

Appendix 4D

Half Year Report to the Australian Securities Exchange

Part 1 - Details of reporting period

Name of Entity	DOTZ NANO LIMITED
ABN	71 125 264 575
Half Year Ended	30 June 2017
Previous Corresponding Reporting Period	30 June 2016*

Part 2 – Results for Announcement to the Market

Key information	30 June 2017 US\$	30 June 2016 US\$*	Increase/ (decrease) %	Amount change US\$
Revenue from continuing operations ¹	7,398	-	-	7,398
Profit/(Loss) from ordinary activities after tax attributable to members ¹	(1,921,270)	(3,239,028)	(41%)	1,317,758
Net Profit/ (Loss) for the period attributable to members ¹	(1,921,270)	(3,239,028)	(41%)	1,317,758
Net tangible asset \$ per share ²	0.011	(197.99)	(100%)	198.00

*Comparisons to the previous corresponding period are comparisons to historical financial information extracted from Dotz Nano Limited (Israel) for the half year ended 30 June 2016.

Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Record date for determining entitlements to the dividends (if any)	Not Applicable	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

Refer to the Review of Activities contained in the Directors' Report which forms part of the attached Interim Financial Report for details.

Part 3 – Contents of ASX Appendix 4D

Section	Contents
Part 1	Details of entity, reporting period
Part 2	Results for announcement to the market
Part 3	Contents of ASX Appendix 4D
Part 4	Commentary on results
Part 5	Details relating to dividends
Part 6	Net tangible assets per security
Part 7	Details of entities over which control has been gained or lost
Part 8	Details of associates and joint venture entities
Part 9	Information on audit or review

Part 4 – Commentary on Results

Refer to the Review of Activities contained in the Directors' Report which forms part of the attached Interim Financial Report for details.

Part 5 – Details Relating to Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	N/A
Total dividend	N/A
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

Part 6 – Net Tangible Assets per Security

	2017	2016*
	US\$	US\$
Net tangible asset (deficiency) backing per ordinary security	0.011	(197.99)
* Comparisons to the previous corresponding period are comparisons to historical financial information extracted from Dotz Nano Limited (Israel) for the half year ended 30 June 2016.		

Part 7 – Details of Entities Over Which Control has been Gained or Lost

Not applicable.

Part 8 – Details of Associates and Joint Venture Entities

Name of associate and joint venture entities	Ownership Interest		Contribution to net profit/(loss)	
	2017 %	2016 %	2017 US\$	2016 US\$
Associates	NA	NA	-	-
Joint Venture Entities	NA	NA	-	-

Part 9 – Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited	<input type="checkbox"/>	The accounts have been subject to review	<input checked="" type="checkbox"/>
The accounts are in the process of being audited or subject to review	<input type="checkbox"/>	The accounts have not yet been audited or reviewed	<input type="checkbox"/>

If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:

N/A

If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:

Refer to Half Year Financial Report for the half-year ended 30 June 2017.

Attachments Forming Part of Appendix 4D

Attachment #	Details
1	Interim Financial Report

Signed By Company Secretary 	
Peter Webse	
Date 28 August 2017	



DOTZ NANO LIMITED

ABN 71 125 264 575

**INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 30 JUNE 2017**

DOTZ NANO LIMITED
ABN 71 125 264 575
INTERIM FINANCIAL REPORT 30 JUNE 2017

CORPORATE DIRECTORY

Directors

Faldi Ismail – Non-Executive Chairman
Moti Gross – CEO, Executive Director
Steve Bajic – Non-Executive Director
Menashe Baruch – Non-Executive Director
Ashley Krongold – Non-Executive Director

