

26 November 2019

Dotz secures A\$3 million to execute commercialisation strategy

- A\$2 million Placement anchored by Australian-Israeli venture capital fund SIBF, new sophisticated Australian investors and existing shareholders
- Additional A\$1 million secured via a Deferred Share Placement from SIBF
- Funds raised will be used to execute Dotz's commercialisation strategy, targeting end-customers in the anti-counterfeiting, oil and gas and product liability sectors
- Funding will enable Dotz to finalise advanced engagements with current prospects
- Upon completion of this Placement, Dotz is well funded to execute its strategic plan
- SIBF shall appoint a Director to the Board

Dotz Nano Limited (ASX: DTZ) ("Dotz" or "Company"), an advanced technology company developing, manufacturing and commercialising marking, tracing and verification solutions, has successfully raised A\$2 million before costs via a Share Placement to venture capital fund, Southern Israel Bridging Fund¹ (SIBF), Australian sophisticated investors and existing shareholders (**Placement**). An additional A\$1 million has been secured via a **Deferred Share Placement** with the SIBF (**Deferred Placement**).

The capital raised will enable Dotz to execute its commercialisation strategy, targeting manufacturers and end-customers in the three segments where its authentication technology is the most mature: anti-counterfeiting, oil and gas and product liability.

Funds raised will also assist in finalising customisation testing for advanced commercial agreements with potential end-customers in oil and gas, pursuing sales opportunities within the global cannabis market, where the company has the only in-plant track-and-trace security solution and used for general operation.

Commenting on the successful raise, Dotz CEO Uzi Breier said: "We welcome new strategic private shareholders to our register, who see the long-term value of our end-to-end authentication technology in catering to a sizeable addressable market with multiple commercial applications.

"In a further strong vote of confidence, Australian-Israeli venture capital fund SIBF has invested A\$2.1 million in the Company. SIBF specialises in assisting companies with unique potential and breakthrough technologies to scale up and reach the next stage of commercialisation.

¹ <https://sibf.vc/>

“Our non-toxic in-product taggants and tracers are suitable for insertion into a variety of materials, from lubricants and fuels to plastics, polymers and cannabis plants, and do not affect the appearance or composition of products. Dotz’s security markers are also able to successfully tag dark pigmented polymers, such as black and dark blue – a point of difference in a highly competitive market.

“Dotz is now well-placed to strengthen and broaden its commercialisation footprint and will use the Placement proceeds to execute its growth strategy on the path to profitability. To date, we’ve been confined by limited working capital which has hindered our progress on customisation testing with potential customers, particularly in the oil and gas sector where extensive verification is standard practice. We’ve now finalised customisation testing with many of these prospective customers and remain focused on converting these activities to recurring sales.”

Placement details

Dotz has successfully completed a share Placement to sophisticated private investors, raising A\$2 million before administrative costs. The Placement was supported by a group of new Australian investors, the SIBF Fund and founding investors. No brokers were used for the raise and no broker fees were paid by the Company.

The Placement comprises an offer of approximately 55,555,556 fully paid ordinary shares (**Shares**) in Dotz at an issue price of A\$0.036 (3.6 cents) per share, inclusive of a 1 for 3 option valid for two years and exercisable at \$0.09 (9 cents) each. The issue price of A\$0.036 per share represents a 10 percent discount to the last closing share price.

New shares issued under the Placement will rank equally with the Company’s existing ordinary shares on issue. The Placement will take place as a single tranche and will be undertaken using the Company’s available Listing Rule 7.1, 7.1A capacity and approval obtained at the EGM on 11 September 2019 to issue 45 million shares and 22.5m options.

Settlement of the Placement shares and options is anticipated to occur on or around December 5, 2019 and will be issued under a cleansing prospectus with respect to the issuance of the securities. The number of shares to be issued under the Company’s ASX Listing Rule 7.1 capacity is expected to be in the order of 17,216,018 and the number of options is 5,277,778 whilst the number of shares to be issued under the Company’s ASX Listing Rule 7.1A capacity is expected to be 21,117,315.

Deferred Share Placement

In addition to the Placement, the SIBF fund has committed a further A\$1 million via a Deferred Placement. The key terms of the Deferred Placement are as follows:

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- Settlement Date:
 - Tranche 1 - 1 April 2020; and
 - Tranche 2 - 1 August 2020.
- Maximum Application: A\$500,000 for each tranche
- Deferred Placement: Each tranche amount will convert to shares at an issue price of A\$0.036 (3.6 cents) per share, inclusive of a 1 for 3 option valid for two years and exercisable at \$0.09 (9 cents) each.

The Deferred Placement Shares and attaching Options will be issued using the Company's placement capacity under ASX Listing Rules 7.1 and 7.1A.

Dotz has entered into a two year advisory agreement with SIBF to provide strategic support for a monthly fee of A\$8,000. SIBF shall also nominate a Director to the Board of Dotz.

-ENDS-

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About Dotz Nano Limited

Dotz Nano Limited (ASX: DTZ) is a technology leader in research, production and marketing of anti-counterfeiting, authentication and tracing solutions. Dotz has established distributors in North America, Europe and Japan as well as scientific collaborations and partnerships with leading academic institutes.

Its unique products ValiDotz, BioDotz, Fluorensic and InSpec are exceptional solutions for numerous applications, such as: anti-counterfeiting, brand & reputation protection, oil & gas industry, liquids tagging, lubricants and DEF authentication, polymers tagging and bio-imaging.

To learn more about Dotz, please visit the website and corporate video via the following link; www.dotz.tech

About SIBF

SIBF is an Israeli based venture capital firm that specialises in identifying companies with unique opportunities and breakthrough technologies, invests in them, and leads them, hand-in-hand, to the next milestone.

SIBF2 is a \$200M fund led by a group of serial entrepreneurs, savvy businessmen and seasoned finance professionals with a proven track record in the VC industry over the last 10 years.

An active hands-on approach allows the team to combine their expertise, knowledge, and network to ensure that portfolio companies are expertly run.

To learn more about SIBF, please visit the website via the following link: <https://sibf.vc/>

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