

31 July 2024

DOTZ Q2 FY2024 ACTIVITY REPORT*Announced private placement offering**Completes Scale-up of Sorbent Production Capabilities***Key highlights of second quarter and recent weeks:**

- **Announced private placement offering of A\$2.3 million, from existing and new sophisticated investors;**
- **Completed scale-up of its proprietary synthesis method for converting plastic waste into a porous carbon sorbent specifically designed for CO₂ capture; and**
- **Appointed Head of Engineering, strengthening in-house capabilities towards technology demonstration at scale.**

31 July 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 June 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 half of 2024, with the key highlights being delivery against our development plan and securing funding to support our growth initiatives.

“We are pleased that both existing and new investors have recognised the strategic value of the unique DotzEarth technology that Dotz is developing, and we are confident that DotzEarth can deliver impactful solutions for the benefit of multiple hard-to-abate industries.

“The scale-up of our internal sorbent production capabilities was another significant milestone for Dotz, as it provides us with the capacity to further expand our R&D activities, as well as independently supply sorbent to potential industrial partners for carbon capture demonstration.

“We are working to advance the development of DotzEarth and I look forward to meeting with investors and potential partners in the third quarter of the year to share updates on our progress.”

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 CO₂.

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



Scale-Up of Sorbent Production Capabilities

Dotz successfully completed a 1000x scale-up of the plastic waste-to-CO₂ sorbent synthesis process. This achievement has resulted in a significant increase in the Company's manufacturing capabilities, allowing to produce hundreds of grams in a single batch. This was made possible by the installation and commissioning of a large-scale pyrolysis reactor in our laboratories.

Characterisation of the sorbent from the scaled-up process has validated a superior absorption and selectivity of Dotz sorbent compared with existing commercial sorbents, indicating the potential to drive down the cost of carbon capture.

Importantly, the scale-up also provides Dotz with sorbent production capacity to independently supply sorbent to potential industrial partners for carbon capture demonstration at scale, which has facilitated discussions with multiple industrial players for potential co-development partnerships.

Appointment of Head of Engineering

Dotz announced the appointment of Mr Daniel Vorenberg as Head of Engineering. Mr Vorenberg has over 20 years' experience across the chemicals and energy industries.

Mr Vorenberg's appointment strengthens Dotz's in-house engineering capabilities as the Company works towards achieving its next technology development milestone of demonstrating DotzEarth at scale.

Subsequent Events - Private Placement

On July 30th the Company announced it has received binding commitments from several existing and new institutional and sophisticated investors to raise A\$2.3 million (before costs) in a placement of new fully paid ordinary shares in the Company ("**Placement**").

The Placement comprises of 22,850,000 new fully paid ordinary shares ("**New Shares**") in the Company to be issued at A\$0.10 (10 cents) per New Share ("**Issue Price**"). Participants in the Placement are entitled to subscribe for one free unlisted option, each exercisable at A\$0.165 (16.5 cents) expiring two years from the date of issue ("**Placement Options**"), for every one New Share subscribed for under the Placement. (See ASX announcement date 30 July 2024).

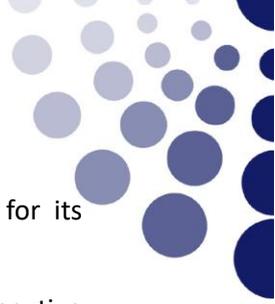
The Company will continue to evaluate its capital needs to ensure that it has the appropriate financial pathway to achieve the commercialisation of the DotzEarth technology.

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 30 June 2024, Dotz had \$0.3 million in cash and cash equivalents, compared with \$1.3 million as at 31 March 2024. On 30 July 2024, the company announced private placement of A\$2.3 million (US\$ 1.5 million) from existing and new institutional and sophisticated investors.



The Company remained on budget, utilising \$0.9 million in the second quarter of FY24 for its operational activities.

Payments to related parties during the second 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**.

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.

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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 (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")
30 JUNE 2024

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	-	-
1.2 Payments for		
(a) research and development	(248)	(534)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(61)	(159)
(d) leased assets	-	-
(e) staff costs	(353)	(668)
(f) administration and corporate costs	(210)	(451)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	3
1.5 Interest and other costs of finance paid	10	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – Input VAT and other	-	169
Other – Transaction costs/ commitment fee	-	-
1.9 Net cash from / (used in) operating activities	(860)	(1,641)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(27)	(42)
(d) investments	-	-
(e) intellectual property	-	-
(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 (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	-	-
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	(27)	(42)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	434
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	(76)	(271)
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)	(67)	(132)
3.10	Net cash from / (used in) financing activities	(143)	651
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,292	1,346
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(860)	(1,641)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(27)	(42)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(143)	651

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 (6 months) \$US'000
4.5	Effect of movement in exchange rates on cash held	7	(45)
4.6	Cash and cash equivalents at end of period	269	269

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	269	1,292
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)	269	1,292

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	197
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 *	3,202	3,202
7.4	Total financing facilities	3,202	3,202
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.		

*** Convertible Securities Agreement**

On 5 of February the Company entered into a 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 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 up to maximum of AU\$7 million (Subsequent Investment Amount), 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 AU\$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)	(860)
8.2	Cash and cash equivalents at quarter end (item 4.6)	269
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	269
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.31

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:

On July 30th, the company announced it has received binding commitments from several existing and new institutional and sophisticated investors to raise A\$2.3 million in a placement of new fully paid ordinary shares in the Company. In addition, under the Convertible Securities Agreement with Mercer, further Convertible Notes to raise up to maximum of AU\$7 million (Subsequent Investment Amount), are available subject to agreement by the Company and Mercer as well as satisfaction of customary conditions.

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 additional funds moving forward.

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 July 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.