Company Secretary

Peter Webse

Registered Office

108 Outram Street,
West Perth WA 6005
Ph: +61 8 9486 7244

Auditor

BDO Audit (WA) Pty Ltd
38 Station Street
PO Box 700
Subiaco WA 6008

Share Registry

Automic Registry Services
Level 2, 267 St Georges Terrace
Perth WA 6000

Securities Exchange Listing

ASX Limited
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

ASX Code – DTZ

DOTZ NANO LIMITED
ABN 71 125 264 575
INTERIM FINANCIAL REPORT 30 JUNE 2017

CONTENTS	PAGE
DIRECTORS' REPORT	3
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	5
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	6
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	7
CONSOLIDATED STATEMENT OF CASH FLOWS	8
NOTES TO THE FINANCIAL STATEMENTS	9
DIRECTORS' DECLARATION	14
AUDITOR'S INDEPENDENCE DECLARATION	15
INDEPENDENT AUDITOR'S REVIEW REPORT	16

DOTZ NANO LIMITED
ABN 71 125 264 575
INTERIM FINANCIAL REPORT 30 JUNE 2017

DIRECTORS' REPORT

The Directors of Dotz Nano Limited (the **Company** or **Dotz**) and controlled entities (the **Group** or **Consolidated Entity**) submit the following report for the half year ended 30 June 2017 (**Financial Period**).

DIRECTORS

The names and the particulars of the Directors of the Company during the half year and to the date of this report are:

Name	Status	Appointed
Faldi Ismail	Non-Executive Chairman	Appointed 31 October 2016
Moti Gross	CEO and Executive Director	Appointed 31 October 2016
Steve Bajic	Non-Executive Director	Appointed 31 October 2016
Menashe Baruch	Non-Executive Director	Appointed 31 October 2016
Ashley Krongold	Non-Executive Director	Appointed 31 October 2016

COMPANY SECRETARY

Mr Peter Webse

REVIEW AND RESULTS OF OPERATIONS

The net loss of the Group after income tax for the half year ended 30 June 2017 amounted to (US\$1,921,270) (30 June 2016: (US\$3,239,028) net loss).

REVIEW OF ACTIVITIES

During the half year ended 30 June 2017, the following activities were undertaken.

- Dotz Nano Limited signed a non-exclusive marketing and sales agreement with Strem Chemicals Inc., and achieved first sales from the distributor. Strem Chemicals is a privately-held chemical distribution company that sells through its online and printed catalogues, and will facilitate sales of Dotz's GQDs.
- During the half year, Dotz Nano shipped its first, initial quantities of GQDs to Strem Chemicals (2 litres in solvent and 5 grams in powder form). Blue, Green and Cyan GQDs were shipped.
- An existing Memorandum of Understanding (MoU) with Mainami Holdings was converted into an exclusive distribution agreement to market and sell Dotz's GQDs in Japan, as well as market the material to other Pan-Asia territories on a non-exclusive basis. The GQDs will be sold to commercial organisations for use in a variety of applications in the anti-counterfeiting industry, such as currencies, paper, ink, oil and fuel products and more.
- Dotz successfully completed a Proof of Concept research study into the use of GQDs in Flash Memory devices with Kyung Hee University in South Korea. Prior research was conducted in 2014 by Kyung Hee University and Samsung Electronics Co into the application of GQDs in flash memory, and the program was revisited with Dotz. The Company is in advance negotiations to sign a full licensing agreement with Kyung Hee University.
- Dotz shipped first commercial quantities to China to Changchun Ocean Electro-optics CO., Ltd who will market the GQDs to the Chinese research and industrial market. Total shipment quantities were 1 litre of Aqua Green GQDs in solvent.
- The Company also dispatched its first shipment to South Korea to Samchun Pure Chemical Co., Ltd with litre of GQDs in solvent and 6 grams of 100% GQDs powder dispatched. Samchun Pure Chemical Co. Ltd sells directly to first tier display companies such as SK Chemicals, Samsung, LG and Hyundai, and others.
- During the half year, Dotz received a A\$650,000 grant from BIRD foundation, with the first tranche processed in June 2017. The grant is the first tranche of the A\$1.2 million commercial grant awarded by the BIRD foundation for establishment of Dotz Nano's production facilities in the USA together with manufacturing partner Pflaumer Brothers. The remaining tranche of the grant will follow as Dotz meets the conditions set up in the agreement.
- The Company successfully passed an oral administration safety evaluation performed by Pharmaseed Ltd.
- The Company also continued to protect its technology with a new patent filed with the US Patent and Trademark Office for the use of GQDs in tagging of bulk and bottled liquids. The patent application was filed in preparation for collaboration and commercialisation with anti-counterfeiting companies and potential end users.
- Dotz held its Annual General Meeting (AGM) on 29 May 2017 and all resolutions were passed.

