

31 January 2024

DOTZ Q4 FY2023 ACTIVITY REPORT

*Advances carbon capture technology development
and forms strategic alliances with industry leaders*

Key highlights of fourth quarter and recent weeks:

- Signed strategic collaboration with SINTEF to advance the development of Company's carbon-based capture technology, DotzEarth;
- Successfully completed the transfer of the DotzEarth technology from Rice University;
- Patent application submitted, covering an optimised manufacturing and scale-up process for DotzEarth;
- Hosted an investor webinar with industry experts outlining the carbon capture landscape and DotzEarth development plan;
- Strengthened the Board with the appointment of climate technology industry experts;
- CEO and several non-executive directors conducted a week-long non-deal roadshow in Melbourne and Sydney, meeting with current and prospective investors; and
- Joined Global CCS Institute, the world's largest CCS think tank;

31 January 2024 - 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 31 December 2023, along with the Appendix 4C cash flow report.

Commenting on activities in the December 2023 quarter and the 2023 calendar year more broadly, Dotz CEO Sharon Malka said, "We made significant progress in 2023, delivering against our plan and setting the foundations for our growth in 2024 and beyond.

"Following the completion of the acquisition of the DotzEarth technology, we established a strategic development partnership with SINTEF, a leading industry research organisation, to advance our technology as a viable solution for industrial decarbonisation. In addition, we successfully completed the technology transfer from Rice University, and we are now focusing on the optimisation of our unique carbon-based solid sorbent. We strengthened our board with two industry experts, bringing extensive experience and knowledge in the clean technology sectors to Dotz.

"Looking ahead, the future of Dotz is filled with promise and potential. As we continue to innovate and strengthen our operations, I am confident that our Company can deliver impactful solutions for the benefit of hard-to-abate industries. Our commitment to excellence, coupled with the passion of our team, positions us well for continued growth and success."

CORPORATE & OPERATIONAL

Dotz's primary focus is centred on the development and commercialisation of its ground-breaking carbon capture technology, DotzEarth, as an enabler of carbon neutrality. Simultaneously, the Company is continuing discussions with potential customers and partners to secure commercial collaborations for our tagging solution, **DotzShield**.

Strategic collaboration with SINTEF

During the quarter, Dotz partnered with SINTEF, one of Europe's largest independent contract research and development organisations to collaboratively advance the development plan of **DotzEarth's** solid sorbent carbon capture technology. Leveraging SINTEF's extensive experience and knowledge in carbon capture technologies, Dotz will further optimize the sorbent and build a bench-scale demo unit that will enable further testing and improve the technology.

Strengthened Board

During the last quarter, Dotz appointed Mr Glenn Kelly and Mr Mitchell Board to the Board as non-executive directors. Mr Kelly and Mr Board are esteemed industry experts, bringing extensive experience and knowledge in the climate technology sector to Dotz. Dotz CEO Mr Sharon Malka also joined the Board as an executive director during the quarter.

Virtual investor briefing webinar

Dotz hosted a virtual investor briefing webinar, with a focus on **DotzEarth**. The event featured presentations by industry experts Professor James Tour from Rice University in Houston, Mr Kelly, climate technologies expert and Ms Jasmina H. Cavka, Research Manager of SINTEF. The industry experts detailed how the carbon capture industry is experiencing significant growth and plays a critical role in energy transition and industrial decarbonisation, representing a multi-billion-dollar market opportunity, backed by increasing global pricing mechanisms. In addition, the industry experts highlighted the potential of solid sorbent-based technologies to address the main drawbacks of traditional amine-based capture technologies, and that carbon-based solid sorbent can offer a cost-effective and an environmentally friendly solution to drive industrial decarbonisation.

A [link](#) to the recorded session.

Non-deal roadshow

In November 2023, Dotz CEO Mr Sharon Malka and several non-executive directors conducted a week-long non-deal roadshow in Melbourne and Sydney, meeting with both current and prospective investors. The non-deal roadshow was well-received, with positive feedback regarding Dotz's strategy and objectives with **DotzEarth**.

Successful completion of technology transfer and filing of patent

Dotz also successfully completed a transfer of the **DotzEarth** technology from Rice University to the Company's facility, utilising newly installed pyrolysis reactors. This technology transfer process resulted in the filing of a patent application in the US to cover a significant simplification of the manufacturing and scale-up process of the carbon-based sorbent. The completion of the technology transfer to Dotz's facility is an important step in advancing Dotz's innovative technology development towards the design and manufacture of a bench scale unit that will establish a technology demonstration at lab scale.

