



DOTZ NANO LIMITED

ABN 71 125 264 575

**ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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Directors

Bernie Brookes – Chairman & Interim CEO
Doron Eldar – Non-Executive Director
Ian Pamensky – Non-Executive Director
James Cotton – Non-Executive Director

Company Secretary

Ian Pamensky

Registered Office

Level 14
330 Collins Street
Melbourne VIC 3000

Auditor

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

Share Registry

Automatic Registry Services
Level 5, 126 Phillip Street
SYDNEY NSW 2000

Securities Exchange Listing

ASX Limited
Level 4 North Tower, Rialto
525 Collins Street
Melbourne VIC 3000

ASX Code – DTZ

Your Directors present their report, together with the financial statements of Dotz Nano Limited ("the Company") and controlled entities ("the Group") for the financial year ended 31 December 2020.

Directors

The names and the particulars of the Directors of the Company during or since the end of the financial year are:

Name	Status	Appointed	Resigned
Bernie Brookes AM	Chairman & Interim CEO	Appointed 15 January 2020 Appointed 25 September 2020	- -
Uzi Breier	CEO and Executive Director	Appointed 18 May 2018	25 September 2020
Doron Eldar	Non-Executive Director	Appointed 15 January 2020	-
Ian Pamensky	Non-Executive Director	Appointed 25 September 2020	-
James Cotton	Non-Executive Director	Appointed 16 November 2020	-
John Bullwinkel	Non-Executive Director	Appointed 21 March 2018	Resigned 23 March 2020
	Interim Chairman	Appointed 1 December 2019	Resigned 15 January 2020
Ashley Krongold	Non-Executive Director	Appointed 31 October 2016	Resigned 23 March 2020

Principal Activities

The principal continuing activities of the Group during the year is developing, manufacturing and commercialising tagging, tracing, and verification solutions.

Dividends

There were no dividends paid or recommended during the financial year ended 31 December 2020 (2019: Nil).

Review of Operations

Dotz Nano Limited had a loss for the year of \$3,968,996 (2019: \$3,746,564 loss). This included a non-cash amount of \$1,392,484 share-based payments (2019: \$731,308).

The net assets of the Group have increased from \$1,299,665 at 31 December 2019 to \$5,205,896 at 31 December 2020.

As at 31 December 2020, the Group's cash and cash equivalents balance was \$5,259,087 (2019: \$1,371,275) and had working capital of \$4,950,829 (2019: \$1,106,596).

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

Review of Activities

The following events occurred during the year:

- On 15 January 2020, the Company appointed Mr Bernie Brookes as Chairman of the Company. The terms of the Agreement with the Chairman are detailed in the remuneration report.
- On 15 January 2020, the Company appointed Mr Doron Eldar as a Non-Executive Director of the Company.
- On 31 January 2020, the World Health Organisation (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. Because of the rapid increase in exposure globally, on 11 March 2020, the WHO classified the COVID-19 outbreak as a pandemic.
- On 20 March 2020, Mr John Bullwinkel and Mr Ashley Krongold resigned as Non-Executive Directors of the Company.

Review of Activities

- On 26 March 2020, the Company announced that it had secured a US\$100,000 (A\$166,000) Purchase Order for its Validotz™ plastic security markers from a Switzerland-based plastic compounder. The compounder will on-sell Dotz's Validotz™ security makers to its customers as anticounterfeiting solution inserted during the plastic compounding process. Orders to date have been less than the original purchase order as disclosed in the Company's ASX announcement on 12 March 2021, which includes a summary of the key reasons for the discrepancies.
- On 11 May 2020, the Company announced that it had signed a US\$1,000,000 (A\$1,530,000) Commercial Agreement with Universal Exports Group ("UEG"), a Hong Kong based corporation specialising in wholesale distribution to supply anti-counterfeiting and tracing capabilities to face masks required for Government stock piles and National Health Services ("Agreement").

Under the Agreement Dotz will supply its Validotz™ security markers which will be applied to 100 million medical face masks. The Agreement consists of Phase-I requiring calls for immediate supply of Validotz™ for 30 million masks and the balance Phase-II, pending customer demand. The Phase I was delivered and a payment of US\$300K was received by the Group during the reporting period.

As part of the Agreement, UEG will become the sole and exclusive distributor for Dotz in South Africa and China markets for a period of 2 years, for the following items: face masks, medical gowns, medical gloves and other medical protective gear. As part of the Agreement, Dotz are to grant UEG 3,000,000 Unlisted Options with an exercise price of A\$0.048 vesting on a pro-rata quarterly basis over the 2 year term of the Agreement. Options have an expiring term of 3 years from the date of the Agreement. 750,000 Unlisted Options were issued before 31 December 2020 and a further 375,000 Unlisted Options have been issued since 31 December 2020. A further 1,875,000 Unlisted Options are to be issued on a quarterly basis over the duration of the agreement.

- On 21 July 2020, the Company also announced that it had signed a pilot agreement with Zohar-Dalia Cooperative Agriculture Association Ltd for the use of Validotz™ markers in disinfectant materials to verify surface coverage for signs of viruses, including COVID-19. Under the agreement, the Company marked 1,000 litres of Zohar-Dalia disinfectant material to trace and verify proper surface coverage in local hospitals and other public areas as part of a pilot. Since completing the pilot study, the parties have had continuing discussions as to the possibility of entering into an agreement for the on-going supply of the Company's Validotz™ markers. The Company had not entered into a definitive agreement with Zohar Dalia Co-Operative Agricultural Association at 31 March 2021.
- On 4 August 2020, the Company announced that it had signed a A\$528,000 commercial agreement with V2Tech Distributors Pty Ltd (V2Tech), an Australian-based corporation specialising in wholesale distribution, to authenticate medical face masks in Australia ("Agreement"). The initial order was to consist of 30 million face masks for the Australian health sector, government, and retailers. V2Tech was required to pay 5% of the contract value within 30 days of the Agreement and will be the sole distributor for two years in Australia. Subsequently on 29 January 2021 the Company announced that during 2020 Dotz received A\$26,000 from V2Tech for the initial order that was delivered. The Company is now expecting that the balance of the contract will be realized during 2021.
- On 28 August 2020, the Company announced that it had signed a A\$2.2 million (US\$1.6M) commercial agreement with TT Medical Group (TTM). The initial order was valued at A\$348,000 (USD \$250,000), a second order in the amount of A\$626,000 (USD \$450,000) is expected Q1 2021 and the remaining contract will be ordered subject to customer demand. TTM will be the sole distributor of the "Secured by Dotz" authentication solution for face masks in Turkey, Italy and Ghana PPE markets for a three-year period, provided agreed annual sales targets are met.

Subsequently on 29 January 2021 the Company announced that during FY20, the Company delivered an initial US\$24,000 quantity of its 'Secured by Dotz' authentication solution for face masks and medical gloved to TT Medical Group and delivered the remaining US\$226,000 quantity in January 2021. The Group also received the US\$35,000 advance payment and is currently in discussion with TT Medical Group to amend the contract to deliver a broader range of PPE related products, not less than the value originally contracted from first quarter of FY2021.

Review of Activities

- In addition, Dotz has also signed a three-year distribution agreement with a related party of TTM, TT Medical UAE ("TTMU"), whereby TTMU will become the sole distributor of the "Secured by Dotz" authentication solution for face masks in the UAE, Egypt, Qatar and Saudi Arabia PPE markets, provided agreed annual sales targets are met. As an incentive, Dotz will grant TTMU 4 million Unlisted Options with exercise price at a 40% premium to the closing Dotz share price on 25 August 2020 vesting on a pro-rata quarterly basis over the three-year period if performance targets are met, with an expiry term of three and a quarter years from the date of the agreement. The issue of options is subject to shareholder approval.

- On 8 September 2020, the Company announced that it had signed a face mask authentication agreement granting Breathe Medical Manufacturing Ltd (Breathe Medical) exclusivity in USA and Canada. The agreement is for a period of three years and is automatically renewed for an additional one-year period. During the initial three-year period of the agreement, the total minimum order amount is US\$13 million, and to maintain exclusivity a total minimum amount of US\$24.6 million. The initial order of US\$1 million is due in Q1 2021 and for subsequent quarters, minimum quarterly orders of US\$1.25 million.

Subsequently on 29 January 2021 the Company announced that the Group has commenced preparation for delivery of an initial US\$1 million quantity of its 'Secured by Dotz' authentication solution. Due to a CEO change and manufacturing issues at Breathe Medical, the Group's three -year purchase agreement has been delayed by a quarter and was expected to commence in second quarter of FY2021.

- On 25 September 2020, Non-Executive Chairman Bernie Brookes AM was appointed Chairman & Interim-CEO, following the resignation of Mr Uzi Breier as CEO & Executive Director of the Group. Mr Ian Pamensky was appointed as an Interim-Director.
- On 19 October 2020, the Group announced that it had extended its initial commercial agreement with Universal Exports Group ("UEG"), receiving a new PPE purchase order for medical gown authentication, its second with the Hong King-based wholesale distributor. Under the agreement, Dotz will use its advanced "Secured by Dotz" solution to authenticate an initial quantity of protective medical gowns for US\$255,000, with delivery due in Q1 2021.

Subsequently on 29 January 2021 the Company announced that the initial contracted advance payment of US\$64K, which was due in fourth quarter of FY2020 is now being incorporated into the combined first quarter FY2021 order and due to customer product characterization changes the project is further delayed to Q2 2021. The agreement also outlines authentication for further medical gowns and other PPE products for up to US\$765,000, subject to customer demand.

- On 19 October 2020, the Company reported that it had secured a AU\$7.1 million Placement to fund the delivery of existing PPE authentication contracts, establish distribution networks, and sales and marketing support. The Placement comprised of an offer of 28.3million fully paid ordinary shares at an issue price of A\$0.25 per share. SIBF's commitment of A\$650,000, as well as A\$150,000 of Director participation in the placement, is subject to shareholder approval at the Company's next General Meeting.
- Mr James Cotton was appointed as a Non-Executive Director of the Company, effective from 16 November 2020.

Significant events after the reporting period

Since the reporting date the following significant events have occurred:

- The Company's securities were suspended from trading on the ASX from 20 November 2020 to 15 March 2021 to finalise an agreement with Caerus Therapeutics Inc and respond to queries from the ASX. The responses to the ASX queries were announced on 1 March and 12 March 2021.
- The Company entered into an amended service agreement with Caerus Therapeutics Inc to facilitate the development and commercialisation of the Company's Rapid SARS-CoV-2 Diagnostic kit (the "Dotz Test Kit"). The terms of the agreement are incorporated as part of the Group announcement made on 1 March 2021.
- On 25 January 2021, the Company obtained authorization to use the CE mark for its Dotz Test Kits in respect of nasopharyngeal swab samples. The CE mark authorisation clears the Dotz Test Kit for sale in the European Union (although it is noted that some countries in the European Union have additional import regulatory requirements that Dotz will still need to comply with if it intends to sell the Dotz Test Kits in those countries).
- On 22 March 2021, the Company obtained authorization for its Dotz Test Kits in respect of saliva samples. The CE mark authorisation clears the saliva-based diagnostic Dotz Test Kits for sale in the European Union (although it is noted that some countries in the European Union have additional import regulatory requirements that Dotz will still need to comply with if it intends to sell the Dotz Test Kits in those countries).

Other than these matters, no matters have arisen since the end of the financial year to the date of this report of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Information on Directors

Mr Bernie Brookes AM Non-Executive Chairman (Appointed 15 January 2020) and Chairman and Interim CEO (Appointed 25 September 2020)

Qualifications BA, Dip Ed

Experience Mr. Brookes is an experienced Australian executive, CEO and Chairman with substantial expertise in retail, supply chain management, wholesale operations and IT systems. He has more than four decades of business management experience. Previously he was a senior Executive at Woolworths, CEO of Myer Holdings Limited for nine years and Edcon South Africa for three years.

Mr. Brookes's strengths include expertise in business management, displaying energy and self-confidence with the ability to find solutions to complex situations through analytical, conceptual and entrepreneurial skills. Ultimately, he is motivated by results.

Mr Brookes is on the Advisory Board of the World Retail Congress as Australia's representative and is on the Grand Jury for the World Retail Awards. He was awarded an Order of Australia for his efforts in retail and Philanthropy and for over 30 years has been the Patron of Australia's largest retail industry award.

Interest in Shares and Options 625,000 Ordinary Shares

Special Responsibilities Nil

Directorship held in other listed entities (last 3 years) Funtastic Limited (resigned 26 November 2020)

Mr Doron Eldar Non-Executive Director (Appointed 15 January 2020)

Qualifications BA in Business Economics

Experience Mr. Eldar brings more than a decade of experience in senior leadership roles and is currently a Melbourne-based partner at venture capital fund SIBF and Oxen9. Mr Elder has extensive experience within start-up and pre-revenue companies, executing the development of new business models, channel growth and effective go-to-market strategies.

Interest in Shares and Options 277,778 Ordinary Shares
92,593 Unquoted Options

Special Responsibilities Nil

Directorships held in other listed entities (last 3 years) Nil

Information on Directors

Mr Ian Pamensky	Company Secretary
Qualifications	B.Com, BAccS (Hons), CA
Experience	Mr. Pamensky has over 23 years' experience in the finance and secretarial sector for both SME and ASX-listed entities. Since 1997, Mr Pamensky has held various roles with ASX-listed companies.
Interest in Shares and Options	Nil
Special Responsibilities	Nil
Directorships held in other listed entities (last 3 years)	Nil
Mr James Cotton	Non-Executive Director (Appointed 16 November 2020)
Qualifications	BL & Sc
Experience	Mr Cotton has more than 15 years' experience establishing and operating technology companies, including more than a decade as the founder and CEO of globally renowned governance, risk and compliance software company CMO Software.
Interest in Shares and Options	Nil
Special Responsibilities	Nil
Directorships held in other listed entities (last 3 years)	Nil
Mr John Bullwinkel	Non-Executive Director (Resigned 23 March 2020) Interim Chairman (Resigned 15 January 2020)
Qualifications	Dip.FS, FIPA
Experience	Mr. Bullwinkel is Managing Director of Business Partners Pty Ltd, a boutique advisory and investment consulting company and is based in Melbourne. He has held senior Private Banking roles at Macquarie Private Bank, ANZ Private Bank, Deutsche Bank and Merrill Lynch. He has also held senior positions at Citibank and NatWest in Corporate Commercial Banking.
Interest in Shares and Options	Nil (at resignation date)
Special Responsibilities	Nil
Directorships held in other listed entities (last 3 years)	Nil

Information on Directors

Mr Ashley Krongold	Non-Executive Director (Resigned 23 March 2020)
Qualifications	B.Com
Experience	Mr. Krongold has spent 15 years in the Investment Banking and Accounting industries. He was a founding member of Investec Bank Australia and is currently CEO of the Krongold Group and a non-executive director of Weebit Nano Ltd (ASX: WBT). He is also a founding General Partner of global equity crowd-funding platform, OurCrowd.
Interest in Shares and Options	1,875,032 Ordinary shares (at resignation date) 544,946 Performance shares (at resignation date)
Special Responsibilities	Nil
Directorship held in other listed entities (last 3 years)	Weebit Nano Limited (current) G-Medical Innovations Ltd (resigned 23 April 2018)

Information on Key Management

Dr Michael Shtein	Chief Technology Officer (appointed 1 August 2015)
Qualifications	Ph.D. Nano Technology
Experience	Dr. Shtein holds a Ph.D. in Nano Technology interdisciplinary studies from Ben-Gurion University, together with and M.Sc in Chemical Engineering and MBA. He was the Chief Material Engineer – R&D Development for the Israeli Ministry of Defence and has developed several new materials and compounds. His main research topic is composite nanomaterials (CNT, Graphene, WS2).
Mr Tomer Segev	Chief Financial Officer (appointed 1 January 2019)
Qualifications	BA, MBA, CPA
Experience	Mr. Segev is an experienced executive with extensive knowledge of investment banking and international finance. He has previous CFO experience with various commercialised start-up companies, including RoundForest and NorthBit. Mr Segev has worked in the United States as an Associate Vice President at CSG Partners and as a Senior Analyst at PWC. Later he was Head of M&A for investment bank Rosario Capital.
Mr Yoni Engel	VP Business Development (appointed 1 November 2019)
Qualifications	PhD Chemistry and Nanotech, M.Sc. Energy engineering
Experience	Dr. Engel brings a unique mix of broad scientific and technical expertise, both in academia and in industry. He developed an ultrasensitive system for the detection of explosives which was later commercialized (Tracesense Ltd.) and lead the scientific development for several mega engineering projects for ICL Fertilizers. He was a post-doctoral research fellow in the University of Massachusetts, and holds a PhD in Chemistry from Tel-Aviv University and a M.Sc in Energy engineering (O&NG) from the Technion.

