

31 October 2024

**DOTZ Q3 FY2024 ACTIVITY REPORT***Successful Lab-Scale Demonstration of DotzEarth Technology**Developed New Sorbent for Direct Air Capture of Low CO<sub>2</sub> Concentration Emissions**Raised A\$2.2 million via Private Placement to Support the Development of DotzEarth***Key highlights of third quarter and recent weeks:**

- **Successful lab-scale pilot demonstration of DotzEarth, reconfirming superior performance compared with commercial activated carbon and advancing the technology's Technology Readiness Level to TRL 4-5;**
- **Development of an innovative sorbent for Direct Air Capture and low CO<sub>2</sub> concentration industrial emissions;**
- **Raised US\$1.5 (AU\$2.2) million via private placement from existing and new sophisticated investors to support the development of DotzEarth;**
- **Commenced trading on the OTCQB Market in the United States;**
- **Conducted a non-deal roadshow in the United States.**

31 October 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 30 September 2024, along with the Appendix 4C cash flow report.

**Dotz CEO, Sharon Malka** said: "The third quarter was a productive one for Dotz. We are pleased that the completion of the capital raise demonstrated the confidence both existing and new investors have in the strategic value of the unique DotzEarth technology that Dotz is developing.

"The achievement of TRL 4 lab-scale demonstration for DotzEarth was a significant step forward on the path towards the technology's commercialisation and the results of the lab-scale runs confirm the potential of DotzEarth as a viable, cost-effective solution for hard-to-abate industries.

"The successful development of a proprietary sorbent designed for direct air capture and low concentration CO<sub>2</sub> was another significant milestone for Dotz. This development broadens our reach in the carbon management space and diverse applications that can be applied across various sectors including industrial processes, power generation and direct air capture.

"We are also pleased to have both our ordinary shares and ADRs quoted on the OTCQB Venture Market. This step, as well as our non-deal roadshow in October, comes in response to increasing interest from institutional and retail investors in the United States. The non-deal roadshow was well-received, with positive feedback regarding Dotz's strategy and objectives with DotzEarth. We believe both the OTCQB listing, as well as the non-deal roadshow, will help support our efforts to scale our technologies worldwide and diversify our shareholder base.



"I look forward to providing shareholders with an update on our progression towards further technology demonstration at scale."

## **CORPORATE & OPERATIONAL**

Dotz's primary focus is centred on the development and commercialisation of carbon capture and removal solutions that capture and remove CO<sub>2</sub> from industrial emissions and from the air. The Company's proven carbon capture solutions are based on innovative nanoporous solid sorbents that are specifically designed for efficient capture of CO<sub>2</sub> combined with improved capturing processes. The Company's unique structured sorbents are produced by its proprietary waste-to-sorbent technology, DotzEarth, its proprietary synthesis method for converting plastic waste to porous carbon sorbents as an enabler of carbon neutrality.

Simultaneously, the Company is continuing discussions with potential customers and partners to secure commercial collaborations for its tagging solution, DotzShield.

### **Lab-scale pilot demonstration of DotzEarth**

Dotz successfully completed a lab-scale pilot demonstration of its proprietary nano-porous sorbent utilising a moving bed temperature swing adsorption capture unit, simulating Waste-to-Energy flue gas conditions.

This accomplishment marked the advancement of DotzEarth's Technology Readiness Level ("TRL") to TRL 4-5, a significant step forward on the path to viability.

The lab-scale pilot testing was operated at defined process conditions - according to an adsorbent benchmarking protocol established by SINTEF. The protocol demonstrated the superior results of the Dotz sorbent compared with existing commercial activated carbon sorbent. Most importantly, use of the Dotz nano-porous sorbent yielded higher adsorption capacity, and higher in situ desorption purity relative to the commercially available sorbent. In addition, stable performance of the Dotz sorbent was demonstrated over approximately 140 desorption/adsorption cycles.

These results corroborated the process simulations results previously conducted by SINTEF, which demonstrated the potential to significantly drive down the cost of CO<sub>2</sub> capture.

### **Development of an innovative sorbent for direct air capture and low CO<sub>2</sub> concentration industrial emissions**

Recently, Dotz announced the successful development of a new innovative functionalized microporous sorbent with ideal features for direct air capture (DAC) and low-concentration industrial point-source applications.

Recent tests conducted by SINTEF, confirmed that Dotz's new surface-modified sorbent demonstrates exceptional adsorption capacity at very low CO<sub>2</sub> concentrations, such as air with 400 PPM CO<sub>2</sub>. The tests also indicated excellent sorbent kinetics and low affinity for moisture.

The Company continues to advance its portfolio of proprietary nano-porous sorbents aimed at further reducing the cost of CO<sub>2</sub> capture for both industrial emissions and DAC applications. The focus is on CO<sub>2</sub> capture from diluted flue gases and from the atmosphere (Direct Air Capture) by the use of innovative porous structured sorbents that can be regenerated at lower cost and with a lower energy penalty.



## Capital Raise

In August 2024, the Company raised AU\$2.2 million (US\$1.5 million) via private placement offering to a combination of existing and new institutional and sophisticated investors ("Placement"), of which US\$1.0 million was received as of 30 of September. The funds from the Placement will be used primarily to accelerate the development and exploitation of carbon capture technology – DotzEarth, and support the Company's general working capital requirements.

Under the Placement, the Company issued of 22,350,000 new fully paid ordinary shares ("New Shares") in the Company at A\$0.10 (10 cents) per New Share ("Issue Price") and 22,350,000 attaching unlisted option, each exercisable at A\$0.165 (16.5 cents) expiring two years from the date of issue.

The Company continuously evaluates its capital needs, to ensure that it has the appropriate financial pathway to fund its operations.

