

1. Company details

Name of entity:	Dotz Nano Limited
ABN:	71 125 264 575
Reporting period:	For the period ended 30 June 2025
Previous period:	For the period ended 30 June 2024

2. Results for announcement to the market

				30 June 2025 US\$
Revenues from ordinary activities	up	100%	to	226,982
Loss from ordinary activities after tax	down	19.6%	to	(2,229,885)
Loss for the period	down	19.6%	to	(2,229,885)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the Group after providing for income tax amounted to US\$2,229,885 (30 June 2024: US\$2,774,262).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets (liabilities) per ordinary security	<u>(0.73)</u>	<u>(0.52)</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

There were no dividends paid, recommended or declared during the current financial period and prior period.

7. Details of associates and joint venture entities

Not applicable.

8. Foreign entities

No changes from 31 December 2024.

9. Information on audit or review

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

10. Attachments

Details of attachments (if any):

The Interim Report of Dotz Nano Limited for the period ended 30 June 2025 is attached.

11. Signed

Signed



Date: 29 August 2025

Dotz Nano Limited

ABN 71 125 264 575

Interim Report - 30 June 2025

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The Directors of Dotz Nano Limited ("the Company") and controlled entities ("the Group") submit the following report for the half year ended 30 June 2025.

Directors

The following persons were directors of Dotz Nano Limited during the whole of the financial period and up to the date of this report, unless otherwise stated:

Mr Bernie Brookes AM
Mr Doron Eldar
Ms Kerry Harpaz
Mr Sharon Malka
Mr Mitchell Broad
Mr Glenn Kelly

Company Secretary

Mr Bernie Brookes AM

Principal activities

The principal continuing activities of the Group during the half year is developing, manufacturing and commercialising innovative customized nanomaterial-based solutions that enable a cleaner, more efficient, and sustainable industrial future. The Group two main areas of focus are:

- In-product tagging technology, with the first commercial solution for corrosion inhibitors monitoring for the oil & gas industry;
- Next generation sorbent materials for Direct Air Capture and Point Source CO₂ Mitigation, making carbon capture and removal economically viable.

Financial review

Dotz Nano Limited had a loss for the period of \$2,229,885 (30 June 2024: \$2,774,262). This included a non-cash amount of \$306,641 share-based payments (30 June 2024 share based-based income: \$184,612).

The Group had net liability position of \$388,286 at 30 June 2025 (31 December 2024: net assets of \$369,738). As at 30 June 2025, the Group's cash and cash equivalents balance was \$365,354 (31 December 2024: \$799,853).

The Directors are satisfied that the Group will have access to sufficient cash to fund its forecast expenditure for a period of at least twelve months from the date of signing this report, as detailed in Note 2. Accordingly, the Directors consider the going concern basis of preparation to be appropriate.

Unless otherwise stated all figures in this report are in the Company's presentation currency US\$.

Review of operations

During the half year ended 30 June 2025, the following activities occurred:

- Completed successful lab-scale pilot demonstration of DAC technology;
- Signed a Memorandum of Understanding with CarbonCapture Inc. to advance Dotz's high-performance DAC sorbent material;
- Secured A\$4.0 million commitment via an investment agreement with TRITON FUNDS;
- Raised US\$0.7 (AU\$1.2) million via a private placement.

Corporate update

Dotz Nano is a pioneering nanotechnology company specializing in advanced specialty chemistry and cutting-edge nanomaterials. We address some of the world's toughest industrial and environmental challenges by fusing nanomaterial science expertise with practical, real-world solutions.

Dotz designs, develops, and deploys customized nanomaterial-based solutions that enable a cleaner, more efficient, and sustainable industrial future. The Company's solutions empower industrial clients to excel in performance, meet evolving regulatory demands, and drive sustainability through innovative technologies built for diverse sectors.