Information on Company Secretary

Details for Mr Ian Pamensky are provided above under Information on Directors.

Meetings of Directors

The number of formal meetings of Directors held during the period and the number of meetings attended by each director was as follows:

			DIRECTORS' MEETINGS	
	Appointed	Resigned	Number eligible to attend	Number Attended
Bernie Brookes	Appointed 15 January 2020	N/A	8	8
Doron Eldar	Appointed 15 January 2020	N/A	8	8
Ian Pamensky	Appointed 25 September 2020	N/A	1	1
James Cotton	Appointed 16 November 2020	N/A	-	-
Uzi Breier	Appointed 18 May 2018	Resigned 25 September 2020	7	7
Ashley Krongold	Appointed 31 October 2016	Resigned 23 March 2020	1	1
John Bullwinkel	Appointed 21 March 2018,	Resigned 23 March 2020	1	1

Options

Unissued shares under option

At the date of this report, the unissued ordinary shares Dotz Nano Limited under option are as follows:

Expiry Date	Grant Date	Exercise Price	Number Under Option
15 February 2023	13 February 2019	Nil	1,000,000
7 May 2021	7 May 2019	AU\$0.085	10,300,003
19 June 2021	19 June 2019	AU\$0.10	5,000,000
29 July 2021	29 July 2019	AU\$0.09	4,820,094
11 September 2021	12 September 2019	AU\$0.10	10,000,000
11 December 2021	3 December 2019	AU\$0.09	10,000,000
11 December 2021	26 November 2019	AU\$0.09	6,368,522
17 June 2022	18 June 2020	AU\$0.09	4,629,630
18 May 2022	18 June 2020	AU\$0.07	1,350,000
31 December 2022	20 August 2020	AU\$0.12	500,000
31 December 2022	20 August 2020	AU\$0.15	500,000
10 September 2022	10 September 2020	AU\$0.09	4,629,630
19 October 2023	19 October 2020	AU\$0.38	5,000,000
31 December 2022	30 July 2020	Nil	6,650,000
31 December 2022	30 July 2020	Nil	5,650,000
31 December 2023	30 July 2020	AU\$0.20	5,650,000
16 October 2022	16 October 2020	AU\$0.05	100,000
16 October 2022	16 October 2020	AU\$0.30	400,000
11 May 2023	6 February 2021	AU\$0.048	375,000
31 December 2022	16 March 2021	AU\$0.06	200,000
			83,122,879

No option holder has any right under the options to participate in any other share issue of the Company or of any other entity.

Performance Shares

At the date of this report, there were no performance shares on issue.

Proceedings on behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Indemnifying Officers

The Company indemnifies each of its Directors, officers and company secretary. The Company indemnifies each director or officer to the maximum extent permitted by the *Corporations Act 2001* from liability to third parties, except where the liability arises out of conduct involving lack of good faith, and in defending legal and administrative proceedings and applications for such proceedings.

The Company must use its best endeavours to insure a director or officer against any liability, which does not arise out of conduct constituting a wilful breach of duty or a contravention of the *Corporations Act 2001*. The Company must also use its best endeavours to insure a Director or officer against liability for costs and expenses incurred in defending proceedings whether civil or criminal.

Insurance premiums

During the year the Company paid insurance premiums to insure directors and officers against certain liabilities arising out of their conduct while acting as an officer of the Group. Under the terms and conditions of the insurance contract, the nature of the liabilities insured against and the premium paid cannot be disclosed.

Environmental Regulations

In the normal course of business, there are no environmental regulations or requirements that the Company is subject to.

Future Developments, Prospects and Business Strategies

The Company's principal continuing activity is the development and commercialisation of technologies in the advanced materials industry, specifically graphene quantum dots (GQDs). The Company's future developments, prospects and business strategies are to continue to develop and commercialise these technologies.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, BDO Audit (WA) Pty Ltd, as part of the terms of its audit engagement agreement against claims by third parties arising from their report on the financial report.

Non-audit Services

During the year, BDO Audit (WA) Pty Ltd, the Company's auditor did not provide any services other than their statutory audits. Other BDO firms and divisions provided tax services to the Group. Details of their remuneration can be found within the financial statements at Note 6 Auditor's Remuneration.

In the event that non-audit services are provided by BDO Audit (WA) Pty Ltd, the Board has established certain procedures to ensure that the provision of non-audit services are compatible with, and do not compromise, the auditor independence requirements of the *Corporations Act 2001*. These procedures include:

- non-audit services will be subject to the corporate governance procedures adopted by the Company and will be reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
- ensuring non-audit services do not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 31 December 2020 has been received and can be found on page 19 of the financial report.

Remuneration Report (Audited)

This remuneration report for the year ended 31 December 2020 outlines the remuneration arrangements of the Group in accordance with the requirements of the *Corporations Act 2001* (Cth), as amended (**Act**) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report is presented under the following sections:

1. Introduction
2. Remuneration governance
3. Executive remuneration arrangements
4. Non-executive Director fee arrangements
5. Details of remuneration
6. Additional disclosures relating to equity instruments
7. Loans to key management personnel (KMP) and their related parties
8. Other transactions and balances with KMP and their related parties
9. Voting of shareholders at last year's annual general meeting

1. Introduction

Key Management Personnel (**KMP**) have authority and responsibility for planning, directing and controlling the major activities of the Group. KMP comprise the directors of the Company and identified key management personnel.

Key management personnel covered in this report are as follows:

Name	Status	Appointed	Resigned
Bernie Brookes AM	Chairman & Interim CEO	15 January 2020 (Chairman) 25 September 2020 (Interim CEO)	N/A
Doron Eldar	Non-Executive Director	15 January 2020	N/A
Ian Pamensky	Non-Executive Director	25 September 2020	N/A
James Cotton	Non-Executive Director	16 November 2020	N/A
Michael Shtein	Chief Technology Officer	1 August 2015	N/A
Tomer Segev	Chief Financial Officer	1 January 2019	N/A
Yoni Engel	VP Business Development	1 November 2019	N/A
Uzi Breier	CEO and Executive Director	18 May 2018	25 September 2020
John Bullwinkel	Non-Executive Director	21 March 2018	23 March 2020
	Interim Chairman	1 December 2019	15 January 2020
Ashley Krongold	Non-Executive Director	31 October 2016	23 March 2020

Compensation levels for KMP are competitively set to attract and retain appropriately qualified and experienced directors and executives. The Board may seek independent advice on the appropriateness of compensation packages, given trends in comparable companies both locally and internationally and the objectives of the Group's compensation strategy.

2. Remuneration governance

The Directors believe the Company is not currently of a size nor are its affairs of such complexity as to warrant the establishment of a separate remuneration committee. Accordingly, all matters are considered by the full Board of Directors, in accordance with a remuneration committee charter.

During the financial year, the Company did not engage any remuneration consultants.

Remuneration Report (Audited)

3. Executive remuneration arrangements

The compensation structures are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. Compensation packages may include a mix of fixed compensation, equity-based compensation, as well as employer contributions to superannuation funds. Shares and options may only be issued subject to approval by shareholders in a general meeting.

At the date of this report the Company has three appointed executives, being Dr Michael Shtein as the Chief Technology Officer, Mr Yoni Engel as the VP of Business Development, and Mr Tomer Segev as the Chief Financial Officer. The terms of their Executive Employment Agreements with Dotz Nano Limited are summarised in the following table.

Executive Name	Remuneration
Dr Michael Shtein	- Executive compensation of US\$20,000 per month for the period until 30 April 2019, for the period from 1 May 2019 until 30 October 2020 the Executive compensation and position capacity was reduced to 50% (US\$10,000) except for 3 months (May 2020 until July 2020) in which the compensation was reduced by 25%, from 1 November 2020 the Executive compensation and position capacity was increased to US\$15,000 and 75%, plus company leased car; - Reimbursement of reasonable business expenses incurred in the ordinary course of the business in accordance with the Group's reimbursement policies; and - This agreement may be terminated by either party with 30 days notice from Dr Michael Shtein and 3 months' notice from the Company.
Mr Tomer Segev	- Executive gross salary of ILS 22,500 (~\$6,998)* per month for 50% position, from 1 April 2019 until 31 August 2020 gross salary of ILS 27,000 (~\$8,398)* per month for 60% position except for 3 months (May 2020 until July 2020) in which the salary was reduced by 25% and from 1 September 2020 gross salary of ILS 35,000 (~\$10,886)* per month for 75% position. In addition, employee is entitled to full social benefits (Pension fund, study fund and disability insurance) plus Company leased car from 1 December 2019; - Reimbursement of reasonable business expenses incurred in the ordinary course of the business in accordance with the Group's reimbursement policies; and - This agreement may be terminated by either party on 3 months' notice.
Mr Yoni Engel	- Executive gross salary of ILS 34,000 (~\$10,575)* per month for full time position, except for 3 months (May 2020 until July 2020) in which the salary was reduced by 25%. In addition, employee is entitled to full social benefits (Pension fund, study fund and disability insurance) plus Company leased car or replacement benefit of ILS 2,750 (~\$855)* per month; - One time bonus of ILS 15,000 on January 2020; - Effective August 12, 2020, sales commission of 0.5% of fully paid revenues from approved customer for a total amount of up to ILS 100,000 for a full year, ILS 37,500 for 2020. The commission structure includes additional terms such as commission cap per client and 2 year limitation on commission for each project; - This agreement may be terminated by either party on 3 month notice ; and - Reimbursement of reasonable business expenses incurred in the ordinary course of the business in accordance with the Group's reimbursement policies

In addition to the above appointed executives Mr Doron Eldar has been appointed as a director in Dotz Nano Ltd in Israel on interim basis until a new CEO is appointed by the Company. His remuneration for this role is included in the fees received for his role as Director of Dotz Nano Limited .

*Amounts stated in USD are based on the exchange rate at the date of the report.

Remuneration Report (Audited)

On 25 September 2020, Mr Uzi Breier resigned as an Executive Director and CEO of the Group. The term of his Executive Employment Agreement with Dotz Nano Limited prior to resignation were as follows:

Mr Uzi Breier (LTC Lime Ltd)	• Executive salary of US\$240,000 per annum, plus company leased car. • Annual bonus of 25% of yearly salary based upon the performance targets established by the Board (No bonus was payable for the year ended 31 December 2019); and • Reimbursement of reasonable business expenses incurred in the ordinary course of the business in accordance with the Group's reimbursement policies • This agreement may be terminated by either party on 6 months' notice, but it is for a minimum period of three years. • Sign-on-securities subject to shareholder approval as follows: ○ 1,000,000 shares on 31 December 2019 as a retention bonus; ○ 1,500,000 shares subject to a 12 month holding lock from the date of issue; and ○ 2,000,000 unquoted options exercisable at AU\$0.13 each and expiring 5 years from issue.
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The Service Agreement was terminated on 25 September 2020. At this date LTC Lime Ltd ("Service Provider") by Mr Breier and Dotz Nano Ltd entered into a Separation Agreement. The terms of the Separation Agreement were as follows:

- Mr Breier will be paid 6 months' notice period on a monthly basis, an additional US\$10,000 as total salary in the final pay month (total payment is US\$130,000 over six month period).
- It was also agreed that the board of directors will recommend to the Company's shareholders that Mr Breier be granted the following options:
 - 500,000 options, to be held in escrow until the lapse of 6 months from the Separation Date, for no exercise price per each Option which will be fully vested upon grant and will expire on 31 December 2022; and
 - 750,000 Options, subject to the Group receiving at least US\$1 million under its agreement with Breathe Medical Manufacturing Ltd, prior to 30 August 2021. These options will expire on 31 December 2022.

The grant of the above options is subject to shareholder approval which at the date of this report has not been obtained.

At this stage the Board does not consider the Group's earnings- or earnings related measures to be an appropriate key performance indicator (KPI). In considering the relationship between the Group's remuneration policy and the consequences for the Company's shareholder wealth, changes in share price are analysed as well as measures such as successful completion of business development and corporate activities.

Performance Conditions Linked to Remuneration

The Group has established and maintains Dotz Nano Limited Employee Incentive Option Plan (**Plan**) to provide ongoing incentives to Eligible Participants of the Company. Eligible Participants include:

- a Director (whether executive or non-executive) of any Group Company;
- a full or part time employee of any Group Company;
- a casual employee or contractor of a Group Company; or
- a prospective participant, being a person to whom the Offer was made but who can only accept the Offer if arrangement has been entered into that will result in the person becoming an Eligible Participant.

The Board adopted the Plan to allow Eligible Participants to be granted Options to acquire shares in the Company.

The purpose of the Plan is to assist in the reward and motivation of Eligible Participants and link the reward of Eligible Participants to performance and the creation of Shareholder value. It is designed to align the interest of Eligible Participants more closely to the interests of Shareholders by providing an opportunity for Eligible Participants to receive shares. It provides the Eligible Participants with the opportunity to share in any future growth in value of the Company and provides greater incentives for Eligible Participants to focus on the Company's longer-term goals. During the year ended 31 December 2020 a total of 17,950,000 options have been issued under this plan (2019: 4,210,000 options).

Remuneration Report (Audited)

4. Non-executive Director fee arrangements

The Board policy is to remunerate Non-executive Directors at a level to comparable companies for time, commitment, and responsibilities. Non-executive Directors may receive performance related compensation. Directors' fees cover all main Board activities and membership of any committee. The Board has no established retirement or redundancy schemes in relation to Non-executive Directors.

The maximum aggregate amount of fees that can be paid to Non-executive Directors is presently limited to an aggregate of AU\$500,000 per annum and any change is subject to approval by shareholders at the General Meeting. Fees for Non-executive Directors are not linked to the performance of the Company. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company. Total fees for the Non-Executive Directors for the financial year were \$185,183 (2019: \$195,946) and cover main Board activities only. Non-executive Directors may receive additional remuneration for other services provided to the Group.

