

DOTZ NANO PRELIMINARY FINANCIAL RESULTS

Dotz Nano Limited (“Dotz Nano” or the “Company”) (ASX: DTZ), an advanced material technology company focusing on the development, manufacture and commercialisation of graphene quantum dots (GQDs), is pleased to report its preliminary financial results for the year 2017.

The Company reported a net loss after tax of US\$ 4,363,757 for the period. This includes a non-cash outlay of US\$ 861,733 and non-cash options¹ (refer to the attached Preliminary Financial Report for further information). Dotz Nano listed on the ASX on 15 November 2016 through a reverse takeover with Northern Iron Limited.

Dotz Nano's Graphene Quantum Dots and Carbon Dots are particles that increase the performance of products in the anti-counterfeiting/brand protection, tracer, optical brightener, display and bio-imaging sector. The Company has developed the product and has moved into the commercial phase together with establishing manufacturing facilities for mass production and supply.

Highlights during the year:

- The Company dispatched its first shipment of graphene quantum dots to Strem Chemicals Inc. and received first sales from the distributor.
- The MoU with Mainami Holdings was converted into an exclusive distribution agreement to distribute Dotz Nano's product in Japan, as well as marketing the material in the Pan-Asian region on a non-exclusive basis.
- Completed a Proof of Concept research study with Kyung Hee University for the use of Dotz's GQDs in Flash Memory. The Company negotiated for a comprehensive research agreement with the University and optional exclusive Licensing Rights for the development and commercialisation of GQD Flash Memory devices and decided to freeze the research at this point.
- Dotz Nano dispatched its first commercial shipment of GQDs to China to Changchun Ocean Electro-optics Co., Ltd. who marketed the GQDs to the Chinese market. To the Company's knowledge this is the first commercial shipment of graphene quantum dots ever made into the Chinese market.

¹ Impairment expense of US\$371,536 due to the return of the Ben-Gurion license under Graphene Materials, options of US\$438,241 in relation to capital raises done during the year and US\$51,956 in depreciation costs.

- Dotz Nano shipped its first commercial quantities of GQDs to South Korea to Samchun Pure Chemical Co., Ltd. a main distributor to first tier display producers. The materials were evaluated and further shipments are expected.
- Dotz Nano passed Oral Administration Safety Evaluation and Dermatological Safety Evaluation test in preparation of using GQDs in various food sectors.
- Dotz Nano filed several patents for use of its GQD/CDs in Anti-Counterfeiting, display and GQD/CD Blockchain technology sectors.
- Dotz Nano GQD/CDs was approved by Sigma Aldrich and listed on their website. Recurring purchases are being facilitated.
- Dotz Nano entered the Fuel Marking Market and submitted a patent for the relevant marking technology. On the basis of these patents several negotiations with first tier companies in the Fuel Marking sector are being conducted.
- Dotz Nano established a US based distribution and sales network for sales and implementation of GQD/CDs in the US. These networks have already contributed to Dotz Nano being exposed to dozens of companies in the various application sectors.
- Dotz Nano established new technology for GQD/CD use in displays and submitted a patent application for the technology.
- Dotz Nano expanded its technology with significant quantum yield results in orange and red GQD/CDs.
- Dotz Nano achieved first major revenue results with sales to anti-counterfeiting and printing companies through its Japanese distributor Mainame.
- Dotz Nano signed a US\$300,000 purchase agreement with Colorplastics of Switzerland for the marketing of GQD/CDs. Facilitation of this agreement is currently underway.
- Dotz Nano signed a Joint Collaboration Agreement for use of GQD/CDs in LIB anodes.
- Dotz Nano began marketing tracers to the automobile solvent market. Several contracts are currently being negotiated.

The Company remains in a strong cash position following its listing with cash and receivables of USD\$3,012,982 as at 31 December 2017.