## Commencement of trading on the OTCQB Market in the United States

Dotz's ordinary shares are now available for quotation on the OTCQB® Venture Market, a U.S. trading platform that is operated by the OTC Markets Group Inc. in New York, under the symbol DTZZF. In addition, the Company has an effective American Depositary Receipts ("ADR") plan in place under the symbol DTZNY, and the ADRs will also be quoted on OTCQB.

The OTCQB Venture Market offers investors transparent trading in entrepreneurial and development stage U.S. and international companies. To qualify for OTCQB companies must meet enhanced financial and securities reporting standards, pass a bid test, and undergo annual verification. As a regulated market with access for U.S. investors, OTCQB helps companies build shareholder value, achieve liquidity and a fair valuation. U.S. investors can find current financial disclosure and Real-Time quotes for Dotz Nano on <https://www.otcm Markets.com/>.

## 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.

## Non-deal roadshow

In October 2024, Dotz CEO Mr Sharon Malka conducted a week-long non-deal roadshow in the United States, meeting with prospective investors. The non-deal roadshow was well-received, with positive feedback regarding Dotz's strategy and objectives with **DotzEarth**.

## FINANCIALS (all figure in US\$)

As at 30 September 2024, Dotz had \$0.3 million in cash and cash equivalents, compared with \$0.3 million as at 30 June 2024.

The Company remained on budget, utilising \$1.0 million in the third quarter of FY24 for its operational activities, which was offset by net proceeds of \$1.0 million received during the third quarter from issuing of equity securities.

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



The Company will continue to evaluate its capital needs and alternatives to fund its capital requirements to ensure that it has the appropriate financial pathway to fund its operation towards the commercialisation of the DotzEarth technology.

The Company believes that it will have access to sufficient funds to continue to meet its working capital requirements as at the date of this report.

## 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.

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 Dotz's sorbents. The Company is moving forward with its development plans to scale the technology by establishing a small-scale pilot unit. This small-scale pilot unit will provide the necessary experience that will allow Dotz to move forward with an industrial-scale pilot in collaboration with an industrial partner.

Dotz will continue discussions with leading companies in hard-to-abate industries to pursue joint development and demonstration projects in line with its strategic plan.

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

For further information, please contact:

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## 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 sorbents, 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)

## Future Performance and Forward Looking Statements

This announcement contains certain statements that constitute forward-looking statements that may be identified by the use of terminology such as "may," "will," "expects," "plans," "anticipates," "estimates," "potential" or "continue" or the negative thereof or other comparable terminology. Examples of such statements include, but are not limited to, statements regarding the design, scope, initiation, conduct and results of our research and development programs; our plans and objectives



for future operations; and the potential benefits of our products and research technologies. These statements involve a number of risks and uncertainties that could cause actual results and the timing of events to differ materially from those anticipated by these forward-looking statements. These risks and uncertainties include a variety of factors, some of which are beyond our control. Forward looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

## 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 2024**

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (9 months) \$US'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) research and development	(282)	(816)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(72)	(231)
	(d) leased assets	-	-
	(e) staff costs	(302)	(970)
	(f) administration and corporate costs	(362)	(813)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	4
1.5	Interest and other costs of finance paid	7	6
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other – Input VAT and other	55	224
	Other – Transaction costs/ commitment fee	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(955)</b>	<b>(2,596)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(40)	(107)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

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	-	-
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>(40)</b>	<b>(107)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,088	1,523
3.2	Proceeds from issue of convertible notes	-	3,254
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(31)	(302)
3.5	Proceeds from borrowings	-	576
3.6	Repayment of borrowings	-	(3,210)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (principal element of lease payments)	(69)	(202)
3.10	<b>Net cash from / (used in) financing activities</b>	<b>988</b>	<b>1,639</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	269	1,346
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(955)	(2,596)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(40)	(107)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	988	1,639

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	(2)	(22)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>260</b>	<b>260</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	260	269
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>260</b>	<b>269</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	184
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 *	3,324	3,324
7.4	<b>Total financing facilities</b>	<b>3,324</b>	<b>3,324</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). The Company issued 5,500,000 convertible notes in consideration for AU\$5 million invested

to date. Subject to agreement by the Company and Mercer, further Convertible Notes to raise a maximum of AU\$7 million (Subsequent Investment), are available subject to satisfaction of customary conditions.

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

On 21 May 2024, the Company converted A\$200,000 into 1,792,115 ordinary shares as per the Convertible Securities Agreement.

8.	Estimated cash available for future operating activities	\$US'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(955)
8.2	Cash and cash equivalents at quarter end (item 4.6)	260
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	260
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	0.27
<p><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></p>		
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?	
<p>Answer:</p> <p>The entity expects that it will continue to have the current level of net operating cash flows.</p>		
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?	
<p>Answer:</p> <p>In August 2024, the Company raised AU\$2.2 million (US\$1.5 million) via private placement offering to a combination of existing and new institutional and sophisticated investors, of which AU\$0.6 million were received post 30 of September 2024.</p> <p>The Company is in discussions with multiple investors and brokers and evaluating alternatives to fund its capital requirements, including the potential to raise up to an additional AU\$7 million under the Convertible Securities Agreement with Mercer, subject to agreement between the Company and Mercer as well as satisfaction of customary conditions.</p> <p>The Company continuously evaluates its capital needs and financial alternatives to fund its capital requirements to ensure that it has the appropriate financial pathway to fund its operation and believes that any such raise will be successful.</p>		
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?	
<p>Answer:</p> <p>Yes. As detailed in the response to question 8.6.2, based on the entity's expectation to successfully raise additional funds, the Company believes that it will have access to sufficient cash to continue to meet the Company's working capital requirements as at the date of this report and to finance the operations of the Company.</p>		
<p><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></p>		

## 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 October 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.