Successful Lab-Scale Pilot Demonstration for Dotz's DotzEarth DAC Technology

On 27 March 2025, Dotz announced the successful completion of a lab-scale pilot of its DotzEarth DAC sorbent technology, highlighting its superior performance compared to the commercial DAC amine grafted sorbents currently used across the industry.

The lab-scale pilot operations have demonstrated enhanced CO₂ working capacity with lower desorption temperature and significantly lower energy consumption compared to commercial DAC sorbents currently used across the industry. The results show that Dotz's DAC sorbent performs exceptionally well, with continuous adsorption/desorption cycles executed with no evidence of sorbent degradation, demonstrating the thermal and oxidative stability of the sorbent and highlighting the long-term viability of the technology

The pilot results mark a major step forward in the Company's efforts to scale and commercialise its groundbreaking CO₂ technology, for both point source and DAC applications. While dozens of DAC projects are underway, the demand for innovative solid sorbents is growing, presenting a significant market opportunity for a high-performance solid sorbent technology.

Partnering with CarbonCapture Inc. to Advance Dotz's High-Performance DAC Sorbent Material

In early July 2025, the Company announced that it signed a Memorandum of Understanding (MOU) with CarbonCapture Inc. (CCI) to expand the evaluation of Dotz's high-performance DAC sorbent material.

The collaboration follows preliminary gram-scale testing of Dotz's proprietary DAC sorbent, recently completed by CCI, which demonstrated high-potential performance characteristics. Under the MOU, the engagement will now advance to proof-of-concept evaluation at the kilogram scale, using a structured form of the sorbent material.

Dotz's p-AMP is a powdered, polymer-based material engineered for maximum CO₂ adsorption from ambient air. This next-generation sorbent offers high capture capacity, enables low-temperature regeneration, and has the potential to significantly reduce the cost of CO₂ capture.

Solid sorbent technologies are expected to dominate future DAC deployments, presenting significant growth opportunities for innovators and partners in this rapidly expanding sector. According to the International Energy Agency's 2024 CCUS database, the solid sorbent DAC market is projected to exceed US \$1.5 billion by 2027.

Capital Raise and Funding Update

On 11 April 2025, the Company entered into a standby subscription agreement ("Subscription Agreement") with TRITON FUNDS LP ("TRITON"), under which the Company has the right (but not the obligation), in its discretion, to sell to TRITON ordinary shares valued at up to A\$4 million, at any time until 31 December 2025. The Company, in line with the signed Subscription Agreement, issued a drawdown notice to TRITON, and TRITON has raised questions regarding certain aspects of the timing of the issue of shares and receipt of funds under the Subscription Agreement.

The Company's representatives have sought to engage in discussions with TRITON to resolve the matters and have not been responded to. The Company has not yet received any funds from TRITON and the funds remain outstanding. In view of this, Dotz is considering its legal position and next steps under this Subscription Agreement.

In May 2025, the Company raised AU\$1.2 million (US\$0.7 million) via a private placement offering to new qualified and high-net-worth investors ("Placement"). The funds from the Placement provide the Company time to resolve certain aspects of timing of the issue of shares and receipt of funds under the Subscription Agreement with TRITON. Refer ASX announcement dated 20 May 2025 for further details.

Under the Placement, the Company issued of 19,166,166 new fully paid ordinary shares ("New Shares") in the Company at A\$0.06 (6 cents) per New Share ("Issue Price") and one free attaching option for every two shares subscribed for and issued, each exercisable at A\$0.10 (10 cents) expiring three years from the date of issue.

The Company continuously evaluates its capital needs, to ensure that it has the appropriate financial pathway to fund its operations.

Asset Purchase Agreement

On January 15, 2025, the Company and H2B signed a third amendment to the Asset Purchase Agreement and general release. Under this third amendment and following the achievement of certain milestones, the Company issued H2B 11.5 million shares, of which 2.5 million shares are subject to voluntary escrow until 15 January 2026 and 2.5 million unlisted options, become fully vested and exercisable on 15 January 2026 at price per ordinary share of A\$0.165, and expired 24 months thereafter.