Dotz Nano made notable progress post-period end:

- Dotz Nano signed a US\$15 million Distribution and Sales agreement for marketing GQD/CDs in China.
- Dotz Nano was awarded an AU\$750,000 grant from SIIRD for the development of GQD based cathode for the LIB market.
- Dotz Nano signed and MOU with Recochem Australia for use in its internal products and for distribution in the Australia and NZ region.

In addition, post-period end, Dotz Nano has changed its registered address from Perth to Melbourne and has appointed a new Melbourne based Company Secretary, Mr. Ian Pamensky. In January 2018 the Chairman of the Board, Mr. Faldi Ismail, resigned his position as Chair and as Director. He has been replaced by Mr. Antony Sormann as an interim Director. Mr. Ashely Krongold has assumed the role as an Interim Chair.

Commenting on the results, Dotz Nano's CEO, Dr. Moti Gross stated:

"I am pleased to present our Preliminary Financial Results for 2017 to the market and our shareholders. 2017 was a very exciting year, transforming our company from an R&D oriented company to a commercial technology company that is able to implement its technology in a variety of different and independent sectors, allowing Dotz to achieve a balance of applications, so as to protect our company in the years to come.

Our commercial efforts are bearing fruit, as can be seen for the several contracts that have already been signed and the beginning of revenues from sales. We are finalizing negotiations with several additional companies, which when finalized and announced, in my opinion, will remove any doubt that Dotz Nano is a successful technological company. Our commercial samples have been sent to dozens of companies that are implementing them in laboratory and pilot testing. Although commercialization process has been slow, we are on the right track to achieving long term stability and further expansion into applications such as water tracers, oil drilling, fuels, sensors, food and beverage markers and more.

We remain in a strong cash position, well-funded to continue our commercial expansion and we look forward to updating the market on achieving our milestones.

FOR FURTHER INFORMATION:

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About Dotz Nano

Dotz Nano Limited (ASX: DTZ) is a nano-technology company focusing on the development, manufacture and commercialization of GQDs. Its vision is to be the premier producer of GQDs by producing and supplying high quality GQDs for use in various applications including medical imaging, sensing, consumer electronics, energy storage, solar cells and computer storage.

To learn more about Dotz Nano please view the website and our corporate video via the following link: www.dotznano.com

Appendix 4E Preliminary Final Report

Appendix 4E

Preliminary final report

1. Details of reporting period

Name of entity	DOTZ NANO LIMITED
ABN	71 125 264 575
Reporting Year	Year ended 31 DECEMBER 2017
Previous Corresponding Year	Year ended 31 DECEMBER 2016

2. Results for announcement to the market

Key information	12 months ended 31 December 2017	12 months ended 31 December 2016*	Increase/ (decrease)	Amount change
	US \$	US \$	%	\$
Revenues from ordinary activities	107,795	19,683	448%	88,112
Profit/(Loss) from ordinary activities after tax attributable to members	(4,731,898)	(8,089,937)	(41%)	3,277,250
Net Profit/ (Loss) for the period attributable to members	(4,363,757)	(8,358,796)	(47%)	3,911,825
Net tangible asset/(deficiency) \$ per share	0.019	0.027	-	-

* During the previous year the Company was subject to a deed of company arrangement. The Company was successfully recapitalised in October 2016 and completed a re-compliance transaction in November 2016, pursuant to which the Company changed the nature of its activities from resource exploration to technology. Due to the Company's new classification as a technology company this is the first Appendix 4E the Company is required to release.

3. Consolidated statement of profit or loss and other comprehensive income

Refer to attached preliminary final report.

4. Consolidated statement of financial position

Refer to attached preliminary final report.

5. Consolidated statement of cash flows

Refer to attached preliminary final report.

6. Consolidated statement of changes in equity

Refer to attached preliminary final report.

7. Dividends/Distributions

No dividends declared in current or prior year.

8. Details of dividend reinvestment plans

N/A

9. Details of entities over which control has been gained or lost during the period

N/A

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10. Details of associate and joint venture entities

N/A

11. Any other significant information needed by an investor to make an informed assessment of the Company's financial performance and financial position

Refer to 13. Commentary for results for period and Explanatory information and additional Notes following the preliminary report.