Joined Global CCS Institute to Advance Carbon Capture Innovation

In December 2023 Dotz assumed membership with global carbon capture think tank – Global CCS Institute (GCCSI). This strategic partnership underscores Dotz Nano's commitment to advancing



carbon capture innovation and contributing to global efforts to combat climate change. By joining forces with GCCSI, Dotz Nano aims to accelerate the commercial deployment of its innovative carbon capture solutions, providing sustainable and cost-effective decarbonization for hard-to-abate industries. The collaboration with GCCSI will position Dotz Nano to contribute significantly to the realization of a net-zero emissions future in the industry.

Business Continuity

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 31 December 2023, Dotz had \$1.3 million in cash and cash equivalents, compared with \$3.0 million as at 31 December 2022.

The Company remained on budget, utilising \$1.6 million in the fourth quarter of FY23 for its operational activities. Notable operating cash flow items during the quarter included marketing activities of \$0.8 million, primarily for market research conducted by McKinsey, R&D costs of \$0.3 million, staff costs of \$0.3 million and administration and corporate costs of \$0.2 million. In addition, the Company utilized \$0.1 million for investing activities. During the fourth quarter, the Company generated \$1.7 million from financing activities, of which \$1.0 million proceeds from unsecured loan and \$0.7 million proceeds from issuance of equity securities as a result of the private placement took place in September 2023.

Payments to related parties during the fourth 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.

2024 OBJECTIVES & OUTLOOK

Dotz will continue its pursuit of achieving key milestones which represent significant growth opportunity for both its **DotzShield** and **DotzEarth** technologies through ongoing activities.

Dotz is in continued discussions with leading companies in the oil & gas and chemicals sectors to secure commercial partnership for Dotz's authentication solution, **DotzShield**.

Dotz's primary focus in the coming year is to achieve significant advancement of technology readiness maturity of **DotzEarth** with the establishment of a bench-scale demonstration unit to allow technology validation and ongoing optimisation of the sorbent. Dotz will continue discussions with leading companies in hard-to-abate industries to pursue joint development and demonstration projects.

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 nanotechnology company developing innovative climate and industrial nano-technologies.

The Company's primary focus is centered around ground-breaking carbon dioxide (CO₂) management technologies leading towards carbon-neutral future. The company's proprietary carbon-based solid sorbent, offering an efficient and sustainable approach, facilitating industrial deep decarbonization.

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")

31 DECEMBER 2023

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (12 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	46	62
1.2 Payments for		
(a) research and development	(259)	(977)
(b) product manufacturing and operating costs	(1)	(46)
(c) advertising and marketing	(789)	(1,204)
(d) leased assets	-	(6)
(e) staff costs	(349)	(1,407)
(f) administration and corporate costs	(201)	(1,106)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	18
1.5 Interest and other costs of finance paid	(11)	(12)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – Input VAT and other	-	116
Other – Transaction costs/ commitment fee	11	50
1.9 Net cash from / (used in) operating activities	(1,551)	(4,512)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(74)	(139)
(d) investments	-	-
(e) intellectual property	(1)	(562)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (12 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	(75)	(694)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	721	2,560
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	1,004	1,004
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)	(65)	(277)
3.10	Net cash from / (used in) financing activities	1,660	3,657

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,326	3,049
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,551)	(4,512)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(75)	(694)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,660	3,657

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (12 months) \$US'000
4.5	Effect of movement in exchange rates on cash held	(14)	(154)
4.6	Cash and cash equivalents at end of period	1,346	1,346

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	1,346	1,326
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)	1,346	1,326

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	190
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
Payments for CEO salary, non-executive director fees and entities related to directors.		

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*	1,599	1,599
7.4	Total financing facilities	1,599	1,599
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 (hereafter: "Lind"), 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 of AU\$5.65 million (US\$3.71 million). 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 3,571,429 and 3,333,334 fully paid ordinary shares in the capital of the Company as a deemed issue price of AU\$0.14 and AU\$0.12 respectively in connection the Funding Agreement. At 31 December 2023 the balance of prepayment facility was A\$2.75 million (US\$1.87 million).

On 9 January 2024 the Company has issued 3,333,334 fully paid ordinary shares in the capital of the Company as a deemed issue price of AU\$ 0.12 in connection to the Funding Agreement.

On 19 January 2024 the Company repaid to Lind the whole of the Unused Advance Payment Credit of AU\$2.35 million (US\$1.60 million).

8.	Estimated cash available for future operating activities	\$US'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1551)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,346
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	1,346
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.87

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 fourth quarter net operating cash flows includes onetime expense of US\$692k attributed to market research provided by McKinsey services.

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:

On 19 January 2024 the entity entered into unsecured loan agreements with investors and directors of the Company. Total funds raised AU\$2.35 million (US\$1.54 million) in aggregate, for 1 month with the ability to extend at the discretion of the lenders, 5% per month interest rate with no right to convert the loan into securities of the Company.

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 current work plan, the entity's expectation to raise additional funds and the subsequent unsecured loan effected 19 January 2024.

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:**31 January 2024**.....

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.