Remuneration Report (Audited)

5. Details of Remuneration

31-Dec-20	Short Term Salary, Fees & Commissions US\$	Post- Employment Superannuation US\$	Other* US\$	Share-based payments US\$	Total US\$	Performance based remuneration
Directors:						
Bernie Brookes ¹	102,066	-	-	-	102,066	0%
Uzi Breier ²	222,187	-	19,694	10,401	252,282	0%
Doron Eldar ³	57,231	-	-	-	57,231	0%
Ian Pamensky ⁴	4,142	-	-	-	4,142	0%
James Cotton ⁵	5,178	-	-	-	5,178	0%
John Bullwinkel ⁶	8,630	-	-	-	8,630	0%
Ashley Krongold ⁷	7,888	-	-	-	7,888	0%
Key management:						
Michael Shtein	194,585	-	21,335	149,910	365,830	0%
Tomer Segev	138,633	-	17,049	97,254	252,936	0%
Yoni Engle	157,402	-	2,426	97,254	257,082	0%
Total	897,942	-	60,504	354,819	1,313,265	

* Other includes benefits such as car lease, fuel and etc paid to KMP.

31-Dec-19	Short Term Salary, Fees & Commissions US\$	Post- Employment Superannuation US\$	Other* US\$	Share-based payments US\$	Total US\$	Performance based remuneration
Directors:						
Uzi Breier	237,470	-	25,507	197,185	460,162	0%
Volker Mirgel ⁸	100,000	-	25,000	34,593	159,593	0%
John Bullwinkel ⁹	34,765	-	-	-	34,765	0%
Steve Bajic ¹⁰	1,414	-	-	-	1,414	0%
Ashley Krongold	34,768	-	-	-	34,768	0%
Key management:						
Michael Shtein	160,046	-	21,328	79,541	260,915	0%
Avigdor Kaner	110,917	-	17,038	43,714	171,669	5.68%
Tomer Segev ¹¹	116,007	-	3,628	63,115	182,750	0%
Yoni Engle ¹²	26,335	-	427	2,849	29,611	0%
Total	821,722	-	92,928	420,997	1,335,647	

* Other includes termination benefits to Volker Mirgel US\$25,000 and other benefits such as car lease, fuel and etc paid to KMP.

1 Appointed 15 January 2020

2 Resigned 25 September 2020, this amount includes \$63,756 relating to post termination. The terms of the Separation Agreement are detailed in Section 3.

3 Appointed 15 January 2020

4 Appointed 25 September 2020

5 Appointed 16 November 2020

6 Resigned 23 March 2020

7 Resigned 23 March 2020

8 Resigned 1 December 2019

9 Resigned 23 March 2020

10 Resigned 15 January 2019

11 Appointed 22 January 2019

12 Appointed 1 November 2019

Remuneration Report (Audited)

6. Additional disclosures relating to equity instruments

KMP Shareholdings

The number of ordinary shares in Dotz held by each KMP of the Group during the financial year is as follows:

31-Dec-20	Balance at the start of the year	Granted as Remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of Year
Directors:					
Bernie Brookes	-	-	-	625,000	625,000
Uzi Breier*	2,500,000	-	-	-	2,500,000
Doron Eldar	-	-	-	277,778	277,778
Ian Pamensky	-	-	-	-	-
James Cotton	-	-	-	-	-
John Bullwinkel*	-	-	-	-	-
Ashley Krongold*	1,875,032	-	-	-	1,875,032
Key management:					
Michael Shtein	2,446,201	-	2,700,000	-	5,146,201
Tomer Segev	-	-	-	-	-
Yoni Engle	-	-	495,000	-	495,000
Total	6,821,233		3,195,000	902,778	10,919,011

* Balances are at resignation date.

Options awarded, vested and lapsed during the year

The table below discloses the number of share options granted, vested or lapsed during the year.

Share options do not carry any voting or dividend rights and can only be exercised once the vesting conditions have been met, until their expiry date.

KMP Options Holdings

The number of options over ordinary shares held by each KMP of the Group during the financial year is as follows:

31-Dec-20	Balance at the start of the year	Granted as remuneration during the year***	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable	Vested and un-exercisable
Directors:							
Bernie Brookes	-	-	-	-	-	-	-
Uzi Breier*(a)	2,000,000	-	-	-	2,000,000	2,000,000	-
Doron Eldar**	-	-	-	92,593	92,593	92,593	-
Ian Pamensky	-	-	-	-	-	-	-
James Cotton	-	-	-	-	-	-	-
John Bullwinkel*	-	-	-	-	-	-	-
Ashley Krongold*	-	-	-	-	-	-	-
Key management:							
Michael Shtein	2,700,000	4,000,000	(2,700,000)	-	4,000,000	-	-
Tomer Segev	1,000,000	3,000,000	-	-	4,000,000	1,000,000	-
Yoni Engle	495,000	3,000,000	(495,000)	-	3,000,000	-	-
Total	6,195,000	10,000,000	(3,195,000)	92,593	13,092,593	3,092,593	-

* Balance at resignation date

** Balances are at appointment date.

*** Refer to note 16 Share Based Payment for details

(a) In the Separation Agreement there are also unissued options subject to shareholder approval which are detailed in Section 3.

Remuneration Report (Audited)

KMP performance rights holdings

No performance rights were on issue as at 31 December 2020, (2019: 22,000,000). During the financial year ended 31 December 2020, 22,000,000 performance rights expired.

KMP performance shares holdings

The number of performance shares held by each KMP of the Group during the financial year is as follows:

31-Dec-20	Balance at the start of the year	Granted as Remuneration during the year	Other changes during the year*	Balance at end of Year
Directors:				
Bernie Brookes	-	-	-	-
Uzi Breier	-	-	-	-
Doron Eldar	-	-	-	-
Ian Pamensky	-	-	-	-
James Cotton	-	-	-	-
John Bullwinkel	-	-	-	-
Ashley Krongold	544,946	-	(544,946)	-
Key management:				
Michael Shtein	815,401	-	(815,401)	-
Tomer Segev	-	-	-	-
Yoni Engle	-	-	-	-
Total	1,360,347	-	(1,360,347)	-

* Other changes includes performance shares expired during the year.

7. Loans to key management personnel (KMP) and their related parties

There were no loans made to key management personnel during the financial year (2019: nil).

Remuneration Report (Audited)

8. Other transactions and balances with KMP and their related parties

Purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. The Group acquired the following services from entities that are controlled by members of the group's key management personnel.

Some Directors have held positions in other companies, where it is considered they control or significantly influence the financial or operating policies of those entities. In the last financial year, the following entities provided company secretarial and advisory services to the Group. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Entity	Nature of transactions	Key Management Personnel	Total Transactions		Payable Balance	
			2020	2019	2020	2019
			US\$	US\$	US\$	US\$
Ian Pamensky – CFO 2 Grow	Company secretarial services	Ian Pamensky	20,298	-	4,624	-
Oxen 9 Ltd	Advisory services	Doron Eldar	65,832	-	-	-
Doron Eldar	Travel expenses	Doron Eldar	20,712	-	-	-

Mr Ian Pamensky was appointed as Non-Executive director of the Company on 25 September 2020. The amounts included here relate to company secretarial fees since his appointment. The current company secretarial fees are AU\$6,000 per month.

Oxen 9 Ltd is related to Mr Doron Eldar, the amounts included in the above table relate to advisory services fees during the year. The current monthly fees are AU\$8,000 per month.

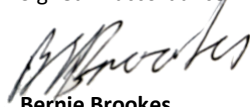
The amounts included for Doron Eldar relate to reimbursed travel expenses for Mr Doron Eldar and family.

9. Voting of shareholders at last year's annual general meeting (AGM)

At the AGM held on 10 June 2020, 99.36% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2019. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

REMUNERATION REPORT (END)

Signed in accordance with a resolution of the Board of Directors.



Bernie Brookes
Chairman & Interim CEO

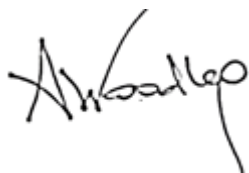
31 March 2021

DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF DOTZ NANO LIMITED

As lead auditor of Dotz Nano Limited for the year ended 31 December 2020, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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



Ashleigh Woodley

Director

BDO Audit (WA) Pty Ltd

Perth, 31 March 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME



FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 US\$	2019 US\$
Revenue from contracts with customers	2	375,811	33,731
Cost of Sales		(264,881)	(21,041)
Gross profit		110,930	12,690
Research and development expenses	3	(634,112)	(784,844)
General, administrative, selling and marketing expenses	3	(2,119,086)	(2,215,927)
Share based compensation	16	(1,392,484)	(731,308)
Finance costs		65,756	(27,175)
Loss before income tax		(3,968,996)	(3,746,564)
Income tax expense	4	-	-
Loss for the year		(3,968,996)	(3,746,564)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations	15	322,180	(26,880)
Other comprehensive loss for the year, net of tax		-	-
Total comprehensive loss for the year		(3,646,816)	(3,773,444)
Basic loss per share (cents per share)	7	(1.24)	(1.72)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION



AS AT 31 DECEMBER 2020

	Note	2020 US\$	2019 US\$
CURRENT ASSETS			
Cash and cash equivalents	8(a)	5,259,087	1,371,275
Trade and other receivables	9	189,478	144,592
Other assets		28,360	34,141
Inventory		14,475	4,312
TOTAL CURRENT ASSETS		5,491,400	1,554,320
NON-CURRENT ASSETS			
Trade and other receivables	9	-	27,914
Property, plant and equipment	11	214,958	283,239
Right-of-use assets	10	47,845	174,663
TOTAL NON-CURRENT ASSETS		262,803	485,816
TOTAL ASSETS		5,754,203	2,040,136
CURRENT LIABILITIES			
Trade and other payables	12	428,797	270,432
Provisions		38,685	28,967
Contract liability		33,757	-
Lease liabilities	10	39,332	148,325
TOTAL CURRENT LIABILITIES		540,571	447,724
NON-CURRENT LIABILITIES			
Borrowings	13	-	257,481
Lease liabilities	10	7,736	35,266
TOTAL NON-CURRENT LIABILITIES		7,736	292,747
TOTAL LIABILITIES		548,307	740,471
NET ASSETS		5,205,896	1,299,665
SHAREHOLDERS' EQUITY			
Issued capital	14	28,971,254	22,627,901
Reserves	15	3,589,759	2,057,885
Accumulated losses		(27,355,117)	(23,386,121)
SHAREHOLDERS' EQUITY		5,205,896	1,299,665

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020



	Issued Capital	Option Reserve	Foreign Currency Reserve	Accumulated Losses	Total
	US\$	US\$	US\$	US\$	US\$
Balance at 1 January 2019	18,762,675	1,626,095	(17,731)	(19,639,557)	731,482
Loss for the year	-	-	-	(3,746,564)	(3,746,564)
Other comprehensive income	-	-	(26,880)	-	(26,880)
Total comprehensive loss for the year	-	-	(26,880)	(3,746,564)	(3,773,444)
Transactions with owners, recognised directly in equity					
Issue of shares (net of cost)	3,597,954	-	-	-	3,597,954
Share based payments	267,272	476,401	-	-	743,673
Balance at 31 December 2019	22,627,901	2,102,496	(44,611)	(23,386,121)	1,299,665
Balance at 1 January 2020	22,627,901	2,102,496	(44,611)	(23,386,121)	1,299,665
Loss for the year	-	-	-	(3,968,996)	(3,968,996)
Other comprehensive income			322,180	-	322,180
Total comprehensive loss for the year			322,180	(3,968,996)	(3,646,816)
Transactions with owners, recognised directly in equity					
Issue of shares (net of cost)	4,844,368	-	-	-	4,844,368
Exercise of options	1,316,195	-	-	-	1,316,195
Share based payments	182,790	1,209,694	-	-	1,392,484
Balance at 31 December 2020	28,971,254	3,312,190	277,569	(27,355,117)	5,205,896

The above Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020



	Note	2020 US\$	2019 US\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		394,461	34,792
Payments to suppliers and employees		(2,828,359)	(2,659,687)
Interest paid		(14,228)	(42,917)
Interest received		459	428
Net cash used in operating activities	8 (b)	(2,447,667)	(2,667,384)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(20,168)	(34,739)
Acquisition of investments		-	25,225
Payment for intellectual property		-	(15,000)
Net cash used in investing activities		(20,168)	(24,514)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net Proceeds for the issue of shares		4,835,041	3,597,954
Proceeds from exercise of options		1,320,281	-
Grants from BIRD		-	43,484
Repayment of the lease liabilities	10	(144,896)	(100,165)
Net cash from financing activities		6,010,426	3,541,273
Net increase in cash and cash equivalents		3,542,591	849,375
Cash and cash equivalents at the beginning of the financial year		1,371,275	508,572
Foreign exchange		345,221	13,328
Cash and cash equivalents at the end of the financial year	8(a)	5,259,087	1,371,275

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

These consolidated financial statements cover Dotz Nano Limited (**Company**) and its controlled entities as a consolidated entity (also referred to as **Group**). Dotz Nano Limited is a company limited by shares, incorporated and domiciled in Australia. The Group is a for-profit entity.

The financial statements were issued by the board of directors of the Company on 31 March 2021.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the financial report

a) Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (**AASBs**) (including Australian interpretations) adopted by the Australian Accounting Standard Board (**AASB**) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

b) Adoption of new and amended accounting standards

The Group 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 January 2020. 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 year.

c) Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee,
- Rights arising from other contractual arrangements,
- The Group's voting rights and potential voting rights.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Principles of Consolidation (continued)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (**OCI**) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary
- De-recognises the carrying amount of any non-controlling interests
- De-recognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investments retained
- Recognises any surplus or deficit in profit or loss

Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

d) Income Tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current income tax expense charged to profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (**income**) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Income Tax (Continued)

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

e) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Group as a lessee

Operating lease payments, where substantially all the risk and benefits remain with the lessor, are recognised as an expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

Leases are recognised as a right-of-use asset and corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payment that are based on an index or a rate
- Amount expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- Payments of penalties for termination the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Leases (Continued)

Right-of-use of assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs
- Restoration cost

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less. Low-value asset comprise IT equipment and small items of office furniture.

f) Financial Instruments

Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and subsequent measurement

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

(i) Financial Assets

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss

(ii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Derivative instruments

The Group does not trade or hold derivatives.

Financial guarantees

The Group has no material financial guarantees.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset has been impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Financial Instruments (Continued)

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flow expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

g) Impairment of non-financial assets

At the end of each reporting period, the Directors assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits.

If any such indication exists, an impairment test is carried out on the asset by comparing the asset's recoverable amount, being the higher of its fair value less costs to sell and its value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

h) Intangible assets

Acquired intangible assets are measured on initial recognition at cost including directly attributable costs. Intangible assets acquired in a business combination are measured on initial recognition at fair value at the acquisition date.

Intangible assets with a finite useful life are amortised over their useful life and reviewed for impairment whenever there is an indication that the assets may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at each year end.

Intangible assets with indefinite useful lives are not systematically amortised and are tested for impairment annually or whenever there is an indication that the intangible assets may be impaired. The useful life of these assets is reviewed annually to determine whether their indefinite life assessment continued to be supportable. If the events and circumstances do not continue to support the assessment, the change in the useful life assessment from indefinite to finite is accounted for prospectively as a change in accounting estimate and on that date the asset is tested for impairment. The intangible assets are considered to be with indefinite useful life.

i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks with original maturity of three months or less.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j) Revenue and other income

Revenue from contracts with customers

The Group provides anti-counterfeiting and brand-protection solution to various customers as agreed per terms agreed in individual contracts.