12. Foreign entities

Dotz Nano Limited			
Controlled entity	Country of incorporation	Percentage Owned	
		2017	2016
Dotz Nano Ltd	Israel	100%	100%
Graphene Materials Ltd	Israel	100%	100%
Dotz Singapore Ltd	Singapore	100%	-

13. Commentary on results for period and explanatory information

Financial Review

Dotz Nano Limited had a loss for the year of \$4,731,898 (2016: \$8,089,937 loss).

The net assets of the Group have decreased from \$3,435,252 as at 31 December 2016 to \$2,953,375 at 31 December 2017.

As at 31 December 2017 the Group's cash and cash equivalents increased from a balance at 31 December 2016 of \$2,843,980 to a balance of \$2,835,485 and had working capital of \$2,445,924 (2016: \$2,703,061).

14. Audit

This report is based on financial statements which are in the process of being audited.



Non-Executive Chairman
Mr Ashley Krongold

28 February 2018

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**PRELIMINARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
 INCOME FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 US\$	2016 US\$
Revenue		107,795	-
Other income		3,732	71,828
Cost of Sales		(37,728)	
Administrative expenses		(174,989)	(164,949)
Consulting fees		(30,755)	(106,456)
Depreciation		(51,956)	(38,532)
Directors fees		(183,352)	(46,429)
Executive remuneration		(567,484)	(328,446)
Administrative remuneration		(209,692)	-
Finance expenses		(181,529)	(362,913)
Insurance		(25,533)	(48,646)
Interest expense		(170)	(69,546)
Impairment expense		(371,536)	-
Legal and professional fees		(188,243)	(110,096)
Finance and accounting expenses		(313,288)	(133,073)
Listing fee expense		-	(1,878,601)
Motor vehicle expense		(111,826)	(77,389)
Occupancy costs		(101,269)	(51,766)
Marketing and Investor relations		(562,782)	(137,295)
Research and development		(723,925)	(241,960)
Share based compensation		(438,241)	(3,596,204)
SRA and patent expense		(204,877)	(375,200)
Transaction Costs		-	(126,950)
Travel and accommodation		(364,070)	(267,314)
Profit/(Loss) before income tax		(4,731,898)	(8,089,937)
Income tax expense		-	-
Profit/(Loss) for the year		(4,731,898)	(8,089,937)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations		368,141	(268,858)
Other comprehensive loss for the year, net of tax		-	-
Total comprehensive income/(loss) for the year		(4,363,757)	(8,358,795)
Basic earnings/(loss) per share (cents per share)		(4.14)	(32.98)
Diluted earnings/(loss) per share (cents per share)		(4.14)	(32.98)

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PRELIMINARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Note	2017 US\$	2016 US\$
CURRENT ASSETS			
Cash and cash equivalents		2,835,485	2,843,980
Trade and other receivables		177,497	127,706
Other assets		98,880	63,913
TOTAL CURRENT ASSETS		3,111,862	3,035,599
NON-CURRENT ASSETS			
Trade and other receivables		92,653	48,961
Property, plant and equipment		244,743	144,230
Investments		4,773	23,237
Goodwill		-	43,578
Intangible assets		245,000	472,185
TOTAL NON-CURRENT ASSETS		587,169	732,191
TOTAL ASSETS		3,699,031	3,767,790
CURRENT LIABILITIES			
Trade and other payables		655,148	245,825
Deferred tax liability		-	85,000
Provisions		10,790	1,713
TOTAL CURRENT LIABILITIES		665,938	332,538
NON-CURRENT LIABILITIES			
Borrowings		79,718	-
TOTAL CURRENT LIABILITIES		79,718	-
TOTAL LIABILITIES		745,656	332,538
NET ASSETS/ (LIABILITIES)		2,953,375	3,435,252
SHAREHOLDERS' EQUITY/ (DEFICIT)			
Issued capital	2	15,900,912	12,456,472
Reserves	3	955,348	149,767
Accumulated losses		(13,902,885)	(9,170,987)
SHAREHOLDERS' EQUITY/ (DEFICIT)		2,953,375	3,435,252