In addition, each of the parties has discharged and extinguished all obligations and liabilities toward the other in connection with the Asset Purchase Agreement. No further securities are required to be issued under the Asset Purchase Agreement and no further payments are required to be made.

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 situation in Israel.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Group during the financial period.

Subsequent events

Mercer Funding Agreement

Subsequent to half year the maturity of the convertible notes has been extended by 6 months and the Group continues to manage the terms of this agreements.

On 8 August 2025, the Company converted AU\$200,000 into 5,000,000 ordinary shares at a price of \$0.04 per share, as per the Convertible Securities Agreement.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 for the period ended 30 June 2025 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Bernie Brookes AM
Chairman

29 August 2025

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DECLARATION OF INDEPENDENCE BY NEIL SMITH TO THE DIRECTORS OF DOTZ NANO LIMITED

As lead auditor for the review of Dotz Nano Limited for the half-year ended 30 June 2025, 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.



Neil Smith
Director

BDO Audit Pty Ltd
Perth
29 August 2025

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General information

The financial statements cover Dotz Nano Limited as a Group consisting of Dotz Nano Limited and the entities it controlled at the end of, or during, the period. The financial statements are presented in USD, which is Dotz Nano Limited's presentation currency.

Dotz Nano Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

c/ Kardos Scanlan Lawyers
Level 5, 44 Martin Place
Sydney NSW 2000

Principal place of business

1 Atir Yeda Kefar-Sava
Kefar-Sava
Israel, 4464301

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 20 August 2025.

	Note	30 June 2025 US\$	30 June 2024 US\$
Revenues		226,982	-
Cost of revenues		(62,442)	-
Gross profit		164,540	-
Expenses			
Research and development expenses		(608,372)	(591,556)
General, administrative, selling and marketing expenses	4	(948,389)	(1,430,184)
Share based compensation expense	14	(306,641)	(184,612)
Operating loss		(1,698,862)	(2,206,352)
Finance costs		(531,023)	(567,910)
Loss before income tax expense		(2,229,885)	(2,774,262)
Income tax expense		-	-
Loss after income tax expense for the period	11	(2,229,885)	(2,774,262)
Other comprehensive income profit/(loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations		(218,923)	11,257
Other comprehensive income profit/(loss) for the period, net of tax		(218,923)	11,257
Total comprehensive income loss for the period		<u>(2,448,808)</u>	<u>(2,763,005)</u>
		Cents	Cents
Basic and diluted loss per share	13	(0.39)	(0.53)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

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	30 June 2025	31 December 2024
Note	US\$	US\$
Assets		
Current assets		
Cash and cash equivalents	365,354	799,853
Trade and other receivables	32,936	27,657
Other assets	7,382	94,298
Total current assets	<u>405,672</u>	<u>921,808</u>
Non-current assets		
Property, plant and equipment	230,363	230,710
Right-of-use assets	102,122	224,667
Intangibles assets	5 3,945,510	4,158,765
Total non-current assets	<u>4,277,995</u>	<u>4,614,142</u>
Total assets	<u>4,683,667</u>	<u>5,535,950</u>
Liabilities		
Current liabilities		
Trade and other payables	6 587,232	991,987
Lease liabilities	143,403	239,528
Provisions	88,424	58,584
Financial liability	7 3,660,636	2,938,239
Derivative financial instruments	8 592,258	900,653
Liability for unissued shares	-	37,221
Total current liabilities	<u>5,071,953</u>	<u>5,166,212</u>
Total liabilities	<u>5,071,953</u>	<u>5,166,212</u>
Net assets/(liabilities)	<u>(388,286)</u>	<u>369,738</u>
Equity		
Issued capital	9 45,565,068	43,702,146
Reserves	10 9,268,847	9,659,908
Accumulated losses	11 (55,222,201)	(52,992,316)
Total equity/(deficiency)	<u>(388,286)</u>	<u>369,738</u>