The revenue associated with anti-counterfeiting and brand-protection solution is recognised in accordance with AASB 15, that is in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group is expected to be entitled in exchange for those goods or services. Revenue from customer contracts is recognised upon satisfaction of a performance obligation under those contracts either over time or a point in time when control passes the customer under those contracts.

The Group has no material contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Contract assets and liabilities

AASB 15 uses the terms "contract asset" and "contract liability" to describe what is commonly known as "accrued revenue" and "deferred revenue." Deferred revenue arises where payment is received prior to work being performed and is allocated to the performance obligations within the contract and recognised on satisfaction of the performance obligation.

Contract fulfilment costs

Costs generally incurred prior to the commencement of a contract may arise due to setup costs as these costs are incurred to fulfil a contract. Where the costs are expected to be recovered, they are capitalised and expensed over the period of revenue recognition. Where the costs, or a portion of these costs, are reimbursed by the customer, the amount received is recognised as deferred revenue.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

k) Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

l) Goods and Services Tax (GST) and Value Added Tax (VAT)

Revenues, expenses, and assets are recognised net of the amount of GST or VAT, except where the amount of GST or VAT incurred is not recoverable from the Australian Tax Office (ATO) and Israel Tax Authority (ITA).

Receivable and payables are stated inclusive of the amount of GST or VAT receivable or payable. The net amount of the GST or VAT recoverable from, or payable to, the ATO or ITA is included with other receivables and payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST or VAT component of investing and financing activities, which are disclosed as operating cash flows.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**m) Plant and equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over their expected useful lives.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

n) Research and development

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred.

o) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within 12 months have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wages increases and the probability that the employee may satisfy any vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to employee benefits.

Equity-settled compensation

The Group operates an employee share and option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. The fair value of performance right options is determined using the satisfaction of certain performance criteria (Performance Milestones). The number of share option and performance rights expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest. The fair value is determined using either a Black Scholes, Binominal or Monte Carlo simulation model depending on the type of share-based payment.

p) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

q) Equity and reserves

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits. The option reserve records the value of share-based payments.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

r) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each entity within the Group is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in USA dollars which is the Parent's functional currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognized other comprehensive Income; otherwise the exchange difference is recognised in profit or loss.

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than USA dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the period in which the operation is disposed.

s) Segment Information

Identification of reportable segments

The Group has identified its operating segment 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.

t) Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to member of the parent entity, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year (if any).

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

u) Critical Accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Estimates and judgements

Revenue from contract with customer

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Identifying performance obligations

The Group provides marking units, being the marker technology implemented as a sticker or by embedding into a material; to include an encrypted QR code and Carbon Dots based marker with detection capability all aimed for personal protective equipment. The obligation is satisfied at a point in time which is the date of delivery of the product.

Determining amount to be recognised over time

Where contracts include multiple deliverables that are separate performance obligations, judgement is required in determining the allocation of the transaction price to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost-plus margin.

Share based payments

Share-based payments are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of options is determined using either the Black-Scholes, Binomial or Monte Carlo valuation models. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

Bird Grant Liability

Government grant liability reflects the grant received from the Bird Foundation. The grant is repayable upon the Group commencing product commercialisation and generating revenue from sale of product, with repayments being based on 5% of each dollar of revenue related to the grant's sponsored development. The total repayment is based on the timing of the repayment and ranges from the grant amount to 150% of the grant amount. As required by AASB 9 Financial Instruments, the liability has been recognised at fair value on initial recognition and subject to management's estimate of discount rate, and the timing and quantity of future revenues. As the Company currently does not expect to generate revenues from the development under this grant the fair value of the liability at reporting date was determined to be nil. The Company will continue from time to time to evaluate the probability of revenue generation from the development made under this grant.

Lease term and discount rate used

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise option, or not exercise option a termination option. Extension options (or period after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The determination of the Group's discount rate is set by reference to the market yields at the end of the reporting period on government bonds.

v) Change in presentation of consolidated statement of profit or loss

In the consolidated statement of profit or loss and other comprehensive income certain comparative balances have been reclassified to ensure consistency with change to current presentation and classification.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS



FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 2: REVENUE FROM CONTRACTS WITH CUSTOMERS

	2020	2019
	US\$	US\$
Revenue recognised at a point in time:		
- Revenue from contract with customers	375,811	33,731
Total revenue	375,811	33,731

The Group has recognised the following assets and liabilities related to contracts with customers:

- Contract liabilities	33,757	-
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There were no significant movements in contract assets or liabilities during the year.

NOTE 3: EXPENSES

	2020	2019
	US\$	US\$
Loss before income tax from continuing operations includes the following specific expenses:		
Research and development expenses		
- Wages and benefits	(354,408)	(420,484)
- Consulting fees	(434,743)	(244,311)
- Lab expenses	(62,552)	(29,680)
- Other R&D expenses	(39,890)	(90,369)
- Fair value change in grant liability	257,481	-
	(634,112)	(784,844)
General, administrative, selling and marketing expenses		
- Wages and benefits	(227,915)	(218,270)
- Consulting fees	(515,542)	(484,353)
- Sales and marketing expenses	(412,822)	(518,324)
- Director fees	(185,183)	(186,747)
- Other expenses	(777,624)	(808,233)
	(2,119,086)	(2,215,927)

NOTE 4: INCOME TAX

The financial accounts for the year ended 31 December 2020 comprise the results of Dotz Nano Limited ("Dotz Australia") and Dotz Nano Ltd ("Dotz Israel"). The legal parent is incorporated and domiciled in Australia where the applicable tax rate is 27.5% (2019: 27.5%). The applicable tax rate in Israel is 23% (2019: 23%).

	2020	2019
	US\$	US\$
(a) Income tax expense		
Current tax	-	-
Deferred tax	-	-

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS



FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 4: INCOME TAX (CONTINUED)

(b) The prima facie tax payable on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:

	2020 US\$	2019 US\$
Income tax benefit on operating loss at 27.5% (2019: 27.5%)	(1,091,474)	(1,030,305)

Non-deductible items

Non-deductible expenditure	676,188	225,255
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Non-assessable income

Adjustment for difference in tax rates	113,494	106,117
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Temporary differences not recognised	301,792	698,933
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Income tax attributable to operating income/(loss)	-	-
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The applicable weighted average effective tax rates are as follows:

Balance of franking account at year end	Nil	Nil
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US\$ US\$

Deferred tax assets

Tax losses	408,062	674,966
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Black hole expenditure	114,427	87,137
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Unrecognised deferred tax asset	522,489	762,103
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Set-off deferred tax liabilities	-	-
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Net deferred tax assets	522,489	762,103
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Less deferred tax assets not recognised	(522,489)	(762,103)
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Net assets	-	-
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Tax losses

Unused tax losses for which no deferred tax asset has been recognised	4,786,955	3,334,392
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Carry forward losses

Potential future income tax benefits attributable to tax losses carried forward have not been brought to account at 31 December 2020, because the Directors do not believe it is appropriate to regard realisation of the future income tax benefits as probable.

NOTE 5: RELATED PARTY TRANSACTIONS

a) Key Management Personnel Compensation

Details of key management personnel compensation are disclosed in audited remuneration reports and the totals of remuneration paid to KMP during the year are summarised below:

	2020 US\$	2019 US\$
Short-term salary, fees and commissions	897,942	821,722
Other	60,504	92,928
Share based payments	354,819	420,997
Total KMP Compensation	1,313,265	1,335,647

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



NOTE 5: RELATED PARTY TRANSACTIONS

The Service Agreement with Mr Uzi Breier was terminated following his resignation on 25 September 2020. At this date LTC Lime Ltd ("Service Provider") by Mr Breier and Dotz Nano Ltd entered into a Separation Agreement. The terms of the Separation Agreement were as follows:

- Mr Breier will be paid 6 months' notice period on a monthly basis, an additional US\$10,000 as total salary in the final pay month (total payment is US\$130,000 over six month period).
- It was also agreed that the board of directors will recommend to the Company's shareholders that Mr Breier be granted the following options:
 - 500,000 options, to be held in escrow until the lapse of 6 months from the Separation Date, for no exercise price per each Option which will be fully vested upon grant and will expire on 31 December 2022; and
 - 750,000 Options, subject to the Group receiving at least US\$1 million under its agreement with Breathe Medical Manufacturing Ltd, prior to 30 August 2021. These options will expire on 31 December 2022.

The grant of the above options is subject to shareholder approval which at the date of this report has not been obtained.

b) Other related party transactions

Details of other related party transactions is provided in remuneration report and summarised below:

Entity	Nature of transactions	Key Management Personnel	Total Transactions		Payable Balance	
			2020 US\$	2019 US\$	2020 US\$	2019 US\$
Ian Pamensky – CFO 2 Grow	Company secretarial services	Ian Pamensky	20,298	-	4,624	-
Oxen 9 Ltd	Advisory services	Doron Eldar	65,832	-	-	-
Doron Eldar	Travel expenses	Doron Eldar	20,712	-	-	-

NOTE 6: AUDITOR'S REMUNERATION

Remuneration of the auditor of the Group for:

	2020 US\$	2019 US\$
- Auditing and reviewing the financial reports (BDO) – Australia	26,124	26,615
- Auditing and reviewing the financial reports (BDO) – Israel	34,200	29,070
	<u>60,324</u>	<u>55,685</u>
Non-assurance services		
- Tax (BDO) – Australia	2,762	9,179
- Tax (BDO) – Israel	3,800	3,230
	<u>6,562</u>	<u>12,409</u>

NOTE 7: LOSS PER SHARE

(Loss) per share (EPS)

	2020 US\$	2019 US\$
a) Loss used in calculation of basic EPS and diluted EPS	(3,968,996)	(3,746,564)
b) Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted loss per share	319,518,815	218,410,831

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS



FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 8 a: CASH AND CASH EQUIVALENTS

	2020	2019
	US\$	US\$
Cash at bank	5,259,087	1,371,275
Total cash and cash equivalents in the statement of cash flows	5,259,087	1,371,275

NOTE 8 b: CASH FLOW INFORMATION

	2020	2019
	US\$	US\$
Loss after income tax	(3,968,996)	(3,746,564)
Non-cash flows in loss after income tax		
Share based payment expense	1,392,484	731,308
Depreciation	86,148	88,105
Other	(2,631)	190,000
Amortisation of rights of use asset	132,831	125,442
Fair value movement in grant liability	(257,481)	-
Foreign exchange	(15,220)	(22,719)
Changes in assets and liabilities		
Decrease/(Increase) in trade and other receivables	(19,605)	41,555
Decrease/(Increase) in prepayments	5,781	55,569
(Decrease)/Increase in payables	165,711	(16,040)
(Decrease)/Increase in payables in other payables	-	(124,244)
(Decrease)/Increase in unearned revenue	33,757	-
(Decrease)/Increase in payables in provisions	9,717	14,516
Decrease/(Increase) in inventory	(10,163)	(4,312)
Cash flow used in operating activities	(2,447,667)	(2,667,384)

Credit Standby Facilities

The Group has no credit standby facilities.

Non-Cash investing and financing activities

During the year ended 31 December 2020, there were no non-cash investing and financing activities.

NOTE 9: TRADE AND OTHER RECEIVABLES

	2020	2019
	US\$	US\$
CURRENT		
Other receivables	189,478	144,592
	189,478	144,592
NON-CURRENT		
Other receivables	-	27,914
	-	27,914

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



NOTE 10: RIGHT-OF-USE ASSETS & LEASE LIABILITIES

	2020	2019
	US\$	US\$
<i>i. AASB 16 related amounts recognised in the statement of financial position</i>		
Office space – right-of use	7,372	95,841
Motor vehicles – right-of-use	40,473	78,822
Net carrying amount	47,845	174,663

The group leases office space and vehicles. Rental contracts are typically made for a fixed period of 1-3 years, with extension options available on the office lease. Lease terms are negotiated on an individual basis and contain a range of terms and conditions. The lease agreements impose standard covenants such as mileage limitation, but leased assets may not be used as security for borrowing purposes.

ii. Lease liabilities included in the Statement of financial position

Current	39,332	148,325
Non-current	7,736	35,266
Total lease liabilities	47,068	183,591

iii. AASB 16 related amounts recognised in the statement of profit or loss

Depreciation charge related to right-of-use assets	132,830	125,442
Interest expense on lease liabilities (under finance cost)	11,418	37,079

iv. AASB 16 related amounts recognised in the statement of cash flows

Cash outflows in financing activities	144,896	100,165
Cash outflows in operating activities	11,418	42,499
	156,314	142,664

Short-term leases and leases of low-value assets

The Group at the end of the year had non-material short-term leases.

The Group applies the low-value assets recognition exemption to leases of office equipment that are considered low value (\$10,000 or less). Lease payments on short-term leases and leases of low-value assets are recognised as expense on straight-line basis over the lease term.

NOTE 11: PLANT AND EQUIPMENT

	2020	2019
	US\$	US\$
Plant and equipment at costs	529,920	512,053
Accumulated depreciation	(314,962)	(228,814)
	214,958	283,239
Opening balance at reporting date	283,239	322,592
Additions	17,867	48,752
Depreciation	(86,148)	(88,105)
Balance at the end of the year	214,958	283,239

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS



FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 12: TRADE AND OTHER PAYABLES

	2020	2019
	US\$	US\$
Trade and other payables	280,027	156,136
Accruals	148,770	114,296
	<u>428,797</u>	<u>270,432</u>

All amounts are short-term. The carrying values are considered to approximate fair value.