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PRELIMINARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2017

	Issued Capital	Option Reserve	Foreign Currency Reserve	Accumulated Losses	Total
	US\$	US\$	US\$	US\$	US\$
Balance at 1 January 2016	1,370,688	132,356	-	(1,081,050)	421,994
Profit for the year	-	-	-	(8,089,937)	(8,089,937)
Other comprehensive income	-	-	(268,858)	-	(268,858)
Total comprehensive loss for the year	-	-	(268,858)	(8,089,937)	(8,358,795)
Transactions with owners, recognised directly in equity					
Issue of Dotz shares before transaction	4,219,617	-	-	-	4,219,617
Conversion of Dotz options	132,356	(132,356)	-	-	-
Issue of shares under the public offer	4,587,600	-	-	-	4,587,600
Issue of shares to lead manager	267,610	-	-	-	267,610
Acquisition of Dotz Nano Ltd (Dotz)	1,878,601	-	-	-	1,878,601
Issue of lead manager options	-	335,185	-	-	335,185
Issue of transaction options	-	83,440	-	-	83,440
Balance at 31 December 2016	12,456,472	418,625	(268,858)	(9,170,987)	3,435,252
Balance at 1 January 2017	12,456,472	418,625	(268,858)	(9,170,987)	3,435,252
Loss for the year	-	-	-	(4,731,898)	(4,731,898)
Other comprehensive income	-	-	368,141	-	368,141
Total comprehensive loss for the year	-	-	368,141	(4,731,898)	(4,363,757)
Transactions with owners, recognised directly in equity					
Issue of shares under the public offer	3,695,175	-	-	-	3,695,175
Capital raising costs	(250,735)	-	-	-	(250,735)
Issue of lead manager options	-	437,440	-	-	437,440
Balance at 31 December 2017	15,900,912	856,065	99,283	(13,902,885)	2,953,375

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**PRELIMINARY CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER
 2017**

	Note	2017 US\$	2016 US\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		107,398	-
Payments to suppliers and employees		(3,492,519)	(2,547,838)
Payments for transaction costs		-	(136,792)
Interest received		2,187	1,137
Net cash used in operating activities		(3,382,934)	(2,683,493)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(176,214)	(158,820)
Cash acquired on reverse takeover transaction		-	4,763,144 ¹
Acquisition of investments		(41,252)	-
Sale/(Acquisition) of marketable securities		-	118,508
Restricted deposits		-	(22,977)
Net cash used in investing activities		(217,466)	4,699,855
CASH FLOWS FROM FINANCING ACTIVITIES			
Net Proceeds for the issue of shares		3,430,400	256,469
Proceeds from borrowings or convertible note		-	327,713
Payment to lenders		(31,200)	(74,546)
Grant from BIRD		79,718	-
Other (proceeds from unissued shares)		50,000	-
Net cash from financing activities		3,528,918	509,636
Net increase/ (decrease) in cash and cash equivalents		(71,482)	2,525,998
Cash and cash equivalents at the beginning of the financial year		2,843,980	537,972
Foreign exchange		62,987	(219,990)
Cash and cash equivalents at the end of the financial year		2,835,485	2,843,980

¹ The cash acquired of USD\$4,763,144 includes the capital raised of AUD\$6,000,000 under the Public Offer less any associated capital raising costs which occurred prior to the acquisition date.

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**PRELIMINARY CONSOLIDATED NOTES
FOR THE YEAR ENDED 31 DECEMBER 2017**

NOTE 1: BASIS OF PREPARATION

The preliminary final report has been prepared in accordance with ASX listing rule 4.3A and the disclosure requirements of ASX Appendix 4E.

This report has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian interpretations) adopted by the Australian Accounting Standard Board (AASB) and the Corporations Act 2001. The financial statements have been prepared on an accruals basis and are based on historical costs.