DOTZ NANO LIMITED
ABN 71 125 264 575
INTERIM FINANCIAL REPORT 30 JUNE 2017

DIRECTORS' REPORT (CONTINUED)

SUBSEQUENT EVENTS

On 26 July 2017, the Company announced that it had received a firm commitment to raise \$1,500,000 via a placement of 12,500,000 shares to sophisticated investors. As part of this transaction the Company is issuing 10,000,000 unlisted options exercisable at \$0.20 and expiring 2 years from issue date.

On 8 August 2017, the placement was completed with the issue of 12,500,000 shares at \$0.12 and the issue of 10,000,000 unlisted options with exercise price of \$0.20 expiring 24 months from issue date.

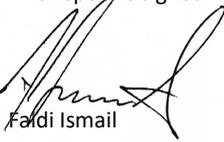
On 14 August 2017, the Company announced that Sigma Aldrich had approved Dotz Nano GQDS for global sale and distribution. This means that the GQDS will be available on Sigma Aldrich online catalogue.

There have been no other matters or circumstances that have arisen since 30 June 2017.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration to the Directors of the Consolidated Entity on page 15 forms part of the Directors' Report for the half year ended 30 June 2017.

This report is signed in accordance with a resolution of the Board of Directors.


Faldi Ismail
Non-Executive Chairman
28 August 2017

DOTZ NANO LIMITED
ABN 71 125 264 575
INTERIM FINANCIAL REPORT 30 JUNE 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2017

	Note	30-Jun-17 US\$	30-Jun-16 US\$
Revenue		7,398	-
Other income		2,440	-
Administrative expenses		(124,302)	-
Consulting fees		(537,040)	(301,740)
Depreciation		(26,728)	-
Directors fees		(97,889)	-
Finance expense		(149,841)	(244,944)
Insurance		(12,908)	-
Legal and professional fees		(181,010)	-
Motor vehicle expense		(68,300)	-
Occupancy costs		(66,620)	-
Other expenses		(193,393)	(208,416)
Research and development		(164,642)	(105,840)
Share based payments		-	(2,193,823)
SRA and patent expense		(114,505)	(184,265)
Travel and accommodation		(193,930)	-
Profit/(Loss) before income tax		(1,921,270)	(3,239,028)
Income tax expense		-	-
Profit/(Loss) for the year		(1,921,270)	(3,239,028)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations	5(c)	259,444	-
Other comprehensive loss for the year, net of tax		-	-
Total comprehensive income/(loss) for the year		(1,661,826)	(3,239,028)
Basic earnings/(loss) per share (cents per share)	7	(1.51)	(0.90)
Diluted earnings/(loss) per share (cents per share)	7	(1.51)	(0.90)

The accompanying notes form part of these financial statements.

DOTZ NANO LIMITED
ABN 71 125 264 575
INTERIM FINANCIAL REPORT 30 JUNE 2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	30 June 2017 US\$	31 December 2016 US\$
CURRENT ASSETS			
Cash and cash equivalents		1,195,838	2,843,980
Trade and other receivables		218,780	127,706
Other assets		115,396	63,913
TOTAL CURRENT ASSETS		1,530,014	3,035,599
NON-CURRENT ASSETS			
Trade and other receivables		108,760	48,961
Property, plant and equipment		253,042	144,230
Investments		6,894	23,237
Goodwill		43,578	43,578
Intangible assets		472,185	472,185
TOTAL NON-CURRENT ASSETS		884,459	732,191
TOTAL ASSETS		2,414,473	3,767,790
CURRENT LIABILITIES			
Trade and other payables		474,444	245,825
Deferred tax liability		85,000	85,000
Provisions		1,885	1,713
TOTAL CURRENT LIABILITIES		561,329	332,538
NON-CURRENT LIABILITIES			
Borrowings	3	79,718	-
TOTAL NON-CURRENT LIABILITIES		79,718	-
TOTAL LIABILITIES		641,047	332,538
NET ASSETS		1,773,426	3,435,252
SHAREHOLDERS' EQUITY			
Issued capital	4	12,456,472	12,456,472
Reserves	5	409,211	149,767
Accumulated losses		(11,092,257)	(9,170,987)
SHAREHOLDERS' EQUITY		1,773,426	3,435,252

The accompanying notes form part of these financial statements.