NOTE 13: NON-CURRENT BORROWINGS

	2020	2019
	US\$	US\$
Grant at fair value	-	257,481
	<u>-</u>	<u>257,481</u>

NOTE 14: ISSUED CAPITAL

	2020	2019
	US\$	US\$

(a) Share Capital

376,382,378 fully paid ordinary shares (31 December 2019: 295,004,274)

28,971,254	22,627,901
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(b) Reconciliation of Share Capital

	No.	US\$
Opening balance at 1 January 2019	180,714,622	18,762,675
Shares issued on conversion of Convertible Loan on 15 February 2019	9,791,632	554,833
Shares issued to the CEO on 15 February 2019*	1,500,000	86,058
Shares issue on conversion of Convertible Loan on 19 February 2019	875,000	49,917
Shares issued under the Placement on 7 May 2019	19,750,000	830,804
Shares issued under the Placement on 8 May 2019	5,250,000	220,658
Shares issued under the Cleansing Prospectus on 8 May 2019	100	4
Shares issued in lieu of cash payment on 8 May 2019	283,672	13,730
Shares issued under the Placement on 29 July 2019	16,129,045	690,971
Shares issued under Cleansing Prospectus on 29 July 2019	100	4
Shares issued in lieu of cash payment on 12 September 2019	300,000	11,324
Exercised of unquoted options expiring on 1 October 2021	695,000	-
Shares issued to Lead Manager on 12 September 2019	1,000,000	42,551
Shares issued under Placement on 26 November 2019	55,000,003	1,349,931
Shares issued to Consultant on 8 December 2019	2,500,000	70,130
Shares issued to CEO on 31 December 2019	1,000,000	43,479
Shares issued under Cleansing Prospectus on 31 December 2019	100	3
Shares issued to Employee on vesting options on 31 December 2019	215,000	-
Less: capital raising fees	-	(99,171)
Closing balance at 31 December 2019	295,004,274	22,627,901

*Subject to voluntary holding lock until 15 February 2020

NOTE 14: ISSUED CAPITAL (CONTINUED)

(b) Reconciliation of Share Capital	No.	US\$
Opening balance at 1 January 2020	295,004,274	22,627,901
Shares issued on exercise of options, 10 February 2020	347,977	-
Shares issued on exercise of options, 10 February 2020	500,000	-
Shares issued under Cleansing Prospectus, 6 May 2020	100	4
Shares issued under Deferred Share Placement, 18 June 2020	13,888,889	342,250
Shares issued on exercise of options, 18 June 2020	1,200,000	-
Shares issued on exercise of options, 18 June 2020	1,500,000	-
Shares issued to Mr Uzi Breier, 18 June 2020	1,000,000	58,183
Shares cancelled relating to Mr Uzi Breier, 18 June 2020	(1,000,000)	(42,440)
Shares issued to former employee, 18 June 2020	1,000,000	-
Shares issued on exercise of options, 18 June 2020	1,000,000	-
Shares issued on exercise of options, 10 July 2020	50,000	2,952
Shares issued on exercise of options, 22 July 2020	425,000	26,693
Shares issued on exercise of options, 28 July 2020	208,334	13,107
Shares issued on exercise of options, 20 August 2020	1,125,001	69,508
Shares issued to Consultant, 20 August 2020	1,500,000	177,581
Shares issued on exercise of options, 3 September 2020	80,648	5,294
Shares issued on exercise of options, 3 September 2020	495,000	-
Shares issued under Deferred Share Placement, 10 September 2020	13,888,889	363,651
Shares issued on exercise of options, 10 September 2020	803,299	52,218
Shares issued on exercise of options, 25 September 2020	2,662,635	156,150
Shares issued on exercise of options, 8 October 2020	1,000,000	64,404
Shares issued on exercise of options, 28 October 2020	12,790,443	872,878
Shares issued under Placement, 28 October 2020	25,068,000	4,443,303
Shares issued on exercise of options, 12 November 2020	1,843,889	52,991
Less: capital raising fees	-	(315,374)
Closing balance at 31 December 2020	376,382,378	28,971,254

(c) Capital Management

Due to the nature of the Group's activities, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet research and development programs and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. Any surplus funds are invested with major financial institutions.

(d) Performance Shares

There were no performance shares on issue as at 31 December 2020 (2019: 22,000,000), with the 22,000,000 performance shares expiring during the financial year prior to performance milestones being met.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS



FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 14: ISSUED CAPITAL (CONTINUED)

(e) Convertible Note

On 8 February 2019, shareholders approved the issue of 10,666,632 Ordinary Fully Paid Shares and 2,666,659 Unquoted Options (exercisable at AU\$0.12 each on or before 30 June 2020). The shares were issued on conversion of the Convertible Loan Facility and accrued interest (Facility). No convertible notes were on issue during the current financial year.

NOTE 15: RESERVES

	2020	2019
	US\$	US\$
(a) Reserves		
82,547,879 Option Reserve (31 December 2019: 91,224,527)	3,312,190	2,102,496
Foreign currency translation reserve	277,569	(44,611)
	3,589,759	2,057,885

(b) Options Reserve

	No.	US\$
Opening balance at 1 January 2019	40,325,000	1,626,095
Issue of free attaching options on conversion of Convertible Loan on 15 February 2019	2,447,909	-
Issue of options to directors on 8 February 2019	3,000,000	103,780
Issue of options to employee on 8 February 2019	1,000,000	31,676
Issue of free attaching options on conversion of Convertible Loan on 19 February 2019	218,750	-
Issue of free attaching options under the Placement on 7 May 2019	9,875,005	-
Issue of free attaching options under the Placement on 8 May 2019	2,625,000	-
Issue of options to Lead Manager on 19 June 2019	5,000,000	122,302
Issue of free attaching options under the Placement on 29 July 2019	8,064,526	-
Broker options expired on 8 August 2019	(10,000,000)	-
Issue of options under Employees Share Option Plan on 22 August 2019	210,000	849
Employees Share Option Plan cancellation	(1,465,000)	(5,625)
Exercised options under Employees Share Option Plan	(695,000)	-
Issue of options to Lead Manager on 31 October 2019	10,000,000	26,110
Options expired on 31 October 2019	(5,500,000)	-
Issue of options to consultant on 3 December 2019	10,000,000	14,344
Issue of placement options	18,333,337	-
Conversion of options to shares on 31 December 2019	(215,000)	-
Option cancellation on 31 December 2019	(1,000,000)	-
Expired of Tranche 3 options under Employees Share Option Plan on 27 November 2018	(1,000,000)	-
Vested Tranche 1 options under Employees Share Option Plan on 21 January 2019 and 22 August 2019	-	30,823
Vested Tranche 2 options under Employees Share Option Plan on 27 November 2018	-	138,232
Vested Tranche 3 options under Employees Share Option Plan on 27 November 2018	-	13,910
Closing balance at 31 December 2019	91,224,527	2,102,496

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NOTE 15: RESERVES (CONTINUED)

(b) Options Reserve		No.	US\$
Opening balance at 1 January 2020		91,224,527	2,102,496
Cancellation of options, 5 February 2020		(6,000,000)	-
Exercise of options, 10 February 2020		(847,977)	-
Cancellation of options, 10 February 2020		(652,023)	-
Cancellation of options, 20 April 2020		(2,425,000)	-
Issue of options, 11 May 2020 and 6 November 2020	16 (a)	750,000	14,675
Cancellation of options, 14 June 2020		(5,000,000)	-
Exercise of options, 18 June 2020		(3,700,000)	-
Cancellation of options, 18 June 2020		(210,000)	(859)
Issue of options, 18 June 2020	16 (b)	1,350,000	21,025
Issue of free attaching options, 18 June 2020		4,629,630	-
Cancellation of options, 30 June 2020		(2,666,659)	-
Exercise of options, 10 July 2020		(50,000)	-
Exercise of options, 22 July 2020		(425,000)	-
Exercise of options, 28 July 2020		(208,334)	-
Cancellation of options, 1 August 2020		(1,500,000)	-
Exercise of options, 20 August 2020		(1,125,001)	-
Issue of options, 20 August 2020	16 (f)	500,000	14,332
Issue of options, 20 August 2020	16 (g)	500,000	8,155
Exercise of options, 3 September 2020		(575,648)	-
Exercise of options, 10 September 2020		(803,299)	-
Issue of free attaching options under Deferred Placement, 10 September 2020		4,629,630	-
Exercise of options, 25 September 2020		(2,662,635)	-
Exercise of options, 8 October 2020		(1,000,000)	-
Issue of options to Lead Manager, 19 October 2020		5,000,000	487,979
Exercise of options, 28 October 2020		(12,790,443)	-
Issue of options under Employees Share Option Plan, 30 October 2020	16 (c)	6,650,000	350,163
Issue of options under Employees Share Option Plan, 30 October 2020	16 (d)	5,650,000	192,032
Issue of options under Employees Share Option Plan, 30 October 2020	16 (e)	5,650,000	59,944
Exercise of options, 12 November 2020		(1,843,889)	-
Issue of options, 12 November 2020	16 (h)	100,000	17,761
Issue of options, 12 November 2020	16 (i)	400,000	12,006
Vested value of consultant options issued 3 December 2019		-	32,481
Closing balance at 31 December 2020		82,547,879	3,312,190

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



NOTE 15: RESERVES (CONTINUED)

	2020	2019
	US\$	US\$
(c) Foreign currency translation reserve		
Opening balance	(44,611)	(17,731)
Difference arising on translation	322,180	(26,880)
Balance at the end of the year	277,569	(44,611)

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

NOTE 16: SHARE BASED PAYMENTS

The following new share-based payment arrangements existed at 31 December 2020:

a) 3,000,000 Distributor Options

3,000,000 Distributor Options were granted on 6 May 2020 with an exercise price of AU\$0.048 per option expiring on 6 May 2023, as per Distribution Agreement with Universal Exports Group. These options have been valued using the Black and Scholes option valuation methodologies taking into account the terms and conditions upon which the options were granted. The options are issued on quarterly basis and during the year 750,000 options were issued as per the agreement.

b) 1,350,000 Consultant Options

1,350,000 Consultant Options were granted on 9 June 2020 with an exercise price of AU\$0.07 per option expiring on 18 May 2022, as per Consulting Agreement. These options have been valued using the Black and Scholes option valuation methodologies taking into account the terms and conditions upon which the options were granted.

c) 6,650,000 Employee Options

6,650,000 Employee Options were granted on 30 July 2020 with a nil exercise price expiring on 31 December 2022 and vesting on 30 June 2021 under the Company's Employee Share Option Plan. These options have been valued using market share price taking into account the terms and conditions upon which the options were granted, additional detail follows at the end of the note in the summary of inputs.

d) 5,650,000 Employee Options

5,650,000 Employee Options were granted on 30 July 2020 with a nil exercise price expiring on 31 December 2022 and vesting on 31 December 2021 under the Company's Employee Share Option Plan. These options have been valued using market share price taking into account the terms and conditions upon which the options were granted, additional detail follows at the end of the note in the summary of inputs.

e) 5,650,000 Employee Options

5,650,000 Employee Options were granted on 30 July 2020 with an exercise price of AU\$0.20 expiring on 31 December 2023 and vesting on 31 December 2022 under the Company's Employee Share Option Plan. These options have been valued using the Black and Scholes option valuation methodologies taking into account the terms and conditions upon which the options were granted.

f) 500,000 Advisor Options

500,000 Advisor Options were granted on 20 August 2020 with an exercise price of AU\$0.12 per option expiring on 31 December 2022, as per Advisor Agreement. These options have been valued using the Black and Scholes option valuation methodologies taking into account the terms and conditions upon which the options were granted.

NOTE 16: SHARE BASED PAYMENTS (CONTINUED)

g) 500,000 Advisor Options

500,000 Advisor Options were granted on 20 August 2020 with an exercise price of AU\$0.15 per option expiring on 31 December 2022, as per Advisor Agreement. These options have been valued using the Black and Scholes option valuation methodologies taking into account the terms and conditions upon which the options were granted.

h) 100,000 Consultant Options

100,000 Consultant Options were granted on 16 October 2020 with an exercise price of AU\$0.05 per option expiring on 16 October 2022, as per Consulting Agreement. These options have been valued using the Black and Scholes option valuation methodologies taking into account the terms and conditions upon which the options were granted.

i) 400,000 Consultant Options

400,000 Consultant Options were granted on 16 October 2020 with an exercise price of AU\$0.30 per option expiring on 16 October 2022, as per Consulting Agreement. These options have been valued using the Black and Scholes option valuation methodologies taking into account the terms and conditions upon which the options were granted.

j) 5,000,000 Advisor Options

5,000,000 Advisor Options were granted on 19 October 2020 with an exercise price of AU\$0.375 expiring on 19 October 2023 and vesting immediately. These options have been valued using the Black and Scholes option valuation methodologies taking into account the terms and conditions upon which the options were granted.

A summary of the inputs used in the valuation of the options and shares is as follows:

Options and Shares	Distributor Options	Consultant Options	Employee Options	Employee Options	Employee Options	Advisor Options	Advisor Options
	Options	Options	Options	Options	Options	Options	Options
Financial year	2020	2020	2020	2020	2020	2020	2020
Exercise price	AU\$0.048	AU\$0.070	Nil	Nil	AU\$0.020	AU\$0.120	AU\$0.150
Price at measurement	AU\$0.045	AU\$0.086	AU\$0.160	AU\$0.160	AU\$0.160	AU\$0.165	AU\$0.165
Grant date	06-May-20	09-Jun-20	30-Jul-20	30-Jul-20	30-Jul-20	20-Aug-20	20-Aug-20
Vesting date	06-May-22	09-Jun-21	30-Jun-21	31-Dec-21	31-Dec-22	30-Jun-21	31-Dec-21
Expected volatility (i)	78%	80%	N/A	N/A	85%	85%	85%
Expiry date	06-May-23	18-May-22	31-Dec-22	31-Dec-22	31-Dec-23	31-Dec-22	31-Dec-22
Expected dividends	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Risk free interest rate	0.25%	0.28%	N/A	N/A	0.28%	0.26%	0.26%
Value per option or share	AU\$0.0218	AU\$0.0413	AU\$0.160	AU\$0.160	AU\$0.085	AU\$0.094	AU\$0.085
Number of options	3,000,000	1,350,000	6,650,000	5,650,000	5,650,000	500,000	500,000
Total value in AUD	AU\$65,400	AU\$55,755	AU\$1,064,000	AU\$904,000	AU\$480,250	AU\$47,000	AU\$42,500
Total value in USD	US\$44,822	US\$38,188	US\$761,718	US\$647,174	US\$344,092	US\$33,837	US\$30,536

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

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NOTE 16: SHARE BASED PAYMENTS (CONTINUED)

A summary of the inputs used in the valuation of the options and shares is as follows:

Options and Shares	Consultants Options	Consultant Options	Advisor Options
Financial year	2020	2020	2020
Exercise price	AU\$0.050	AU\$0.300	AU\$0.375
Price at measurement	AU\$0.290	AU\$0.290	AU\$0.280
Grant date	16-Oct-20	16-Oct-20	19-Oct-20
Vesting date	16-Oct-20	16-Jun-21	19-Oct-20
Expected volatility (i)	90%	90%	90%
Expiry date	16-Oct-22	16-Oct-22	19-Oct-23
Expected dividends	N/A	N/A	N/A
Risk free interest rate	0.13%	0.13%	0.13%
Value per option or share	AU\$0.245	AU\$0.132	AU\$0.138
Number of options	100,000	400,000	5,000,000
Total value in AUD	AU\$24,500	AU\$52,800	AU\$688,000
Total value in USD	US\$17,761	US\$38,388	US\$487,949

(i) Volatility was calculated based on historical trading prices over relevant periods.

For the year ending 31 December 2020 a share-based payment expense of US\$1,392,484 (2019: US\$731,308) was recognised in line with option vesting periods, in which US\$36,861 was recognised as a vesting expense from options issued in a prior period.

	2020 US\$
Share based compensation comprises of the following:	
Vested options issued in prior reporting period	36,861
Option issued to distributors on 11 May 2020	14,675
Option issued to consultants on 18 June 2020	21,025
Shares issued to advisor on 20 August 2020	177,581
Option issued to advisor on 20 August 2020	14,332
Option issued to advisor on 20 August 2020	8,155
Option issued to advisors on 19 October 2020	487,949
Option issued to employees on 30 October 2020	350,163
Option issued to employees on 30 October 2020	192,032
Option issued to employees on 30 October 2020	59,944
Options issued to consultants on 12 November 2020	17,761
Options issued to consultants on 12 November 2020	12,006
	<u>1,392,484</u>

NOTE 16: SHARE BASED PAYMENTS (CONTINUED)

	2019
Share based compensation comprises of the following:	US\$
Shares issued to Uzi Breier on 15-Feb-19	85,747
Options issued to Uzi Breier on 15-Feb-19	68,936
Options issued to Volker Mirgel on 15-Feb-19	33,961
Options issued under the ESOP to Tomer Segev on 13-Feb-19	63,516
Options issued to lease manager on 19-Jun-19	121,873
Options issued under the ESOP to Inna Sasson on 22-Aug-19	7,410
Options issued to lease manager on 12-Sep-19	26,423
Shares issued to unrelated party in lieu of cash payment on 12-Sep-19	11,473
Shares issued to lead manager on 12-Sep-19	43,112
Options issued to Australian Strategic Consultant on 3-Dec-19	14,681
Shares issued to consultant on 8-Dec-19	69,535
Shares issued to Uzi Breier on 31-Dec-19	43,755
Options issued under the ESOP on 27-Nov-18	140,886
	731,308)

NOTE 17: OPERATING SEGMENTS

Segment Information

Identification of reportable segments

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 18: FINANCIAL INSTRUMENTS

Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks, other debtors and accounts payable. The main purpose of non-derivative financial instruments is to raise finance for Group's operations.

