

31 July 2023

DOTZ Q2 FY2023 ACTIVITY REPORT*Announced Strategic Acquisition of Innovative Carbon Capture Technology**Raised AU\$4 Million in Private Placement*

Dotz Nano Limited (**ASX: DTZ**, “**Dotz**” or “**Company**”), a nano-technology company providing innovative solutions addressing global environmental and industrial challenges, provides its Activity Report for the quarter ended 30 June 2023, along with the Appendix 4C cash flow report.

Key Highlights of second quarter and recent weeks:

- Acquired an innovative CO₂ capture technology, which utilises plastic waste to produce carbon-based solid sorbent with nanosized pores to capture and store CO₂ gases;
- Raised AU\$4 million in July 2023 in private placement to a combination of existing and new investors;
- Progressed multiple commercial opportunities with potential partners and customers.

CORPORATE

On 19 May 2023, the Company acquired 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, which was developed at Rice University and validated by SINTEF, represents the next generation of carbon capture sorbents, demonstrating several benefits over existing technologies including sustainability, cost efficiency and scalability.

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

This highly strategic acquisition aligns with Dotz’s business growth strategy and provides a valuable addition to our offering to existing target markets.

In July 2023, the Company raised AU\$4 million (US\$2.7 million) via private placement offering (refer to ASX Announcement 26 July 2023). The capital raising will provide significant balance sheet capacity for Dotz to pursue previously announced growth initiatives including the acquisition, development and exploitation of carbon capture technology and importantly, will also strengthen and deepen Dotz’ institutional shareholder base.

Dotz CEO Sharon Malka said, "This quarter has been a truly transformational quarter for Dotz with the acquisition of innovative CO₂ capture technology followed by capital raise.

"This groundbreaking technology furnishes Dotz with an ideal platform to enter the carbon capture and green technology sector, with significant market opportunities into the next decade.

"The capital raising in July has strengthened our balance sheet and introduced new global investors to Dotz. We are now well positioned to capitalise on opportunities to deliver value including developing our technologies, building commercially viable partnerships and expanding into new markets.

"We have the foundations and momentum in place, including a strong balance sheet, management experience, discipline and focus, and are making good progress in the delivery of our key priorities to invest, commercialise and advance our technologies."

FINANCIALS (all figure in US\$)

As at 30 June 2023, Dotz had \$1.1 million in cash and cash equivalents, compared with \$3.0 million as at 31 December 2022. The Company successfully completed a private placement of \$2.7 million in July 2023 and has sufficient funds to support its work plans through to the end of 2024.

The Company remained on budget, utilising \$1.1 million in the second quarter of 2023 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 \$0.4 million.

Payments to related parties during the second 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 anti-counterfeiting and monitoring solutions to address the challenges of authentication, in-field quantification, and quality assurances that companies in several sectors face.

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.

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About Dotz Nano Limited

Dotz Nano Limited (ASX: DTZ) is a technology company specialising in high-value advanced materials. Dotz develops and commercialises innovative solutions addressing global environmental and industrial challenges, utilising its carbon-based nano technologies. Our two main areas of focus are:

- In-product tagging solution for anticounterfeiting and monitoring, primarily for the oil & gas and chemicals sectors.
- Carbon-based sorbent technology for industrial decarbonisation & sustainability

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 JUNE 2023

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (6 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	16
1.2 Payments for		
(a) research and development	(244)	(525)
(b) product manufacturing and operating costs	(13)	(13)
(c) advertising and marketing	(143)	(253)
(d) leased assets	(1)	(6)
(e) staff costs	(401)	(684)
(f) administration and corporate costs	(375)	(599)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	9	14
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – Input VAT and other	23	64
1.8 Other – Transaction costs/ commitment fee	(82)	(73)
1.9 Net cash from / (used in) operating activities	(1,227)	(2,060)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (6 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	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	7	7

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	277
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (principal element of lease payments)	(70)	(142)
3.10	Net cash from / (used in) financing activities	207	228

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,207	3,049
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,227)	(2,060)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	7	7
4.4	Net cash from / (used in) financing activities (item 3.10 above)	207	228

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (6 months) \$US'000
4.5	Effect of movement in exchange rates on cash held	(45)	(75)
4.6	Cash and cash equivalents at end of period	1,149	1,149

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	1,149	2,207
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)	1,149	2,207

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	162
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*	2,622	2,622
7.4	Total financing facilities		
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 A\$5.15 million (US\$3.39 million). The AU\$5.15 million investment is via a pre-payment for a placement of ordinary fully paid shares and 7,118,644 unlisted 4-year options with exercise price of 47.5 cents.

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. The Company has option to pay in cash instead of issuing shares following a

subscription request by Lind. On advance payment date a commitment fee of AU\$150,000 (US\$98,625) was paid per the Funding Agreement.

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 4,843,654 fully paid ordinary shares in the capital of the Company as a deemed issue price of A\$0.17 - A\$0.20 in connection the Funding Agreement. At 30 June 2023 the balance of prepayment facility was A\$3.95 million (US\$2.62 million).

8.	Estimated cash available for future operating activities	\$US'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,227)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,149
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	1,149
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.94
<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:		
The Entity raised AU\$4 (US\$2.7), in private Placement offering (refer to ASX Announcement 26 July 2023).		
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.		
<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:**31 July 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.