

19 May 2023

DOTZ ANNOUNCES STRATEGIC ACQUISITION OF CARBON CAPTURE TECHNOLOGY

An innovative technology, turning plastic waste to solid sorbent for capturing and storing carbon dioxide

Dotz Nano Limited (ASX: DTZ, Dotz or the Company) is pleased to announce it has entered into a binding asset purchase agreement with H2 Blue Tech Limited to acquire its Carbon Dioxide (CO₂) capture assets and technology (the **Acquisition**). Completion of the Acquisition is subject to customary closing conditions including shareholder approval and is anticipated to occur on third quarter 2023.

Key Highlights:

- Dotz to acquire an innovative CO₂ capture technology, which utilises plastic waste to produce carbon-based solid sorbent with nanosized pores to capture and store CO₂ gases.
- The technology was developed at Rice University and fully characterised by SINTEF, Europe's largest research institution for energy and climate technologies.
- The new technology represents the next generation of carbon capture sorbents, demonstrating several benefits over existing technologies including energy efficiency, low cost of ownership and longer lifetime.
- Dotz views this as a highly strategic and value enhancing acquisition, providing a valuable addition to the Dotz nanotechnology platform.
- The CO₂ capture industry is undergoing significant growth while playing a critical role in the energy transition and industrial decarbonisation.
- Performance-based deal structure consisting of upfront consideration and additional deferred consideration, comprised of cash, fully paid ordinary shares in the Company (**Shares**) and options over Shares (**Options**), payable upon achievement of certain milestones.
- The issue of Shares and Options are subject to Dotz shareholder approval at the upcoming AGM to be held on 30 May 2023.

This strategic Acquisition aligns with Dotz's business growth strategy and will strengthen its offering to existing target markets, primarily the oil & gas and chemical industries. Furthermore, the acquisition ensures the Company is well-positioned to capitalise on the opportunity in the carbon capture and green technology sector to deliver long-term value enhancement for shareholders.

Dotz Chief Executive Officer, Sharon Malka, said: "We are extremely pleased to synergistically add to our portfolio an innovative and promising carbon capture technology, which positively positions Dotz for growth.

"This ground-breaking technology provides Dotz with an ideal platform to enter the carbon capture market, with significant market opportunities into the next decade. While CO₂ capture is a new market for us, our track-record of developing, scaling, and commercialising innovative technologies ensures we have the demonstrated capability to deliver for our clients and shareholders. The carbon capture technology will complement and diversify Dotz's existing technology portfolio and strengthen our



market position.”

We are proud to lead an Australian-listed company to the forefront of innovation in this sector, which is enabling a net zero future,” Mr Malka said.

The Technology

The acquired solid, carbon-based sorbent technology is used for the separation and capture of industrial gasses, including, but not limited to, CO₂, hydrogen, and methane.

The patented and innovative technology utilises plastic waste to produce carbon-based polymeric sorbent with nanosized pores optimised to capture and store CO₂ and other industrial flue gasses. It has several benefits over existing technologies including scalability, energy efficiency, a low cost of ownership, and selective adsorption of CO₂.

The technology was developed at Rice University and fully characterised by SINTEF¹. It uses non-volatile, non-corrosive materials with low regeneration sorbent temperatures to address issues that made first generation amine-based capture technology non-viable at scale. It also has a lower environmental footprint, with the capability to utilise waste plastic and minimise energy consumption in its processes.

The Carbon Capture Opportunity

The scale of opportunity in the carbon capture and green energy sector is significant, with the latest data showing we need to increase our annual carbon capture rate from approximately 400 mega tonnes to 6 giga tonnes, globally by 2050, representing a \$600 billion opportunity². This creates an ideal environment for carbon capture technology companies to simultaneously pursue strategies of differentiation at low cost and to open up new markets and create new demand.

-ENDS-

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

For further information, please contact:

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About Dotz Nano Limited

Dotz Nano Limited (ASX: DTZ) is a technology company specialising in high-value advanced materials. Dotz develops and commercialises innovative solutions addressing global environmental & industrial challenges, utilising its carbon-based nano technologies. Our two main areas of focus are:

- In-product tagging solution for anticounterfeiting and monitoring, primarily for the oil & gas and chemicals sectors.

¹ Source : <https://doi.org/10.1021/acsnano.2c00955>; [Climate and environment - SINTEF](#)

² Source: IEA



- Carbon-based sorbent technology for industrial decarbonisation & sustainability

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



APPENDIX – TRANSACTION OVERVIEW

Transaction Overview

Subject to shareholder approval, under the terms of the Asset Purchase Agreement, Dotz will acquire H2 Blue's Assets and Technology for upfront consideration of 14,400,000 Shares and 8,000,000 Options in Dotz as well as US\$880,000 in cash plus additional deferred consideration of up to a further 25,600,000 Shares and 25,000,000 Options in Dotz and US \$1,500,000 in cash, which may be payable for achievement of certain performance milestones, outlined below. These milestones can be satisfied at any time within 3 years of completion and in any order. Please refer to the Acquisition deck and the Addendum the Notice of Annual General Meeting lodged with the ASX on 19 May 2023 for further details in relation to the milestones.

Milestone A

| | | Shares | Options | Cash (\$'000) |
|-------------------|--|--------------|--------------------------------------|----------------|
| | Total Max. consideration payable upon achievements of certain performance milestones¹ | 40.0m | 33.0m | \$2.380 |
| On closing | | 14.4m | 8.0m (e.p ² \$0.80) | \$880 |
| Earn out A | upon successful scale-up production of Carbon-based Sorbent from recycled plastic that meets pre-defined performance parameters | 7.5m | 8.0m (e.p \$0.85) | - |
| Earn out B | upon lab scale pilot unit with a capacity of capturing 1 tonne per day of CO ₂ , capturing at an efficiency rate of 90% | 7.5m | 8.0m (e.p \$0.90) | \$550 |
| Earn out C | upon (i) a non-diluting and non-refundable grant funding of \$5m and (ii) partnership with at least US\$3 million investment in the CO ₂ captured activity with a major strategic partner | 7.9m | 9.0m (e.p \$0.95) | \$550 |
| Earn out D | upon successful recruitment of carbon capture leadership team and special matter experts | 2.7m | | \$400 |

The maximum consideration payable (Upfront Consideration plus 100% of the earn-out consideration) for H2 Blue's Assets and Technology is 40,000,000 Dotz Shares, 33,000,000 Dotz Options, and \$2.38 million cash.

Completion of the Acquisition is subject to customary closing conditions including shareholder approval and capital raise, and is anticipated to occur on third quarter 2023.

The Company is an active discussion with both existing shareholders and strategic investors, and the board is in the belief that it will secure funds to ensure the continuity of DOTZ with the carbon capture



asset acquisition.

The Share and Options to be issued as part of the Acquisition (including the earn-out consideration) represents approximately 12% dilution to existing Dotz shareholders as at the date of this announcement.