DOTZ NANO LIMITED
ABN 71 125 264 575
INTERIM FINANCIAL REPORT 30 JUNE 2017

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2017

	Issued Capital US\$	Option Reserve US\$	Foreign Currency Reserve US\$	Accumulated Losses US\$	Total US\$
Balance at 1 January 2016	1,370,688	132,356	-	(1,081,050)	421,994
Loss for the year	-	-	-	(3,239,028)	(3,239,028)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(3,239,028)	(3,239,028)
Transactions with owners, recognised directly in equity					
Options converted to shares	130,901		-	-	130,901
Issue of shares under placement	224,822		-	-	224,822
Acceleration of options		700,558	-	-	700,558
Issue of options on 17 May 2016		1,493,265	-	-	1,493,265
Balance at 30 June 2016	1,726,411	2,326,179	-	(4,320,078)	(267,488)
Balance at 1 January 2017	12,456,472	418,625	(268,858)	(9,170,987)	3,435,252
Loss for the year	-	-	-	(1,921,270)	(1,921,270)
Other comprehensive income	-	-	259,444	-	259,444
Total comprehensive loss for the year	-	-	259,444	(1,921,270)	(1,661,826)
Transactions with owners, recognised directly in equity					
Issue of shares	-	-	-	-	-
Issue of options	-	-	-	-	-
Balance at 30 June 2017	12,456,472	418,625	(9,414)	(11,092,257)	1,773,426

The accompanying notes form part of these financial statements.

DOTZ NANO LIMITED
ABN 71 125 264 575
INTERIM FINANCIAL REPORT 30 JUNE 2017

CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2017

	Note	30-Jun-17 US\$	30-Jun-16 US\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		7,398	-
Payments to suppliers and employees		(1,600,869)	(772,600)
Interest received		2,440	-
Net cash used in operating activities		<u>(1,591,031)</u>	<u>(772,600)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(135,281)	(133,501)
Deposits		(58,558)	(23,725)
Sale/(Acquisition) of marketable securities		-	30,831
Net cash used in investing activities		<u>(193,839)</u>	<u>(126,395)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Grant from BIRD Foundation		79,718	-
Proceeds from issue of shares		-	427,006
Loan		-	251,051
Net cash from financing activities		<u>79,718</u>	<u>678,057</u>
Net increase/ (decrease) in cash and cash equivalents		(1,705,152)	(220,938)
Cash and cash equivalents at the beginning of the period		2,843,980	537,972
Foreign exchange		57,010	-
Cash and cash equivalents at the end of the financial period		<u>1,195,838</u>	<u>317,034</u>

The accompanying notes form part of these financial statements.

DOTZ NANO LIMITED
ABN 71 125 264 575
INTERIM FINANCIAL REPORT 30 JUNE 2017

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2017

NOTE 1: REPORTING ENTITY

The interim financial report (**Report**) of Dotz Nano Limited (the **Company**) and its controlled entities (the **Group** or **Consolidated Entity**) for the half year ended 30 June 2017 was authorised for issue in accordance with a resolution of the Directors on 28 August 2017.

Dotz Nano Limited is a listed public company, trading on the Australia Securities Exchange, limited by shares, incorporated and domiciled in Australia.

The Group's principal place of business is 18 Reines Street Tel Aviv 61999, Israel and the registered office is located at 108 Outram Street, West Perth 6005, Australia.

NOTE 2: BASIS OF PREPARATION

This Report for the half-year ended 30 June 2017 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This Report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2016 and any public announcements made by Dotz Nano Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The Report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The Report does not include full disclosures of the type normally included in an annual financial report. For the purposes of preparing the interim financial statements, the half-year has been treated as a discrete reporting period.