	Issued capital US\$	Option reserve US\$	Foreign currency reserve US\$	Accumulated losses US\$	Total equity US\$
Balance at 1 January 2024	40,701,153	8,885,736	46,653	(47,233,876)	2,399,666
Loss after income tax expense for the period	-	-	-	(2,774,262)	(2,774,262)
Other comprehensive income for the period, net of tax	-	-	11,257	-	11,257
Total comprehensive income profit/(loss) for the period	-	-	11,257	(2,774,262)	(2,763,005)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments (note 14)	-	184,613	-	-	184,613
Issue of shares (note 9)	1,485,162	-	-	-	1,485,162
Options to Mercer	-	231,480	-	-	231,480
Balance at 30 June 2024	42,186,315	9,301,829	57,910	(50,008,138)	1,537,916

	Issued capital US\$	Performance rights reserve US\$	Option reserve US\$	Foreign currency reserve US\$	Accumulated losses US\$	Total deficiency in equity US\$
Balance at 1 January 2025	43,702,146	15,289	9,672,786	(28,167)	(52,992,316)	369,738
Loss after income tax expense for the period	-	-	-	-	(2,229,885)	(2,229,885)
Other comprehensive income loss for the period, net of tax	-	-	-	(218,923)	-	(218,923)
Total comprehensive income loss for the period	-	-	-	(218,923)	(2,229,885)	(2,448,808)
<i>Transactions with owners in their capacity as owners:</i>						
Issue of shares (note 9)	1,862,922	-	(628,299)	-	-	1,234,623
Share-based payments (note 14)	-	-	306,641	-	-	306,641
Options to Mercer	-	-	31,336	-	-	31,336
Options issued to Lead Manager	-	-	118,184	-	-	118,184
Balance at 30 June 2025	45,565,068	15,289	9,500,648	(247,090)	(55,222,201)	(388,286)

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

	30 June 2025 US\$	30 June 2024 US\$
Cash flows from operating activities		
Receipts from customers	226,982	-
Payments to suppliers and employees, net	(1,554,966)	(1,644,129)
Interest paid	1,398	(1,202)
Interest received	(18,301)	3,291
	<u>(1,344,887)</u>	<u>(1,642,040)</u>
Net cash used in operating activities		
Cash flows from investing activities		
Purchase of plant and equipment	(39,435)	(66,618)
	<u>(39,435)</u>	<u>(66,618)</u>
Net cash used in investing activities		
Cash flows from financing activities		
Proceeds from issue of convertible loan	311,175	2,984,192
Proceeds from share issue	726,652	434,296
Proceeds from borrowings	-	575,767
Repayment of borrowings	-	(3,210,063)
Repayment of lease liabilities	(96,125)	(132,082)
	<u>941,702</u>	<u>652,110</u>
Net cash from financing activities		
Net decrease in cash and cash equivalents	(442,620)	(1,056,548)
Cash and cash equivalents at the beginning of the financial period	799,853	1,345,529
Effects of exchange rate changes on cash and cash equivalents	8,121	(20,007)
	<u>8,121</u>	<u>(20,007)</u>
Cash and cash equivalents at the end of the financial period	<u>365,354</u>	<u>268,974</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

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Note 1. Reporting entity

The interim financial report of Dotz Nano Limited ("the Company") and its controlled entities ("the Group") for the half year ended 30 June 2025 was authorised for issue in accordance with a resolution of the Directors on 20 August 2025.

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

The Group's principal place of business is at 1 Atir Yeda Kefar-Sava, Israel, 4464301 and the registered office is located Level 5, 44 Martin Place, Sydney, New South Wales, 2000, Australia.

Note 2. Material accounting policy information

These general-purpose financial statements for the interim half-year reporting period ended 30 June 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2024 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has reviewed all 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 January 2025. It has been determined by the Group 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 Group accounting policies. No retrospective change in accounting policy of material reclassification has occurred during the half year.

