure additional funds to continue financing operation.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

The Entity does expect that it will be able to fund its operation based on the entity's expectation to raise.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:**30 October 2023**.....

Authorised by: **Board of Directors**.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.