Specific Financial Risk Exposures and Management

The main risk the Group is exposed to through its financial instruments are market risk (including fair value and interest rate risk) and cash flow interest rate risk, credit risk and liquidity risk.

(a) Interest Rate Risk

From time to time the Group has significant interest-bearing assets, but they are as a result of the timing of equity raising and capital expenditure rather than a reliance on interest income. The interest rate risk arises on the rise and fall of interest rates. The Group's income and operating cash flows are not expected to be materially exposed to changes in market interest rates in the future and the exposure to interest rates is limited to the cash and cash equivalents balances.

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is below:

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

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NOTE 18: FINANCIAL INSTRUMENTS (CONTINUED)

	Floating Interest Rate US\$	Non-interest bearing US\$	2020 Total US\$	Floating Interest Rate US\$	Non-interest bearing US\$	2019 Total US\$
Financial assets						
- Within one year						
Cash and cash equivalents	5,259,087	-	5,259,087	1,371,275	-	1,371,275
Trade and Other receivables	-	24,923	24,923	-	11,228	11,228
Total financial assets	5,259,087	24,923	5,284,010	1,371,275	11,228	1,382,503
Weighted average interest rate	0.08%			0.08%		
Financial Liabilities						
- Within one year						
Trade and other Payables	-	180,537	180,537	-	84,782	84,782
Other Liabilities	-	-	-	-	-	-
Lease liabilities	-	33,757	33,757	-	148,325	148,325
Bird Grant	-	-	-	-	257,481	257,481
Total financial liabilities	-	214,294	214,294	-	490,588	490,588
Weighted average interest rate						
Net financial assets	5,259,087	(189,371)	5,069,716	1,371,275	(479,360)	891,915

Sensitivity Analysis

The following table illustrates sensitivities to the Consolidated Entity's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at reporting date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Movement in Profit US\$	Movement in Equity US\$
Year ended 31 December 2019		
+/-1% in interest rates	9,364	9,364
Year ended 31 December 2020		
+/-1% in interest rates	33,152	33,152

(b) Credit risk

The maximum exposure to credit risk is limited to the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and notes to the financial statements.

Credit risk related to balances with banks and other financial institutions is managed by the Group in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



NOTE 18: FINANCIAL INSTRUMENTS (CONTINUED)

(b) Credit risk

	Note	2020 US\$	2019 US\$
Cash and cash equivalents - AA Rated	8a	5,259,087	1,371,275

(c) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

The Group has no access to credit standby facilities or arrangements for further funding or borrowings in place. The financial liabilities of the Group are confined to trade and other payables as disclosed in the Statement of Financial Position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

2020	Interest rate	Less than 6 months US\$	6-12 months US\$	1-2 years US\$	2-5 years US\$	Over 5 years US\$	Total contractual cash flows US\$	Carrying amount assets/ (liabilities) US\$
Financial liabilities at amortised cost								
Trade and other payables	N/A	(180,537)	-	-	-	-	(180,537)	(180,537)
Lease liabilities								
- Office lease	12.95%	(9,546)					(9,546)	(9,535)
- Car lease	15.65%	(19,736)	(11,413)	(9,009)			(40,158)	(37,533)
Bird Grant	N/A	-	-	-	-	-	-	-
2019	Interest rate	Less than 6 months US\$	6-12 months US\$	1-2 years US\$	2-5 years US\$	Over 5 years US\$	Total contractual cash flows US\$	Carrying amount assets/ (liabilities) US\$
Financial liabilities at amortised cost								
Trade and other payables	N/A	(84,782)	-	-	-	-	(84,782)	(84,782)
Lease liabilities								
- Office lease	12.95%	(53,240)	(53,239)	(8,873)	-	-	(115,352)	(108,577)
- Car lease	15.65%	(25,574)	(25,573)	(36,070)	(11,619)	-	(98,836)	(75,015)
Bird Grant ¹	N/A	-	-	-	(530,873)	-	(530,873)	(257,481)
		(163,596)	(78,812)	(44,943)	(542,492)	-	(829,843)	(525,855)

¹ Contractual cash outflow is dependent on the generation of revenue.

NOTE 18: FINANCIAL INSTRUMENTS (CONTINUED)

(d) Net fair Value of financial assets and liabilities

Fair value estimation

Due to the short-term nature of the receivables and payables the carrying value approximates fair value.

The following table provides the level of the fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation technique(s) and inputs used:

Description	Fair Value Hierarchy Level	Valuation Technique(s)	Inputs Used
Bird Grant	3	Income approach using discounted cash flow methodology	• Company discount rate • Future expected royalty payment

(e) Financial arrangements

The company had no other financial arrangements in place at 31 December 2020 based on the information available to the current board.

(f) Currency risk

The currency risk is the risk that the value of financial instruments will fluctuate due to change in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's functional currency. The company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar (the functional currency), the New Israeli Shekel, the Australian Dollar, the Swiss Franc and Euro.

The Company's policy is not to enter into any currency hedging transactions.

	2020		2019	
	Cash and cash equivalents		Cash and cash equivalents	
	Foreign Currency	USD Equivalent	Foreign Currency	USD Equivalent
New Israeli Shekels	172,085	53,526	646,935	187,192
Australian Dollar	6,722,925	5,182,441	915,548	642,074
Swiss Franc	5,598	6,355	7,163	7,037
Euro	-	-	1,573	1,404

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS



FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 19: PARENT ENTITY FINANCIAL INFORMATION

The following information has been extracted from the books and records of the legal parent Dotz Nano Limited which have been prepared in accordance with Australian Accounting Standards and the accounting policies as outlined in note 1.

(a) Financial Position of Dotz Nano Limited

	2020 US\$	2019 US\$
ASSETS		
Current assets	4,751,383	1,385,967
TOTAL ASSETS	4,751,383	1,385,967
LIABILITIES		
Current liabilities	102,338	86,303
TOTAL LIABILITIES	102,338	86,303
NET ASSETS	4,649,045	1,299,664
SHAREHOLDERS' EQUITY		
Issued capital	344,252,452	337,962,811
Reserves	3,442,038	1,824,716
Accumulated Losses	(343,045,445)	(338,487,863)
SHAREHOLDERS' EQUITY	4,649,045	1,299,664

(b) Statement of profit or loss and other comprehensive income

Loss for the year	(4,557,582)	(3,732,780)
Total comprehensive loss	(4,557,582)	(3,732,780)

(c) Guarantees entered into by Dotz Nano Limited for the debts of its subsidiary

There are no guarantees entered into by Dotz Nano Limited (2019: Nil).

(d) Contingent liabilities of Dotz Nano Limited

The Company's subsidiary Dotz Nano Ltd has a contingent liability related to the grant received from BIRD. As stated under Note 1 the company currently does not expect to generate revenues from the development made under this grant. As the liability is contingent on royalty payments on developed products, should this assumption change the Company will be required to pay royalties to BIRD).

(e) Commitments by Dotz Nano Limited

Known commitments as at 31 December 2020 are disclosed in the consolidated entities in Note 21 below (2019: Nil).

NOTE 20: CONTROLLED ENTITIES

Controlled entity	Country of Incorporation	Percentage Owned	
		2020	2019
Dotz Nano Ltd	Israel	100%	100%
Dotz Nano Singapore PTE Ltd*	Singapore	-	100%

*De-registration during the financial year

NOTE 21: COMMITMENT

The Group has no commitments which are not recorded on the statement of financial position as at 31 December 2020.

NOTE 22: CONTINGENT LIABILITIES

The Company has a contingent liability related to the grant received from BIRD. As stated under Note 1 the company currently does not expect to generate revenues from the development made under this grant. As the liability is contingent on royalty payments on developed products, should this assumption change the Company will be required to pay royalties to BIRD (2019: Nil).

NOTE 23: EVENTS SUBSEQUENT TO REPORTING DATE

Since the reporting date the following significant events have occurred:

- The Company's securities were suspended from trading on the ASX from 20 November 2020 to 15 March 2021 to finalise an agreement with Caerus Therapeutics Inc and respond to queries from the ASX. The responses to the ASX queries were announced on 1 March and 12 March 2021.
- The Company entered into an amended service agreement with Caerus Therapeutics Inc to facilitate the development and commercialisation of the Company's Rapid SARS-CoV-2 Diagnostic kit (the "Dotz Test Kit"). The terms of the agreement are incorporated as part of the Group announcement made on 1 March 2021.
- On 25 January 2021, the Company obtained authorization to use the CE mark for its Dotz Test Kits in respect of nasopharyngeal swab samples. The CE mark authorisation clears the Dotz Test Kit for sale in the European Union (although it is noted that some countries in the European Union have additional import regulatory requirements that Dotz will still need to comply with if it intends to sell the Dotz Test Kits in those countries).
- On 22 March 2021, the Company obtained authorization for its Dotz Test Kits in respect of saliva samples. The CE mark authorisation clears the saliva-based diagnostic Dotz Test Kits for sale in the European Union (although it is noted that some countries in the European Union have additional import regulatory requirements that Dotz will still need to comply with if it intends to sell the Dotz Test Kits in those countries).

Other than these matters, no matters have arisen since the end of the financial year to the date of this report of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

NOTE 24: NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

There are no Australian accounting standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the year ended 31 December 2020 which are expected to have a material impact on the Group in future reporting.

In the Director's opinion:

1. The consolidated financial statements and notes set out on pages 20 to 50 are in accordance with the Corporations Act 2001, including:
 - a) complying with Australian Accounting Standards and Corporations Regulations 2001;
 - b) giving a true and fair view, the consolidated entity's financial position as at 31 December 2020 and of its performance for the year ended on that date; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. This declaration has been made after receiving the declaration required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 31 December 2020.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Bernie Brookes AM

Non-Executive Chairman

31 March 2021

INDEPENDENT AUDITOR'S REPORT

To the members of Dotz Nano Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Dotz Nano Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, 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 year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with 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 our audit of the 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accounting for Share-Based Payments

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
During the financial year ended 31 December 2020, the Group issued equity instruments, in the form of shares and options, to eligible directors, employees and other consultants, which have been accounted for as share-based payments, as disclosed in 16 to the financial report. The Group's policy for accounting for share-based payments and significant judgements applied to these arrangements are disclosed in Note 1(u). Share-based payments are a complex accounting area and due to the complex and judgemental estimates used in determining the fair value of share-based payments, we consider the Group's accounting for share-based payments to be a key audit matter.	Our audit procedures in respect of this area included but were not limited to the following: • Reviewing relevant supporting documentation to obtain an understanding of the contractual nature and terms and conditions of the share-based payment arrangements; • Reviewing management's determination of the fair value of the share-based payments granted, considering the appropriateness of the valuation models used and assessing the valuation inputs; • Involving our valuation specialists to assess the assumptions and inputs used in the valuation; • Assessing the allocation of the share-based payment expense over management's expected vesting period; and • Assessing the adequacy of the disclosure in Note 1(u) and Note 16 in the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 31 December 2020, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.



Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 18 of the directors' report for the year ended 31 December 2020.

In our opinion, the Remuneration Report of Dotz Nano Limited, for the year ended 31 December 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink. The signature starts with 'BDO' in a stylized, blocky font, followed by a large, fluid, cursive signature that appears to be 'Ashleigh Woodley'.

Ashleigh Woodley

Director

Perth, 31 March 2021

This Corporate Governance Statement is current as at 31 March 2021 and has been approved by the Board of the Company.

A description of the Group's main corporate governance practices is set out below. All these practices, unless otherwise stated, were in place and complied with all the ASX Corporate Governance Principles and Recommendations 3rd edition (Principles and Recommendations) for the entire year ending 31 December 2020 (reporting period).

Although the 4th edition of the ASX Corporate Governance Principles and Recommendations is not required to be reported against until the financial year ending 30 June 2021, the Company has early adopted, such that it was compliant with the 4th edition from 1 July 2019.

The Company has adopted Corporate Governance Policies (Corporate Governance Plan) which provide written terms of reference for the Company's corporate governance practices and has been following these practices since 1 July 2016. The Board of the Company has not yet formed an audit committee, nomination committee, risk management committee or remuneration committee.

During 2021, the Company reviewed its Corporate Governance policies and charters with a view to ensuring the Company's Corporate Governance is fit for purpose and reflects the Company's strategies and development plans. This included adopting a new Continuous Disclosure Policy in December 2020

The Company's Corporate Governance Policies are contained within the Corporate Governance Plan and available on the Company's website at <https://www.dotz.tech/investors/>

Principle 1: Lay solid foundations for management and oversight

Roles of the Board & Management

The role of the Board is to provide overall strategic guidance and effective oversight of management. The Board derives its authority to act from the Company's Constitution.

The Board is responsible for and has the authority to determine all matters relating to the strategic direction, policies, practices, establishing goals for management and the operation of the Company. The Board delegates responsibility for the day-to-day operations and administration of the Company to the Managing Director/Chief Executive Officer.

The role of management is to support the Managing Director/Chief Executive Officer and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

In addition to matters it is expressly required by law to approve, the Board has reserved the following matters to itself:

- Driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- Appointment, and where necessary, the replacement, of the Managing Director/Chief Executive Officer and other senior executives and the determination of their terms and conditions including remuneration and termination;
- Approving the Company's remuneration framework;
- Monitoring the timeliness and effectiveness of reporting to Shareholders;
- Reviewing and ratifying systems of audit, risk management and internal compliance and control, codes of conduct and legal compliance to minimise the possibility of the Company operating beyond acceptable risk parameters;
- Approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- Approving and monitoring the budget and the adequacy and integrity of financial and other reporting such that the financial performance of the company has sufficient clarity to be actively monitored;
- Approving the annual, half yearly and quarterly accounts;
- Approving significant changes to the organisational structure;

- Approving decisions affecting the Company's capital, including determining the Company's dividend policy and declaring dividends;
- Ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;
- Procuring appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively;
- Ensuring that the Company acts legally and responsibly on all matters and assuring itself that the Company has adopted, and that its practice is consistent with, a number of guidelines including:
 - Corporate Code of Conduct;
 - Continuous Disclosure Policy;
 - Diversity Policy;
 - Performance Evaluation;
 - Risk Management;
 - Trading Policy;
 - Shareholder Communication Strategy; and
 - Whistleblower Policy.

Subject to the specific authorities reserved to the Board under the Board Charter, the Board delegates to the Managing Director/Chief Executive Officer responsibility for the management and operation of the Company. The Managing Director/Chief Executive Officer is responsible for the day-to-day operations, financial performance and administration of the Company within the powers authorised to him from time-to-time by the Board. The Managing Director/Chief Executive Officer may make further delegation within the delegations specified by the Board and will be accountable to the Board for the exercise of those delegated powers.