The same accounting policies and methods have been consistently applied by the Consolidated Entity in these interim financial statements as compared with the most recent annual financial statements, except as follows:

a) Adoption of new and revised accounting standards

In the Financial Period, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2017. It has been determined by the Company that, there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and therefore no change is necessary to Company accounting policies. No retrospective change in accounting policy or material reclassification has occurred requiring the inclusion of a third Statement of Financial Position as at the beginning of the comparative financial period, as required under AASB 101.

b) Revenue and other income

Interest revenue is brought to account on an accruals basis using the effective interest rate method and, if not received at the end of the reporting period, is reflected in the statement of financial position as a receivable

NOTE 3: BORROWINGS

The borrowings at 30 June 2017 relate to a Grant the Company received from the BIRD Foundation. The Grant is repayable upon the Company commencing product commercialisation and generating revenue from sales of the product. The repayments are based on a rate of 5% of each reported dollar of revenue. At 30 June 2017, the carrying value of the borrowings was \$79,718.

DOTZ NANO LIMITED
ABN 71 125 264 575
INTERIM FINANCIAL REPORT 30 JUNE 2017

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2017

NOTE 4: ISSUED CAPITAL	30 June 2017 US\$	31 December 2016 US\$
(a) Share Capital		
109,984,440 (31 December 2016: 109,984,440) fully paid ordinary shares	12,456,472	12,456,472
	No.	US\$
(b) Movements in fully paid Ordinary Capital		
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
Closing balance at 30 June 2017	109,984,440	12,456,472

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.

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.

DOTZ NANO LIMITED
ABN 71 125 264 575
INTERIM FINANCIAL REPORT 30 JUNE 2017

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2017

NOTE 5: RESERVES	30 June 2017	31 December 2016
a) Reserves	US\$	US\$
Option Reserve 10,500,000 (31 December 2016: 10,500,000) options on issue	418,625	418,625
Foreign currency translation reserve	(9,414)	(268,858)
	409,211	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
Closing balance at 30 June 2017	10,500,000	418,625
c) Foreign currency translation reserve	US\$	US\$
Opening balance	(268,858)	-
Difference arising on translation	259,444	(268,858)
Balance at the end of the year	(9,414)	(268,858)

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

DOTZ NANO LIMITED
ABN 71 125 264 575
INTERIM FINANCIAL REPORT 30 JUNE 2017

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2017

NOTE 6: DIVIDENDS

The Company did not pay or propose any dividends in the half year to 30 June 2017.

NOTE 7: LOSS PER SHARE

The following reflects income and share data used in the calculation of basic and diluted loss per share.

	30 June 2017	30 June 2016
Total comprehensive loss for the period (US\$)	(1,661,826)	(3,239,028)
Weighted average number of ordinary shares in calculating basic and diluted loss per share (No.)	109,984,440	3,602,109
Exchange ratio for the half year ended 30 June 2016	N/A	2,245

The calculation of the weighted average number of ordinary shares outstanding (the denominator of the EPS Calculation) for the half year ended 30 June 2016 has been adjusted to reflect the reverse acquisition. The reverse acquisition has been disclosed in the annual financial report for the year ended 31 December 2016.

In calculating the weighted average number of ordinary shares for 30 June 2016 the number of ordinary shares outstanding from 1 January 2016 to 30 June 2016 are computed on the weighted number of ordinary shares of Dotz Nano Ltd (legal acquire/accounting acquirer) outstanding during the period multiplied by the exchange ratio established in the acquisition agreement.

The weighted average number of ordinary shares for 30 June 2017 is based on the weighted number of ordinary shares of Dotz Nano Limited (legal parent/accounting acquire) outstanding from the period of 1 January 2017 to 30 June 2017.

NOTE 8: CONTINGENT ASSET AND LIABILITIES

The Group has no known contingent liabilities as at 30 June 2017.

