

27 November 2024

US Institutional Shareholder Invests a Further A\$2.0 million

Signed variation of Convertible Securities Agreement

Dotz Nano Limited (ASX: DTZ, OTC: DTZZF/DTZNY, “**Dotz**” or “**Company**”), a leading developer of innovative climate and industrial nanotechnologies, is pleased to advise that it has agreed to existing US institutional shareholder Mercer Street Global Opportunity Fund II LP (**Mercer II**), an investment fund managed by Mercer Street Capital Partners, LLC, investing a further A\$2.0 million in the Company, under the Convertible Securities Agreement announced 5 February 2024 (subject to the approval of certain conditions). In addition, the Company executed a deed of variation in respect to Convertible Securities Agreement, including amendment of the minimum conversion price of the convertible notes issued under the Agreement to \$0.04.

Highlights

- **Additional investment of A\$2.0 million in consideration for 2.2 million Convertible Notes;**
- **Subsequent Investment in addition to initial investment of A\$5.0 million announced in February 2024;**
- **Funds to be used to maintain the strong momentum currently underway in the development of the DotzEarth carbon capture technology;**
- **Demonstrates Mercer’s continued confidence in Dotz’s strategy and the DotzEarth carbon capture technology.**

Dotz Chief Executive Officer and Managing Director Mr Sharon Malka said this additional investment reinforced Mercer’s continued support for the Company’s strategy and growth trajectory.

“We are pleased to continue our partnership with Mercer and welcome its further investment in the Company. Mercer’s continued backing signifies a vote of confidence in the DotzEarth carbon capture technology and our management team’s ability to execute on our strategy.

“This additional investment provides us with the runway to maintain the strong momentum we currently have in accelerating the development of DotzEarth.”

Funding Details

The \$2,000,000 in funding is in respect of the subsequent first and second tranches of funding under the Convertible Securities Agreement as follows:

- 1,650,000 Convertible Notes to raise \$1.5 million (before costs) (**Subsequent Investment Amount Tranche 1**); and
- 550,000 Convertible Notes to raise a further \$0.5 million (before costs), subject to shareholder approvals to be obtained prior to 31 January 2025 (**Subsequent Investment Amount Tranche 2**).

The Company notes that, in addition to the issue of 2,200,000 Convertible Notes, the following additional securities will also be issued to Mercer in connection with the Convertible Securities Agreement:

- 4,285,714 options for nil cash consideration each with an exercise price of \$0.175 and expiry date that is 36 months after the date of issue, in connection with the Subsequent Investment Amount Tranche 1 and , subject to shareholder approval 1,428,571 options for nil cash consideration each

with an exercise price of \$0.175 and expiry date that is 36 months after the date of issue, in connection with the Subsequent Investment Amount Tranche 2 (**Mercer Options**); and

- 666,244 fully paid ordinary shares (**Shares**) for nil cash consideration in connection with the Subsequent Investment Amount Tranche 1.

The Company has also executed a deed of variation (**Deed of Variation**) in respect of the convertible securities agreement originally between the Company and Mercer Street Global Opportunity Fund, LLC (**Mercer Street**) dated on or about 3 February 2024 (**Agreement**), which has since been partially novated to Mercer II via a deed of novation dated on or about 15 March 2024 (Mercer Street and Mercer II, together '**Mercer**'). Amongst other things, the Deed of Variation amends the minimum conversion price of the convertible notes issued under the Agreement to \$0.04.

As announced on 5 February 2024, the Company entered into the Agreement whereby Mercer conditionally agreed to provide the Company with up to a total of \$12 million in funding, via subscriptions for convertible notes in the Company with a face value of \$1.00 per note.

In consideration for the subsequent investment, the Company has agreed to vary the terms of the Agreement to amend the exercise price of any subsequent options issued (including the Mercer Options) from \$0.35 to \$0.175 and, subject to obtaining shareholder approval prior to 26 January 2025, to amend the minimum conversion price of the convertible notes issued under the Agreement prior to 27 November 2024 from "\$0.09" to "\$0.04".

The securities associated with the \$1.5m subsequent investment are expected to be issued today.

Pursuant to the Agreement, and subject to agreement by the Company and Mercer, Dotz may raise up to a maximum of \$5 million via the issue of additional Convertible Notes.