Further details of Board responsibilities, objectives and structure are set out in the Board Charter which is contained within the Corporate Governance Plan on the Company's website at <https://www.dotz.tech/investors/>

Board Appointments

The Company undertakes comprehensive reference checks prior to appointing a director or putting that person forward as a candidate to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties of director. The Company provides relevant information to shareholders for their consideration about the attributes of candidates together with whether the Board supports the appointment or re-election.

The terms of the appointment of a non-executive director, executive directors and senior executives are agreed upon and set out in writing at the time of their appointment.

The Company Secretary

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board, including agendas, Board papers and minutes, advising the Board and its Committees (as applicable) on governance matters, monitoring that the Board and Committee policies and procedures are followed, communication with regulatory bodies and the ASX and statutory and other filings.

Board Committees

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate committees at this time including audit and risk, remuneration or nomination committees, preferring at this stage of the Company's development, to manage the Company through the full Board of Directors. The Board assumes the responsibilities normally delegated to the audit and risk, remuneration and nomination Committees.

If the Company's activities increase, in size, scope and nature, the appointment of separate committees will be reviewed by the Board and implemented if considered appropriate.

Diversity

The Board has adopted a Diversity Policy which provides a framework for the Company to establish and achieve measurable diversity objectives, including in respect to gender, age, ethnicity and cultural diversity. The Diversity Policy allows the Board to set measurable gender diversity objectives (if considered appropriate) and to assess annually both the objectives (if any have been set) and the Company's progress towards achieving them.

The Board considers that, due to the size, nature and stage of development of the Company, setting measurable objectives for the Diversity Policy at this time is not appropriate. The Board does not presently intend to set measurable gender diversity objectives because:

- a) it is the Board's view that the existing Directors and senior executives have sufficient skill and experience to carry out the Company's plans;
- b) if it becomes necessary to appoint any new Directors or senior executives, the Board will consider the application of a measurable gender diversity objective requiring a specified proportion of women on the Board and in senior executive roles will, given the small size of the Company and the Board, unduly limit the Company from applying the Diversity Policy as a whole and the Company's policy of appointing based on skills and merit; and
- c) the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive's" for these purposes) for each financial year will be disclosed in the Company's Annual Report.

The participation of women in the Company at the date of this report is as follows:

- | | |
|--|-----|
| • Women employees in the Company | 54% |
| • Women in senior management positions | 0% |
| • Women on the Board | 0% |

The Company's Diversity Policy is contained within the Corporate Governance Plan on the Company's website at <https://www.dotz.tech/investors/>

Board & Management Performance Review

On an annual basis, the Board has committed to conducting a review of its structure, composition and performance. During the 2020 financial year there were a number of Board changes.

The annual review includes consideration of the following measures:

- comparing the performance of the Board against the requirements of its Charter;
- assessing the performance of the Board over the previous 12 months having regard to the corporate strategies, operating plans and the annual budget;
- reviewing the Board's interaction with management;
- reviewing the nature and timing of information provided to the Board by management;
- reviewing management's performance in assisting the Board to meet its objectives; and
- identifying any necessary or desirable improvements to the Board Charter.

The method and scope of the performance evaluation will be set by the Board and may include a Board self-assessment checklist to be completed by each Director. The Board may also use an independent adviser to assist in the review.

The Chairman has primary responsibility for conducting performance appraisals of Non-Executive Directors, in conjunction with them, having particular regard to:

- contribution to Board discussion and function;
- degree of independence including relevance of any conflicts of interest;
- availability for and attendance at Board meetings and other relevant events;

- contribution to Company strategy;
- membership of and contribution to any Board committees; and
- suitability to Board structure and composition.

The Board conducts an annual performance assessment of the Managing Director/Chief Executive Officer against agreed key performance indicators.

The Managing Director/Chief Executive Officer conducts an annual performance assessment of senior executives against agreed key performance indicators.

Given the fact the Company was only reinstated under its present structure on 14 November 2016 and there have been a number of Board changes over the last few years, no formal appraisal of the Board or any senior executive has been conducted.

Independent Advice

Directors have a right of access to all Company information and executives. Directors are entitled, in fulfilling their duties and responsibilities, to seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the Chairman. A copy of any such advice received is made available to all members of the Board.

Principle 2: Structure the board to be effective and add value

Board Committees

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate committees at this time including audit and risk, remuneration or nomination committees, preferring at this stage of the Company's development, to manage the Company through the full Board of Directors. The Board assumes the responsibilities normally delegated to the audit and risk, remuneration and nomination Committees.

If the Company's activities increase, in size, scope and nature, the appointment of separate committees will be reviewed by the Board and implemented if considered appropriate.

Board Composition

Board is comprised of the following members at 09 March 2021:

Mr Bernie Brookes AM	Non-Independent – Chairman and Interim CEO (appointed 15 January 2020);
Mr Doron Eldar	Independent - Non-Executive Director (appointed 15 January 2020);
Mr Ian Pamensky	Independent - Non-Executive Director (appointed 25 September 2020); and
Mr James Cotton	Independent - Non-Executive Director (appointed 16 November 2020).

Dotz Nano has adopted a definition of 'independence' for Directors that is consistent with the Recommendations.

The Board comprises a majority of non-executive directors, two of whom are considered independent.

Details of the Directors interests, positions, associations and relationships have been included in the 2020 Annual Report.

Board Selection Process

The Board considers that a diverse range of skills, backgrounds, knowledge and experience is required in order to effectively govern Dotz Nano. The Board believes that orderly succession and renewal contributes to strong corporate governance and is achieved by careful planning and continual review.

The Board is responsible for the nomination and selection of directors. The Board reviews the size and composition of the Board regularly and at least once a year as part of the Board evaluation process.

The Company does not comply with the recommendation as the Company's Board was not of a relevant size to consider formation of a separate Nomination Committee to deal with the selection and appointment of new directors or executives and as such a Nomination Committee has not been formed.

Nominations of new Directors or executives are considered by the full Board. If any vacancies arise on the Board or at executive level, all directors are involved in the search and recruitment of a replacement. The Board has taken a view that the full Board will hold special meetings or sessions as required. The full Board also assesses its balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

Under the Nomination Committee Charter (in the Company's Corporate Governance Plan), the Nomination Committee (or, in its absence, the Board) is required to prepare a Board skill matrix setting out the mix of skills and diversity that the Board currently has (or is looking to achieve) and to review this at least annually against the Company's Board skills matrix to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.

The Board has developed a specific skill matrix. The composition of the Board is to be reviewed regularly to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction. This role will be performed by the Nomination Committee (or, in its absence, the Board). The Company will disclose the Board skill matrix in, or in conjunction with, its Annual Reports.

The Board Skills Matrix will include the following areas of knowledge and expertise:

- strategic expertise;
- specific industry knowledge;
- executive management;
- human capital;
- sales and marketing;
- external communication
- Going global;
- accounting and finance;
- risk management;
- diversity;
- experience with financial markets; and
- investor relations.

Induction of New Directors and Ongoing Development

New Directors are issued with a formal Letter of Appointment that sets out the key terms and conditions of their appointment, including Director's duties, rights and responsibilities, the time commitment envisaged, and the Board's expectations regarding involvement with any Committee work.

An induction program is in place and new Directors are encouraged to engage in professional development activities to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

New Directors are provided with key materials such as the Code of Business Conduct and the Company's Security Trading Policy. The Company will consider site visits and professional development where appropriate.

The Company has historically had a continuous disclosure policy in place to ensure compliance with Listing Rule 15.7. In response to the queries raised by the ASX while the Company's securities were suspended from quotation in late 2020, the Company undertook a review of its continuous disclosure policy and adopted from 31 December 2020 a new and materially more comprehensive continuous disclosure policy which specifically addresses, amongst other things, requirements to ensure compliance with Listing Rule 15.7, including:

- (a) a requirement not to discuss price sensitive information unless that particular information has been formally disclosed to the market via an announcement;

-
- (b) disclosure obligations in connection with investor or analyst briefings; and
 - (c) disclosure obligations while the Company's securities are subject to a trading halt or suspension.

As part of its review of its continuous disclosure arrangements, the Company has taken steps, including weekly calls between the Board and management, to ensure:

- (d) management provides timely and fulsome updates to the Board; and
- (e) management is made aware of all external disclosures / presentations so as to ensure the accuracy of the information provided and to determine whether any disclosures to the market are required.

The Company has provided a copy of the updated continuous disclosure policy to each of its directors and key management personnel and required them to sign a confirmation that they have reviewed, understood, and undertake to comply with, the updated policy.

Each of the Company's directors and its key management were also recently provided with information from a law firm on certain Listing Rule obligations of the Company, including its continuous disclosure obligations under Listing Rule 3.1 and the requirements under Listing Rule 15.7. In addition, the Company intends to commence a training program with the law firm for its directors and key management in order to further strengthen the Company's continuous disclosure processes, compliance with the Listing Rules and general corporate governance.

Principle 3: Instil a culture of acting lawfully, ethically and responsibly

Company Values

The Board has approved the Company's statement of values, the Code and related policies, and charged the Executive Team with the responsibility of instilling those values across the organisation. This includes ensuring that all employees receive appropriate training on the values and senior executives continually reference and reinforce those values in their interactions with staff (i.e. setting the "tone at the top"), in order to instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.

All directors of the Company also agree to comply with the Board governance protocols which outline, amongst other matters, the directors' duties and the conduct expected of them as directors

Code of Conduct

The Company has implemented a Code of Conduct, which provides a framework for decisions and actions in relation to ethical conduct in employment. It underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders.

All employees and Directors are expected to:

- behave honestly and with integrity and report other employees who are behaving dishonestly;
- carry out your work with integrity and to a high standard and in particular, commit to the Company's policy of producing quality goods and services;
- operate within the law at all times;
- act in the best interests of the Company;
- follow the policies of the Company; and
- act in an appropriate business-like manner when representing the Company in public forums.

An employee that breaches the Code of Conduct may face disciplinary action including, in the cases of serious breaches, dismissal. If an employee suspects that a breach of the Code of Conduct has occurred or will occur, he or she must report that breach to the Company Secretary, or in their absence, the Chairman. No employee will be disadvantaged or prejudiced if he or she reports in good faith a suspected breach. All reports will be acted upon and kept confidential.

Whistleblower Policy, Securities Trading and Antibribery & Corruption Policy

Supporting good corporate governance and strengthening the Company's core values, the Company's Whistleblower, Securities Trading and Antibribery & Corruption policies apply to all directors and employees, as well as contractors, consultants and any other person who might be engaged by the Company to perform services for or on behalf of the Company where appropriate. The Company encourages employees to report known or suspected instances of inappropriate conduct, including breaches of the Code or any of the Company's policies. The Company will protect a whistleblower, including their identity to the extent permitted by law, and will not allow any detrimental treatment to happen to a whistleblower because of the whistleblower's report of any misconduct or improper state of affairs or circumstances. A copy of these policies is available on the Company's website along with other corporate governance policies of the Company.

The Company adopted a Whistleblower Policy on 7 January 2020.

The Company adopted an Antibribery & Corruption Policy on 27 March 2020.

Any material breaches of the Code of Conduct, Whistleblower policy, Securities Trading policy or Antibribery & Corruption Policy, are to be reported to the Board immediately. For non-material breaches/matters, reporting to the Board/ Audit & Risk Committee is scheduled on a six-monthly basis.

Principle 4: Safeguard integrity in corporate reporting

Given the size and scale of the Company's operations, the full Board undertakes the role of the Audit Committee as detailed in the Audit Committee Charter.

The Audit Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. The Board sets aside time to deal with issues and responsibilities usually delegated to the Audit Committee to ensure the integrity of the financial statements of the Company and the independence of the auditor.

The Board reviews the audited annual and half-year financial statements and any reports which accompany published financial statements and recommends their approval to the members.

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company throughout the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The Board also reviews annually the performance of the external auditor, the appointment of the external auditor, their independence and their fees.

The Board receives regular reports from management and from external auditors. It also meets with the external auditors as and when required.

The external auditors attend Dotz Nano's AGM and are available to answer questions from security holders relevant to the audit.

Prior approval of the Board must be gained for non-audit work to be performed by the external auditor. There are qualitative limits on this non-audit work to ensure that the independence of the auditor is maintained.

There is also a requirement that the lead engagement partner responsible for the audit not perform in that role for more than five years. There was a change in audit partner for the year ended 31 December 2021.

The Board is also responsible for establishing policies on risk oversight and management. The Company has not formed a separate Risk Management Committee due to the size and scale of its operations.

CEO and CFO Certifications

The Board, before it approves the entity's financial statements for a financial period, receives from its CEO and CFO (or the persons fulfilling those functions) a declaration provided in accordance with Section 295A of the Corporations Act that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

External Corporate Reports

Non-audited corporate reports receive extensive management review prior to release to the market, whilst the Corporate Governance Statement is reviewed and endorsed by Board prior to approval.

Principle 5: Make timely and balanced disclosure

The Company has a Continuous Disclosure Policy which outlines the disclosure obligations of the Company as required under the ASX Listing Rules and Corporations Act. The policy is designed to ensure that procedures are in place so that the market is properly informed of matters which may have a material impact on the price at which Company securities are traded.

The Company has historically had a continuous disclosure policy in place to ensure compliance with Listing Rule 15.7. In response to the queries raised by the ASX while the Company's securities were suspended from quotation in late 2020, the Company undertook a review of its continuous disclosure policy and adopted from 31 December 2020 a new and materially more comprehensive continuous disclosure policy which specifically addresses, amongst other things, requirements to ensure compliance with Listing Rule 15.7, including:

- (f) a requirement not to discuss price sensitive information unless that particular information has been formally disclosed to the market via an announcement;
- (g) disclosure obligations in connection with investor or analyst briefings; and
- (h) disclosure obligations while the Company's securities are subject to a trading halt or suspension.

The Company's practice on disclosure is consistent with the Principles and Recommendations. The Board strictly adheres to the Company's Continuous Disclosure Policy and procedures are in place to ensure compliance with ASX Listing Rule disclosure requirements, which includes the requirement that any new or substantive information is released on the ASX Market Announcements Platform ahead of being provided to analysts and investors during a one-on-one or group briefing

The Board considers whether there are any matters requiring disclosure in respect of each and every item of business that it considers in its meetings. Individual Directors are required to make such a consideration when they become aware of any information in the course of their duties as a Director of the Company.

The Company is committed to ensuring all investors have equal and timely access to material information concerning the Company.

The Board has designated the Company Secretary as the person responsible for communicating with the ASX. All key announcements at the discretion of the Managing Director are to be circulated to and reviewed by all members of the Board.

The Chairman, the Board, Managing Director and the Company Secretary are responsible for ensuring that:

- a) company announcements are made in a timely manner, that announcements are factual and do not omit any material information required to be disclosed under the ASX Listing Rules and Corporations Act; and
- b) company announcements are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

The Continuous Disclosure Policy and the Shareholder Communication Policy are available on the Company's website.

The Board and the Executive Team are included in an email distribution list to receive a copy of all ASX market announcements made by the Company to ensure they have visibility of the nature and quality of the information being disclosed to the market, and the frequency of such disclosures.

Listing Rules 15.5 has been amended to make it clearer how a document should be given to ASX. A document given by an entity to ASX must: include, or be sent with a covering letter that includes, the entity's name, address and corporate logo, unless a form prescribed by the listing rules or an Australian law is used; be dated; identify the title of the body, or the name and title of the officer, of the entity who authorised the document to be given to ASX; and if the document is an announcement under rule 3.1, include the name, title and contact details of a person who security holders or other interested parties can contact if they have any queries.