Going concern

The interim financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Group incurred a loss for the half year ended 30 June 2025 of \$2,229,885 (30 June 2024: \$2,774,262) and net cash outflows from operating activities of \$1,344,887 (30 June 2024 : \$1,642,040). At 30 June 2025 the Group has a deficiency of Total Assets to Total Liabilities of \$388,285, and a deficiency in working capital (Total Current Assets to Total Current Liabilities) of \$4,666,280.

These conditions indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Group has prepared a cash flow forecast, which indicates that the entity will be required to raise funds to provide additional working capital and to continue to fund its business activities. The ability of the Group to continue as a going concern is dependent on securing additional funding by capital raise or other means.

The Directors of Dotz Nano Limited have assessed the likely cash flow for the 12-month period from the date of signing this financial report and its impact on the Group. The Directors believe that there will be sufficient funds available to continue to meet the Group's working capital requirements for the following reasons:

Note 2. Material accounting policy information (continued)

- The Group is managing the maturity date of the existing convertible notes and has confirmed extension of maturity date for additional 6 months.
- The Group expects the existing convertible notes will be converted to shares and will not require repayment of cash.
- The Group expects to receive additional funding from interim bridging loan.
- The Group has the ability to reduce its expenditure to conserve cash.
- The Group has historically demonstrated its ability to raise funds to satisfy its immediate cash requirements.
- The Directors of Dotz Nano also have reason to believe that in addition to the cash flow currently available, additional funds from receipts are expected through the commercialisation of the Group's products.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements or raise additional capital through equity or debts raisings. The interim financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern and meet its debts as and when they become due and payable. The directors plan to continue the Group's operations on the basis as outlined above and believe there will be sufficient funds for the Group to meet its obligations and liabilities for at least twelve months from the date of this report.

Note 3. 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 Group's sole operating segment is consistent with the presentation of these consolidated financial statements.

Note 4. General, administrative, selling and marketing expenses

	30 June 2025 US\$	30 June 2024 US\$
Wages and benefits	356,399	463,173
Consulting fees	201,658	201,802
Sales and marketing expenses	145,524	250,649
Director fees	114,808	185,804
Other expenses	130,000	328,756
	<u>948,389</u>	<u>1,430,184</u>

Note 5. Intangibles

	30 June 2025 US\$	31 December 2024 US\$
<i>Non-current assets</i>		
Other intangible assets - at cost	<u>3,945,510</u>	<u>4,158,765</u>

Note 5. Intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

	Total US\$
Balance at 1 January 2025	4,158,765
Amortisation expense	<u>(213,255)</u>
Balance at 30 June 2025	<u><u>3,945,510</u></u>

Asset Purchase Agreement

On January 15, 2025, the Company and H2B signed a third amendment to the Asset Purchase Agreement and general release. Under this third amendment and following the achievement of certain milestones, the Company issued H2B 11.5 million shares, of which 2.5 million shares are subject to voluntary escrow until 15 January 2026 and 2.5 million unlisted options, become fully vested and exercisable on 15 January 2026 at price per ordinary share of A\$0.165, and expired 24 months thereafter.

In addition, each of the parties has discharged and extinguished all obligations and liabilities toward the other in connection with the Asset Purchase Agreement. No further securities are required to be issued under the Asset Purchase Agreement and no further payments are required to be made.