Variations to the Agreement

A summary of the variations to the Agreement with effect from the date of the Variation Deed is set out below:

Item Amended	Existing Term	Amended Term
Subsequent Tranche Floor Price	means \$0.13, subject to adjustment in accordance with this Agreement.	means \$0.04, subject to adjustment in accordance with this Agreement. <i>Note that shareholder approval will be sought to amend the minimum conversion price of all existing convertible securities issued prior to 27 November 2024 from \$0.09 to \$0.04.</i>
Number of Subsequent Options to be issued	such number of Subsequent Options as is equal to 50% of the Subsequent Investment Amount relating to the Subsequent Convertible Securities issued on such date divided by \$0.35.	such number of Subsequent Options as is equal to 50% of the Subsequent Investment Amount relating to the Subsequent Convertible Securities issued on such date divided by \$0.175.
Exercise Price	The exercise price of each Option is \$0.35 (Exercise Price).	The exercise price of each Option is (a) \$0.35 for First Tranche Options, Second Tranche Options and Third Tranche Options; and (b) \$0.175 for any Subsequent Options, (Exercise Price).

Item Amended	Existing Term	Amended Term
Subsequent Commencement Shares	means a total of a number of Shares equal to \$210,000 divided by a deemed issue price per Share equal to the VWAP of Shares for the 5 Trading Days prior to the Execution Date, to be issued to the Investor (or its nominated Affiliate) for nil cash consideration on the first Subsequent Closing to occur.	means the Subsequent Commencement Shares (Tranche A) and Subsequent Commencement Shares (Tranche B), as applicable.
Subsequent Commencement Shares (Tranche A)	N/A	means, subject to the aggregate Subsequent Investment Amount across all Investment Request Notices being equal to or exceeding \$1,500,000, a total of a number of Shares equal to \$105,000 divided by a deemed issue price per Share equal to the VWAP of Shares for the 5 Trading Days prior to the Execution Date, to be issued to the Investor (or its nominated Affiliate) for nil cash consideration on the first Subsequent Closing to occur.
Subsequent Commencement Shares (Tranche B)	N/A	means, subject to the aggregate Subsequent Investment Amount across all Investment Request Notices being equal to or exceeding \$2,500,000, a total of a number of Shares equal to \$105,000 divided by a deemed issue price per Share equal to the VWAP of Shares for the 5 Trading Days prior to the Execution Date, to be issued to the Investor (or its nominated Affiliate) for nil cash consideration on the next Subsequent Closing to occur after the aggregate Subsequent Investment Amount across all Investment Request Notices equal or exceed \$2,500,000.
Event of Default	N/A	the 'Shareholder Approval' as defined in the Letter of Variation dated 27 November 2024 amending this Agreement (being shareholder approval to amend the minimum conversion price of all convertible securities issued prior to 27 November 2024 from \$0.09 to \$0.04) is not obtained by the 'Shareholder Approval Date' as defined in the Letter of Variation or such other date that the Investor agrees in writing.

As at the date of this announcement 5,300,000 convertible notes issued prior to 27 November 2024 pursuant to the terms of the Agreement, remain on issue.

The Company will convene a meeting of its shareholders to seek the above approval in due course.

Summaries of the key terms and conditions of the Convertible Notes, Mercer Options and Agreement are set out in the announcement dated 5 February 2024.

The Company advises that it has consulted with ASX and been advised that in ASX's opinion the Convertible Notes are appropriate and equitable for the purposes of ASX Listing Rule 6.1.

This announcement has been authorised for release by the Board of Dotz Nano Limited.

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About Dotz Nano Limited

Dotz Nano Limited (ASX: DTZ) is a nanotechnology company developing innovative climate and industrial nano-technologies.

The Company's primary focus is centred around ground-breaking carbon dioxide (CO₂) management technologies leading towards carbon-neutral future. The company's proprietary carbon-based solid sorbent, offering an efficient and sustainable approach, facilitating industrial deep decarbonization.

To learn more about Dotz, please visit the website via the following link: www.dotz.tech.

Future Performance and Forward-Looking Statements

This announcement contains certain statements that constitute forward-looking statements that may be identified by the use of terminology such as "may," "will," "expects," "plans," "anticipates," "estimates," "potential" or "continue" or the negative thereof or other comparable terminology. Examples of such statements include, but are not limited to, statements regarding the design, scope, initiation, conduct and results of our research and development programs; our plans and objectives for future operations; and the potential benefits of our products and research technologies. These statements involve a number of risks and uncertainties that could cause actual results and the timing of events to differ materially from those anticipated by these forward-looking statements. These risks and uncertainties include a variety of factors, some of which are beyond our control. Forward looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.