NOTE 9: SUBSEQUENT EVENTS

On 26 July 2017, the Company announced that it had received a firm commitment to raise \$1,500,000 via a placement of 12,500,000 shares to sophisticated investors. As part of this transaction the Company is issuing 10,000,000 unlisted options exercisable at \$0.20 and expiring 2 years from issue date.

On 8 August 2017, the placement was completed with the issue of 12,500,000 shares at \$0.12 and the issue of 10,000,000 unlisted options with exercise price of \$0.20 expiring 24 months from issue date.

On 14 August 2017, the Company announced that Sigma Aldrich had approved Dotz Nano GQDS for global sale and distribution. This means that the GQDS will be available on Sigma Aldrich online catalogue.

There have been no other matters or circumstances that have arisen since 30 June 2017.

DOTZ NANO LIMITED
ABN 71 125 264 575
INTERIM FINANCIAL REPORT 30 JUNE 2017

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2017

NOTE 10: RELATED PARTY TRANSACTIONS

During the half year ended 30 June 2017, the following related party transactions have occurred:

- The amounts paid as directors fees for the half year ended 30 June 2017 totalled to US\$78,983.
- The remuneration paid to the CEO during the period totalled to US\$140,424.
- Otsana Capital, a related party of Mr Faldi Ismail was paid US\$30,160 relating to management fee for the period.
- During the period, a total of US\$9,802 was paid to Adamantium Holdings Pty Ltd, an entity related to Mr Faldi Ismail for rent expense.
- At 30 June 2017, the total payable and accrued relating to directors and related parties totalled to US\$62,500.

NOTE 11: SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources. The operating and geographical segments for the entity are Australia, Israel and Singapore as disclosed below.

30 June 2017	Australia	Israel	Singapore	Total
	US\$	US\$	US\$	US\$
Income	2,440	7,398	-	9,838
Total	2,440	7,398	-	9,838
Other expenses	(314,331)	(1,523,196)	(93,580)	(1,931,107)
Loss for the period	(311,892)	(1,515,798)	(93,580)	(1,921,270)
Current assets	559,312	844,682	126,020	1,530,014
Non-current assets	-	884,459	-	884,459
Current liabilities	138,950	424,368	(1,989)	561,329
Non-current liabilities	-	79,718	-	79,718
Net assets	420,362	1,225,056	128,008	1,773,426
31 December 2016	Australia	Israel	Singapore	Total
	US\$	US\$	US\$	US\$
Income	1,138	70,690	-	71,828
Total	1,138	70,690	-	71,828
Listing fee	(1,878,601)	-	-	(1,878,601)
Share based payments	(686,235)	(2,909,969)	-	(3,596,204)
Other expenses	(249,474)	(2,437,486)	-	(2,686,960)
Loss for the period	(2,813,172)	(5,276,765)	-	(8,089,937)
Current assets	961,741	2,073,858	-	3,035,599
Non-current assets	-	732,191	-	732,191
Current liabilities	61,823	270,715	-	332,538
Net assets	899,918	2,535,334	-	3,435,252

DOTZ NANO LIMITED
ABN 71 125 264 575
INTERIM FINANCIAL REPORT 30 JUNE 2017

DIRECTORS' DECLARATION

The Directors of Dotz Nano Limited declare that:

1. The financial statements and notes, as set out on pages 5 to 13 are in accordance with the Corporations Act 2001 and:
 - a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - b) give a true and fair view of the Consolidated Entity's financial position as at 30 June 2017 and of its performance for the period ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.


Fajri Ismail
Non-Executive Chairman
28 August 2017

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF DOTZ NANO LIMITED

As lead auditor for the review of Dotz Nano Limited for the half-year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Dotz Nano Limited and the entities it controlled during the period.



Dean Just
Director

BDO Audit (WA) Pty Ltd
Perth, 28 August 2017

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Dotz Nano Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Dotz Nano Limited and its subsidiaries, which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Dotz Nano Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Dotz Nano Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Dotz Nano Limited and its subsidiaries is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

BDO Audit (WA) Pty Ltd

A handwritten signature in blue ink, appearing to read 'BDO' followed by a stylized signature.

Dean Just

Director

Perth, 28 August 2017