Note 6. Trade and other payables

	30 June 2025	31 December 2024
	US\$	US\$
<i>Current liabilities</i>		
Trade payables	313,735	431,657
Other payables	<u>273,497</u>	<u>560,330</u>
	<u><u>587,232</u></u>	<u><u>991,987</u></u>

Note 7. Financial liability

	30 June 2025	31 December 2024
	US\$	US\$
<i>Current liabilities</i>		
Financial liability - Mercer	<u>3,660,636</u>	<u>2,938,239</u>

Note 7. Financial liability (continued)

	30 June 2025	31 December 2024
	US\$	US\$
Opening balance	2,938,239	1,871,513
Less repayment of Lind liability	-	(1,871,513)
	-	-
Financial liability at inception	312,432	2,833,627
Less: transaction costs	(44,014)	(564,150)
	-	-
Finance cost (accretion of debt)	867,242	1,040,019
Partial settlement of financial liability	(367,917)	(228,755)
Foreign exchange impact	(45,347)	(142,502)
Financial liability at closing date	<u>3,660,635</u>	<u>2,938,239</u>

Financial Liability - Mercer

On 5 February 2024, the Company and Mercer Street Global Opportunity Fund, LLC (Mercer) entered into a convertible securities agreement (Convertible Securities Agreement). 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 A\$1 (Convertible Notes) in consideration for investment of up to A\$12,000,000. Upon issuance of convertible notes, the Company will issue to Mercer Initial Commencement Shares, options at \$0.35 per share with a 36-month maturity pro-rata with each investment amount.

The key terms of the Convertible Securities Agreement are detailed below:

- The maturity date of Convertible notes is 18 months from date of issuance.
- Mercer may (at its absolute discretion) convert the Convertible Notes at any time prior to the date, which is 18 months from their date of issue, by giving the Company a conversion notice.
- Conversion price: if the conversion notice is given on or before the date that is three months after the first closing, conversion price will be 120% of the VWAP during the preceding ten (10) trading days. if the conversion notice is given after the date that is three months following the first closing, conversion price will be the lesser of 90% of the two lowest daily VWAPs during the preceding twenty (20) trading days on which shares were traded in the ordinary course of business or a minimum conversion price of A\$0.09.
- The Company may elect in writing to repurchase all of the Convertible Notes on issue at a 1.03 times premium, subject to compliance with the law and ASX Listing Rules.

The funding facility provided by Mercer is a hybrid instrument which includes a combination of 'debt' financial liability that represents the contractual cashflows and a derivative financial liability that represents the conversion feature. The conversion feature is an embedded derivative liability which is required to be recognised at fair value through profit or loss.

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Note 7. Financial liability (continued)

Investment by Mercer:

On 5 February 2024, the Company issued Mercer 2,200,000 Convertible Notes, 2,857,143 Options and 475,889 Initial Commencement Shares, in consideration for A\$2 million investment;

On 19 March 2024, the Company issued Mercer 3,300,000 Convertible Notes, 4,285,714 Options and 475,889 Initial Commencement Shares, in consideration for A\$2 million investment;;

On 27 November 2024, the Company and Mercer executed a deed of variation in respect to the Convertible Securities Agreement, for which the Company obtained shareholders' approval on 9 January 2025. According to the variation deed Mercer invested an additional A\$2 million in consideration for convertible notes, options at \$0.175 per share with a 36-month maturity and commencement shares for nil consideration as follows:

- On 27 November 2024, the Company issued Mercer 1,650,000 Convertible Notes, 4,285,714 Options and 666,244 Initial Commencement Shares in consideration for A\$1.5 million investment;
- On 5 February 2025, the Company issued Mercer 550,000 Convertible Notes and 1,428,571 Options in consideration for A\$0.5 million investment (See note 10).

In addition, the deed of variation amends the minimum conversion price of the convertible notes issued under the Agreement to \$0.04.

Under the Convertible Securities Agreement further Convertible Notes to raise up to maximum of AU\$5 million (Subsequent Investment Amount), are available subject to satisfaction of customary conditions.

Convertible notes conversions:

On 6 January 2025, the Company converted AU\$259,422 into 3,496,259 ordinary shares at a price of \$0.074 per share, as per the Convertible Securities Agreement.

On 31 January 2025, the Company converted AU\$172,270 into 2,300,000 ordinary shares at a price of \$0.075 per shares, as per the Convertible Securities Agreement.

