

30 April 2024

**DOTZ Q1 FY2024 ACTIVITY REPORT**

*Achieved Technology Demonstration Milestone  
Secured Up To \$12 Million Funding To Accelerate Development Plans*

**Key highlights of first quarter and recent weeks:**

- Completed the construction of a bench-scale unit, demonstrating the effectiveness of DotzEarth technology;
- DotzEarth's first sorbent demonstrated enhanced performance compared with existing commercial sorbents with the potential to significantly drive down the cost of carbon capture;
- Entered into a funding agreement with the US based investment fund Mercer Street Global Opportunity Fund, LLC to raise up to \$12 million; and
- Dotz's American Depositary Receipts (ADR) began trading on OTC under ticker symbol DTZNY on 20 February 2024

30 April 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 March 2024, along with the Appendix 4C cash flow report.

**Dotz CEO, Sharon Malka** said: "We are pleased with the progress we made in the first quarter of 2024, with the key highlights being delivery against our development plan and securing a funding agreement.

"We are confident that DotzEarth, by enabling cost-effective and sustainable CO<sub>2</sub> capture, offers substantial practical advantages for the future and can deliver impactful solutions for the benefit of multiple hard-to-abate industries. Looking ahead, we are well placed to commence work on a small-scale pilot unit. This will be the next major step in the development of DotzEarth.

"The superior properties of our first sorbent compared with commercial sorbents, coupled with the funding agreement we have in place, positions us well for continued growth and success and keep the positive momentum throughout FY2024 and beyond."

**CORPORATE & OPERATIONAL**

Dotz's primary focus is centred on the development and commercialisation of its ground-breaking carbon capture technology, DotzEarth, its proprietary synthesis method for converting plastic waste to porous carbon sorbents as an enabler of carbon neutrality. The novel nano-porous sorbents are specifically designed for efficient capture of CO<sub>2</sub>. Simultaneously, the Company is continuing discussions with potential customers and partners to secure commercial collaborations for its tagging solution, **DotzShield**.



## Dotz Earth technology demonstration

**Dotz Earth** features a proprietary nano-porous carbon sorbent which demonstrated enhanced properties compared with commercial carbon-based sorbents: **greater adsorption capacity, better selectivity, and a reduction in regeneration energy.**

Dotz's nano-porous carbon sorbent validation testing conducted at SINTEF's labs, showed a 3-fold increase in adsorption capacity when compared to a commercially available activated carbon sorbent (at 10 kPa) and significantly higher selectivity vs. nitrogen (N<sub>2</sub>).

Process simulations using SINTEF's validated Moving Bed Temperature Swing Process ("MBTSA"), resulted in superior results compared with commercial sorbents. Most importantly, use of the Dotz nano-porous carbon sorbent reduces the energy required for sorbent regeneration and release of CO<sub>2</sub> (energy penalty), which was significantly lower than energy requirements of commercial activated carbon and commercial liquid amines.

The Company has also completed the construction of a bench-scale demonstration unit designed by SINTEF, demonstrating and confirming the effectiveness of its first nano porous adsorbent.

## Strategic funding agreement

Dotz has entered into a funding agreement (**Convertible Securities Agreement**) with Mercer Street Global Opportunity Fund, LLC (**Mercer**), a US-based investment fund managed by Mercer Street Capital Partners, LLC – to raise up to \$12 million via the issue of convertible notes (*see ASX announcement dated 5 of February 2024*).

The Company issued Convertible Notes to Mercer in consideration of \$5 million investment and options at \$0.35 per share with a 36-month maturity. The funds raised will be allocated primarily with respect to the acceleration of **DotzEarth** development programs, as well as repayment of unsecured loan and general working capital requirements.

## Non-deal roadshow

In March 2024, Dotz CEO Mr Sharon Malka and several non-executive directors conducted a week-long non-deal roadshow in Perth, 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**.

## 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 conflict in Israel.

## FINANCIALS (all figure in US\$)

As at 31 March 2024, Dotz had \$1.3 million in cash and cash equivalents, compared with \$1.3 million as at 31 December 2023.