NOTE 2: ISSUED CAPITAL

	2017	2016
	US\$	US\$
(a) Share Capital		
140,818,135 (31 December 2016: 109,984,802) fully paid ordinary shares	15,900,912	12,456,472
	No.	US\$
Opening balance at 1 January 2016	3,101	1,370,688
Options converted to shares	123	130,901
Issue under placement on 26 June 2016	120	224,822
Conversion of options on 6 July 2016	355	700,558
Issue under placement on 31 July 2016	149	318,000
Conversion of convertible note on 31 October 2016	334	768,281
Options converted at 31 October 2016	991	1,493,265
Options converted at 31 October 2016	277	716,146
Elimination of Dotz (Israel) shares on acquisition of Dotz Nano Ltd	(5,450)	-
Deemed consideration of acquisition of Dotz Nano Ltd	-	1,878,601
Existing shares in Dotz Nano Limited	5,484,440	-
Conversion of NFE convertible loan	5,000,000	-
Conversion of Dotz convertible loan	1,750,000	-
Consideration shares	66,000,000	-
Shares issued under public offer	30,000,000	4,587,600
Shares issued to lead manager	1,750,000	267,610
Closing balance at 31 December 2016	109,984,440	12,456,472
Opening balance at 1 January 2017	109,984,440	12,456,472
Shares issued under public offer on 8 August 2017	12,500,000	1,130,474
Shares issued under public offer on 5 December 2017	18,333,333	2,313,967
Closing balance at 31 December 2017	140,817,773	15,900,912

Performance Shares

In addition to the number of shares disclosed above, there are also 66,000,000 performance shares which have been issued as part of the consideration on the reverse takeover transaction. The performance shares will convert to ordinary shares on 1:1 basis subject to the performance milestones being met prior to expiry date.

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**PRELIMINARY CONSOLIDATED NOTES
FOR THE YEAR ENDED 31 DECEMBER 2017**

NOTE 2: ISSUED CAPITAL

Class	Expiry	Milestone
Milestone 1	30/04/2018	Upon Dotz achieving the production and distribution of an aggregate of 20 kilograms of GQDs through formal off-take agreements or commercial samples with a reputable third party within an 18-month period from the date of issue of the Performance Shares.
Milestone 2	30/04/2019	Upon Dotz achieving the production and distribution of an aggregate of 50 kilograms of GQDs in any 12 month period through formal off-take agreements with a reputable third party within 30-months from the date of issue of the Performance Shares.
Milestone 3	31/10/2020	Upon Dotz achieving the production and distribution of an aggregate of 100 kilograms of GQDs through formal off-take agreements with a reputable third party in any 12-month period within 48 months from the date of issue of the Performance Shares.

NOTE 3: RESERVES

	Ref	2017	2016
a) Reserves		US\$	US\$
Option Reserve 20,500,000 (31 December 2016: 10,500,000) options on issue		856,065	418,625
Foreign currency translation reserve		99,283	(268,858)
		955,348	149,767
b) Options Reserve		No.	US\$
Opening balance at 1 January 2016		132	132,356
Acceleration of options		355	700,558
Conversion of options on 6 July 2016		(487)	(832,914)
Issue of options on 17 May 2016		991	1,493,265
Issue of options on 6 July 2016		277	716,146
Converted to DTZ Shares		(1,268)	(2,209,411)
Elimination of Dotz Nano Ltd options on acquisition		-	-
Existing options of Dotz Nano Limited		5,000,000	-
Issue of Lead Manager Options		4,500,000	335,186
Issue of Facilitator Options		1,000,000	83,439
Balance at 31 December 2016		10,500,000	418,625
Opening balance at 1 January 2017		10,500,000	418,625
Issue of Lead Manager Options		10,000,000	437,440
Closing balance at 31 December 2017		20,500,000	856,065
c) Foreign currency translation reserve		US\$	US\$
Opening balance		(268,858)	-
Difference arising on translation		368,141	(268,858)
Balance at the end of the year		99,283	(268,858)

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.