On 29 April 2025, the Company converted AU\$250,000 into 4,570,384 ordinary shares at a price of \$0.055 per share, as per the Convertible Securities Agreement.

On 8 August 2025, the Company converted AU\$200,000 into 5,000,000 ordinary shares at a price of \$0.04 per share, as per the Convertible Securities Agreement.

Note 8. Derivative financial instruments

	30 June 2025	31 December 2024
	US\$	US\$
<i>Current liabilities</i>		
Embedded derivative - financial liability at fair value through P&L	592,258	900,653

Note 8. Derivative financial instruments (continued)

	30 June 2025	31 December 2024
	US\$	US\$
Opening balance	900,653	-
Embedded derivative liability at inception	134,023	1,395,867
Partial settlement of embedded derivative	(61,287)	(194,206)
Fair value movement on embedded derivative	(381,131)	(301,008)
	<u>592,258</u>	<u>900,653</u>

Refer to note 7 for further information.

Note 9. Issued capital

	30 June 2025	31 December 2024	30 June 2025	31 December 2024
	Shares	Shares	US\$	US\$
(a) Ordinary shares - fully paid	<u>572,526,620</u>	<u>547,340,977</u>	<u>45,565,068</u>	<u>43,702,146</u>

(b) Reconciliation of share capital

	No	US\$
Opening balance as at 1 January 2024	513,884,881	40,701,153
Consideration from Lind Partners for initial shares	-	435,710
Shares issued under the placement	19,660,000	1,320,227
Shares issued under share option plan	1,049,982	64,845
Shares issued on convertible loans	8,946,114	788,993
Shares issued to H2 Blue Tech Limited	3,800,000	421,364
Less: capital raising costs	-	(30,146)
Closing balance at 31 December 2024	<u>547,340,977</u>	<u>43,702,146</u>
Opening balance at 1 January 2025	547,340,977	43,702,146
Shares issued on convertible loans	10,366,643	567,833
Shares issued on placement	1,319,000	847,388
Shares issued to H2B	11,500,000	628,299
Shares issued to lead manager	2,000,000	54,434
Less: capital raising fees	-	(235,032)
Closing balance at 30 June 2025	<u>572,526,620</u>	<u>45,565,068</u>

Note 10. Reserves

	30 June 2025	31 December 2024
	US\$	US\$
(a) Foreign currency translation reserve	(247,090)	(28,167)
(b) Options and equity reserve	9,500,648	9,672,786
(c) Performance rights reserve	15,289	15,289
	<u>9,268,847</u>	<u>9,659,908</u>

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Note 10. Reserves (continued)

(a) Foreign currency translation reserve	US\$	US\$
Opening balance	(28,167)	46,653
Difference arising on translation	(218,923)	(74,820)
Closing balance	(247,090)	(28,167)
(b) Reconciliation of option and equity reserve	No.	US\$
Opening balance at 1 January 2024	69,379,894	8,885,736
Options issued to Mercer	11,428,571	309,410
Options issued attaching to the Placement	19,660,000	-
Options issued to Directors	9,000,000	55,380
Options issued to CEO	1,467,750	16,035
Options issued to executives and employees	2,205,625	41,477
Vesting of exercise related to options	-	364,748
Closing balance at 31 December 2024	113,141,840	9,672,786
Opening balance at 1 January 2025	113,141,840	9,672,786
Options cancelled	(1,087,500)	-
Options issued attaching to the Placement	1,690,000	-
Options issued to H2B	2,500,000	46,112
Options issued to Mercer	1,428,571	31,336
Vesting of ESOP options	-	306,641
Vesting of unissued options to Lead Manager	-	118,184
Movement on settlement of contingent options and shares	-	(674,411)
Closing balance on 30 June 2025	117,672,911	9,500,648
(c) Reconciliation of performance rights reserve	No.	US\$
Performance rights issued to CEO	2,000,000	15,289
Closing balance 31 December 2024	2,000,000	15,289
Opening balance 1 January 2025	2,000,000	15,289
Closing balance at 30 June 2025	2,000,000	15,289