The Company utilised \$0.8 million in the first quarter of FY24 for its operational activities. During the first quarter, the Company generated \$0.8 million from issuance of equity securities as a result of a strategic funding agreement which took place in February 2024, net of repayment of borrowings.

Payments to related parties during the first quarter of 2024 were \$0.2 million, including executive remuneration and fees paid to non-executive Directors.

## 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.

Negotiations are moving forward with leading companies in the oil & gas and chemicals sectors to secure commercial partnerships for Dotz's authentication solution, **DotzShield**, while the Company has less control over timing given the size and complexity of these large corporates.

Dotz's primary focus in the coming year is to achieve significant advancement of **DotzEarth** technology readiness maturity via demonstration at scale 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:

### Investor & Media Enquiries:

John Hurst

E: [info@dotz.tech](mailto: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 (CO<sub>2</sub>) 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](http://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 MARCH 2024**

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (3 months) \$US'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(286)	(286)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(98)	(98)
(d) leased assets	-	-
(e) staff costs	(315)	(315)
(f) administration and corporate costs	(241)	(241)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(11)	(11)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – Input VAT and other	169	169
Other – Transaction costs/ commitment fee	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(781)</b>	<b>(781)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(15)	(15)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-



Consolidated statement of cash flows		Current quarter \$US'000	Year to date (3 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	-	-
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	<b>Net cash from / (used in) investing activities</b>	<b>(15)</b>	<b>(15)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	434	434
3.2	Proceeds from issue of convertible notes	3,254	3,254
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(195)	(195)
3.5	Proceeds from borrowings	576	576
3.6	Repayment of borrowings	(3,210)	(3,210)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (principal element of lease payments)	(66)	(66)
3.10	<b>Net cash from / (used in) financing activities</b>	<b>793</b>	<b>793</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,346	1,346
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(781)	(781)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(15)	(15)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	793	793



Consolidated statement of cash flows		Current quarter \$US'000	Year to date (3 months) \$US'000
4.5	Effect of movement in exchange rates on cash held	(51)	(51)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>1,292</b>	<b>1,292</b>

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	1,292	1,292
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,292</b>	<b>1,292</b>

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	160
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 *	3,256	3,256
7.4	<b>Total financing facilities</b>	<b>3,256</b>	<b>3,256</b>
7.5	<b>Unused financing facilities available at quarter end</b>		
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.		

**\* Convertible Securities Agreement**

On 5 of February the Company entered into a Convertible Securities Agreement with Mercer Streed Global Opportunity Fund LLC (**Mercer**), a US-based investment fund managed by Mercer Street Capital Partners, LLC, to raise up to AU\$12 million via the issue of convertible notes. Under the Convertible Securities Agreement the Company will issue to Mercer (or its nominees) up to 13,200,000 convertible notes with a face value of AU\$1 (**Convertible Notes**) as follows:



- 2,200,000 Convertible Notes were issued on the effective date in consideration for AU\$2 million (**First Investment Amount**).
- 3,300,000 Convertible Notes were issued in March 2024 in consideration for AU\$3 million, following shareholder general meeting (**Second and Third Investment Amount**);
- In respect of the above investment amounts, the Company issued to Mercer 951,778 shares and 7,142,857 options exercisable at \$0.35 per share, with a 36-months maturity pro-rata with each investment amount.
- The Financial Facility balance reflects the USD equivalent value of the AU\$5 million invested to date.
- Subject to agreement by the Company and Mercer, further Convertible Notes to raise up to maximum of AU\$7 million (**Subsequent Investment Amount**), subject to satisfaction of customary conditions.

The summary of key terms of the Agreement are detailed in **ASX Announcement dated 5 February 2024**.

8.	Estimated cash available for future operating activities	\$US'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(781)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,292
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	1,292
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.65
<i>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.</i>		
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:		
As noted above the Company has secured funding under the Convertible Securities Agreement with Mercer of up to AU\$12 million. As at 31 March 2024, the Company has utilised AU\$5 million (US\$3.2m) of the facility, with AU\$7 million still available.		
In addition, the Company is exploring funding options and believes it will be able to secure additional funds to fund its operations.		
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 and given the Convertible Securities Agreement it has in place.		
<i>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.</i>		



## 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 April 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.