Note 11. Accumulated losses

	30 June 2025 US\$	31 December 2024 US\$
Accumulated losses at the beginning of the financial period	(52,992,316)	(47,233,878)
Loss after income tax expense for the period	(2,229,885)	(5,758,438)
Accumulated losses at the end of the financial period	(55,222,201)	(52,992,316)

Note 12. Dividends

There were no dividends paid, recommended or declared during the current or previous financial period.

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Note 13. Loss per share

	30 June 2025 US\$	30 June 2024 US\$
<i>Loss per share for loss from continuing operations</i>		
Loss after income tax	<u>(2,229,885)</u>	<u>(2,774,262)</u>
	Cents	Cents
Basic and diluted earnings per share loss	(0.39)	(0.53)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>570,177,528</u>	<u>520,937,891</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>570,177,528</u>	<u>520,937,891</u>

Note 14. Share-based payments

The Company recognised the following share based payment arrangements at 30 June 2025:

- The Company granted 12,000,000 options to Lead Manager with exercise price of A\$0.10 and expiry date of 30 May 2028. During the half year ended 30 June 2025 a total of \$118,184 was recognised as share based payment as capital raising costs in equity.
- The Company granted 770,000 options to employees with exercise price of A\$0.10 and expiring 5 years from grant date. During the half year ended 30 June 2025 a total of \$25,121 was recognised as share based payment.
- The Company granted 425,000 options to employees with exercise price of A\$Nil and expiring 5 years from grant date. During the half year ended 30 June 2025 a total of \$13,068 was recognised as share based payment.

For the options and rights granted during the current reporting period, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected Volatility	Dividend yield	Risk-free rate	Fair value at grant date (AU\$)	Fair value at grant date (US\$)
30/05/2025	30/05/2028	AU\$0.048	AU\$0.100	75%	N/A	3.32%	AU\$186,854	US\$118,184
01/03/2025	01/03/2030	AU\$0.085	AU\$0.100	75%	N/A	3.32%	AU\$39,214	US\$25,121
01/03/2025	01/03/2030	AU\$0.085	Nil	N/A	N/A	N/A	AU\$36,125	US\$23,142

For the half year ended 30 June 2025 a share based expense of \$306,641 (30 June 2024: \$ 184,612) was recognised in profit and loss in line and \$118,184 being recognised as capital raising costs in equity.

	30 June 2025 US\$	30 June 2024 US\$
SBP expense for options under the employee share option plan issued in prior periods	274,821	1,264,732
SBP expense for external advisors	131,838	58,140
SBP expense for unissued options and rights	<u>17,966</u>	<u>-</u>
Total	<u>424,625</u>	<u>1,322,872</u>

Note 15. Contingent asset and liabilities

There has been no change to contingent assets and liabilities to 30 June 2025.

Note 16. Related party transactions

Transactions with related parties

The related party transactions remained consistent with 31 December 2024.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Note 17. Matters subsequent to the end of the financial period

Mercer Funding Agreement

Subsequent to half year the maturity of the convertible notes has been extended by 6 months and the Group continues to manage the terms of this agreements.

On 8 August 2025, the Company converted AU\$200,000 into 5,000,000 ordinary shares at a price of \$0.04 per share, as per the Convertible Securities Agreement.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

The Directors of Dotz Nano Limited declare that:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the financial period ended on that date; and
- subject to matters noted in Note 2 'Going Concern', there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Bernie Brookes AM
Chairman

29 August 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Dotz Nano Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Dotz Nano Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as 30 June 2025, 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, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the 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 true and fair and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 Group's financial position as at 30 June 2025 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*.

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.

BDO Audit Pty Ltd



Neil Smith

Director

Perth, 29 August 2025