All material presentations by the Company are released to the ASX and posted on the Company's website.

Principle 6: Respect the rights of security holders

The Company recognises the value of providing current and relevant information to its shareholders. The Board of the Company aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs.

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

- communicating effectively with shareholders through releases to the market via ASX, the company website, information posted or emailed to shareholders and the general meetings of the Company;
- giving shareholders ready access to clear and understandable information about the Company; and
- making it easy for shareholders to participate in general meetings of the Company.

The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company. These contact details are available on the "Contact Us" page of the Company's website.

Shareholders may elect to, and are encouraged to, receive communications from Dotz Nano and Dotz Nano's securities registry electronically. The contact details for the registry are accessible from the "For Investors" page of the Company's website.

The Company maintains information in relation to its Constitution, governance documents, Directors and senior executives, Board and committee charters, annual reports and ASX announcements on the Company's website.

Since 1 January 2020, all resolutions at a meeting of security holders are decided by a poll rather than by a show of hands, allowing all shareholders to vote based on of the number of shares held by them, also providing access to register their vote regardless of whether they attend or not.

The Company's policies and procedures, and in particular the Shareholder Communication Policy, comply with the Principles and Recommendations in relation to the rights of shareholders.

Principle 7: Recognise and manage risk

The Board is committed to the identification, assessment and management of risk throughout Dotz Nano's business activities.

The risk committee is combined with the audit committee and is subject to the same Charter.

The Board is responsible for the oversight of the Company's risk management and internal compliance and control framework (Further information is disclosed in Principle 2 and 4 above). The Company does not have an internal audit function. Responsibility for control and risk management is delegated to the appropriate level of management within the Company with the Managing Director having ultimate responsibility to the Board for the risk management and internal compliance and control framework. Dotz Nano has established policies for the oversight and management of material business risks.

Dotz Nano's Risk Management and Internal Compliance and Control Policy recognises that risk management is an essential element of good corporate governance and fundamental in achieving its strategic and operational objectives. Risk management improves decision making, defines opportunities and mitigates material events that may impact security holder value.

Dotz Nano believes that explicit and effective risk management is a source of insight and competitive advantage. To this end, Dotz Nano is committed to the ongoing development of a strategic and consistent enterprise wide risk management program, underpinned by a risk conscious culture.

Dotz Nano accepts that risk is a part of doing business. Therefore, the Company's Risk Management and Internal Compliance and Control Policy is not designed to promote risk avoidance. Rather Dotz Nano's approach is to create a risk conscious culture that encourages the systematic identification, management and control of risks whilst ensuring the Company does not enter into unnecessary risks or enter into risks unknowingly.

Dotz Nano assesses its risks on a residual basis; that is it evaluates the level of risk remaining and considering all the mitigation practices and controls. Depending on the materiality of the risks, Dotz Nano applies varying levels of management plans.

The Board has required management to design and implement a risk management and internal compliance and control system to manage Dotz Nano's material business risks. It receives regular reports on specific business areas where there may exist significant business risk or exposure. The Company faces risks inherent to its business, including economic risks, which may materially impact the Company's ability to create or preserve value for security holders over the short, medium or long term. The Company has in place policies and procedures, including a risk management framework (as described in the Company's Risk Management and Internal Compliance and Control Policy), which is developed and updated to help manage these risks.

During the reporting period, the Board determined that it did not have any material exposure to economic, environmental and social sustainability risks. The Board does note however that the Company is subject to general economic risks, and economic risks associated with the Company's proposed products seeking to develop new markets. In addition, there are inherent risks associated with the Company's research and development facilities and team being located in Israel, due to the political and military instability, obligations of Israeli citizens to perform military service, and the potential for other countries to impose boycotts over Israeli produced products and companies.

The Company's process of risk management and internal compliance and control includes:

- identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect those risks;
- formulating risk management strategies to manage identified risks, and designing and implementing appropriate risk management policies and internal controls; and
- monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control.

The Board reviews the Company's risk management framework at least annually to ensure that it continues to effectively manage risk.

Management reports to the Board as to the effectiveness of Dotz Nano's management of its material business risks at each Board meeting.

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of a dedicated internal audit function. The Company may consider to periodically engage external consultants to perform internal control reviews.

Principle 8: Remunerate fairly and responsibly

The Board as a whole fulfils the functions normally delegated to the Remuneration Committee (Further information is disclosed in Principle 2 above) as detailed in the Remuneration Committee Charter.

Dotz Nano has implemented a Remuneration Policy which was designed to recognise the competitive environment within which Dotz Nano operates and also emphasise the requirement to attract and retain high calibre talent in order to achieve sustained improvement in Dotz Nano's performance. The overriding objective of the Remuneration Policy is to ensure that an individual's remuneration package accurately reflects their experience, level of responsibility, individual performance and the performance of Dotz Nano.

The key principles are to:

- review and approve the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
- ensure that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration;
- fairly and responsibly reward executives having regard to the performance of the Group, the performance of the executive and the prevailing remuneration expectations in the market;
- remunerate fairly and competitively in order to attract and retain top talent;
- recognise capabilities and promote opportunities for career and professional development; and
- review and approve equity-based plans and other incentive schemes to foster a partnership between employees and other security holders.

The Board determines the Company's remuneration policies and practices and assesses the necessary and desirable competencies of Board members. The Board is responsible for evaluating Board performance, reviewing Board and management succession plans and determines remuneration packages for the Managing Director, Non-Executive Directors and senior management based on an annual review.

Dotz Nano's executive remuneration policies and structures and details of remuneration paid to directors and key management personnel (where applicable) are set out in the Remuneration Report.

Non-Executive Directors receive fees (including statutory superannuation where applicable) for their services, the reimbursement of reasonable expenses and, in certain circumstances options.

The maximum aggregate remuneration approved by shareholders for Non-Executive Directors is AU\$500,000 per annum. The Directors set the individual Non-Executive Directors fees within the limit approved by shareholders.

Executive directors and other senior executives (where appointed) are remunerated using combinations of fixed and performance-based remuneration. Fees and salaries are set at levels reflecting market rates and performance-based remuneration is linked directly to specific performance targets that are aligned to both short and long term objectives.

The Company prohibits Directors and employees from entering into any transaction that would have the effect of hedging or otherwise transferring the risk of any fluctuation in the value of any unvested entitlement in the Company's securities to any other person.

There is currently no minimum holding of the Company's securities required by a non-executive director.

The Company's equity-based incentive schemes to which the Executive Team and other employees are eligible to participate in are presented to shareholders for approval at the AGM every three years, the last approval having been received on 2 March 2020.

The Securities Trading Policy contains a prohibition against directors and employees altering the economic benefit derived by the director or employee in relation to an equity-based incentive award or grant made by the Company.

Detailed information on remuneration of directors and other Key Management Personnel is contained in the Remuneration Report.

Further details in relation to the company's remuneration policies are contained in the Remuneration Report, within the Directors' report.

The shareholder information set out below was applicable as at 23 March 2021.

As at 23 March 2021 there were 1,091 holders of Ordinary Fully Paid Shares.

VOTING RIGHTS

The voting rights of the ordinary shares are as follows:

- (a) at meetings of members each member entitled to vote may vote in person or by proxy or attorney; and
- (b) on a poll each person present in person or by proxy or by attorney has one vote for each ordinary share held.

There are no voting rights attached to any of the options that the Company currently has on issue. Upon exercise of these options, the shares issued will have the same voting rights as existing ordinary shares.

TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of each class of listed securities are listed below:

Ordinary Fully Paid Shares

Holder Name	Holding	% IC
CITICORP NOMINEES PTY LIMITED	94,495,150	25.11%
SOUTHERN ISRAEL BRIDGING FUND TWO LP	67,883,334	18.04%
BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	40,373,189	10.73%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	15,952,279	4.24%
IBI TRUST MANAGEMENT <ARIEL MALIK A/C>	11,746,611	3.12%
AVOCADO VENTURES INC	10,270,548	2.73%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	10,121,104	2.69%
KNH INVESTMENTS (AUST) PTY LTD <THE HARPAZ FAMILY A/C>	8,532,678	2.27%
BNP PARIBAS NOMS PTY LTD <DRP>	6,557,035	1.74%
MR NATANEL HARPAZ	6,203,675	1.65%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	6,178,109	1.64%
IBI TRUST MANAGEMENT <MICHAEL SHTEIN A/C>	5,146,201	1.37%
ROMFAL SIFAT PTY LTD <THE FIZMAIL FAMILY A/C>	4,500,000	1.20%
IBI TRUST MANAGEMENT <INVESTJTECH LLC A/C>	2,993,461	0.80%
MR EVAN NEUMANN & MR RICKY NEUMANN	2,700,000	0.72%
LS CAPITAL HOLDINGS PTY LTD	2,658,704	0.71%
SILVERELLA PTY LTD	2,500,000	0.66%
MR GAREN AZOYAN SUTISY & MRS ARMINAH MOSES MINASKANIAN <GAAM SUPER FUND A/C>	2,363,158	0.63%
MR BRUNO NOSEK	2,100,000	0.56%
BUZZ CAPITAL PTY LTD <ZI VESTMENT A/C>	2,000,000	0.53%
Total	305,275,236	81.11%
Total issued capital - selected security class(es)	376,382,378	100.00%

SUBSTANTIAL HOLDERS

The names of the substantial shareholders disclosed to the Company as substantial shareholders as at 23 March 2021 are:

Name	No of Shares Held	% of Issued Capital
CITICORP NOMINEES PTY LIMITED	94,495,150	25.11%
SOUTHERN ISRAEL BRIDGING FUND TWO LP	67,883,334	18.04%
BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	40,373,189	10.73%

DISTRIBUTION OF EQUITY SECURITIES

Ordinary Fully Paid Shares

Holding Ranges	Holders	Total Units	% Issued Share Capital
1 - 1,000	142	8,692	0.00%
1,001 - 5,000	205	682,754	0.18%
5,001 - 10,000	191	1,587,420	0.42%
10,001 - 100,000	395	13,865,711	3.68%
100,001 - 9,999,999,999	158	360,237,801	95.71%
Totals	1,091	376,382,378	100.00%

Based on the price per security, number of holders with an unmarketable holding: 147, with total 14,821, amounting to 0.004% of Issued Capital (based on share price of \$0.34)

RESTRICTED SECURITIES

As at 23 March 2021 the following shares are subject to escrow:

- Nil

UNQUOTED SECURITIES

As at 23 March 2021, the following unquoted securities are on issue:

5,000,000 Options Expiring 19/10/23 @ \$0.37.5 – 1 Holders (DTZOPT30)

Holders with more than 20%

Holder Name	Holding	% IC
KETOM PTY LTD <BECHLER FAMILY A/C>	5,000,000	100%

4,629,630 Options Expiring 17/06/22 @ \$0.09 – 1 Holders (DTZOPT25)

Holders with more than 20%

Holder Name	Holding	% IC
SOUTHERN ISRAEL BRIDGING FUND TWO LP	4,629,630	100%

ADDITIONAL ASX INFORMATION

4,629,630 Options Expiring 10/09/22 @ \$0.09 – 1 Holders (DTZOPT29)

Holders with more than 20%

Holder Name	Holding	% IC
SOUTHERN ISRAEL BRIDGING FUND TWO LP	4,629,630	100%

500,000 Options Expiring 31/12/22 @ \$0.09 – 1 Holders (DTZOPT28)

Holders with more than 20%

Holder Name	Holding	% IC
ZINNIAH GROUP LIMITED	500,000	100%

500,000 Options Expiring 31/12/22 @ \$0.12 – 1 Holders (DTZOPT27)

Holders with more than 20%

Holder Name	Holding	% IC
ZINNIAH GROUP LIMITED	500,000	100%

1,350,000 Options Expiring 18/05/22 @ \$0.07 – 1 Holders (DTZOPT26)

Holders with more than 20%

Holder Name	Holding	% IC
EVAN CHARLES NEUMANN & RICKY STEVEN NEUMANN	1,350,000	100%

375,000 Options Expiring 11/05/23 @ \$0.048 – 1 Holders (DTZOPT23)

Holders with more than 20%

Holder Name	Holding	% IC
UNIVERSAL EXPORTS GROUP LTD	375,000	100%

10,300,003 Options Expiring 07/05/2021 @ \$0.085 – 12 Holders (DTZOPT18)

Holders with more than 20%

Holder Name	Holding	% IC
ZINNIAH GROUP LIMITED	5,000,000	48.5%
LIONS INVESTMENT LTD	2,625,000	25.5%

1,000,000 Options Expiring 15/02/2023 @ \$nil – 1 Holders (DTZOPB)

Holders with more than 20%

Holder Name	Holding	% IC
TOMER SEGEV	1,000,000	100%

10,000,000 Options Expiring 11/09/2021 @ \$Nil – 1 Holders (DTZESOPT5)

Holders with more than 20%

Holder Name	Holding	% IC
ATLANTIC CAPITAL HOLDINGS PTY LTD <ATLANTIC CAPITAL A/C>	10,000,000	100%

5,000,000 Options Expiring 19/06/2021 @ \$0.10 – 4 Holders (DTZOPT19)

Holders with more than 20%

Holder Name	Holding	% IC
EVOLUTION EQUITIES PTY LTD	2,440,000	48.8%
BLUE OLIVE CAPITAL PTY LTD	1,710,000	34.2%

4,820,094 Options Expiring 29/07/2021 @ \$0.10 – 11 Holders (DTZOPT20)

Holders with more than 20%

Holder Name	Holding	% IC
AUSTRALIAN SHARE NOMINEES PTY LTD <AUSTRALASIAN HOLDINGS A/C>	2,732,186	56.7%

6,368,522 Options Expiring 11/12/2021 @ \$0.09 – 13 Holders (DTZOPT21)

Holders with more than 20%

Holder Name	Holding	% IC
KNH INVESTMENTS (AUS) LTD	2,307,408	36.2%

10,000,000 Options Expiring 11/12/2021 @ \$0.09 – 1 Holders (DTZOPT22)

Holders with more than 20%

Holder Name	Holding	% IC
MARZAMENO LTD	10,000,000	100.00%

6,650,000 Options - ESOP T1 VEST 30/6/2021 EXP 31/12/2021– 13 Holders (DTZESOPT6)

Holders with more than 20%

Holder Name	Holding	% IC
IBI TRUST MANAGEMENT < MICHAEL SHTEIN A/C>	2,000,000	30.08%

5,650,000 Options ESOP T2 VEST 31/12/21 EXP 31/12/22– 13 Holders (DTZESOPT7)

Holders with more than 20%

Holder Name	Holding	% IC
There are no holders with more than 20%		

5,650,000 Options ESOP T3 VEST 31/12/21 EXP 31/12/23 – 13 Holders (DTZESOPT8)

Holders with more than 20%

Holder Name	Holding	% IC
There are no holders with more than 20%		

200,000 Options ESOP EXP 31/12/22 @ \$0.06 – 1 Holders (DTZESOPT9)

Holders with more than 20%

Holder Name	Holding	% IC
IBI TRUST MANAGEMENT <RONNIE LAVI A/C>	200,000	100%

100,000 Options Expiring 16/10/22 @ \$0.05 – 1 Holders (DTZOPT31)

Holders with more than 20%

Holder Name	Holding	% IC
IBI TRUST MANAGEMENT <BH BEN HUR HOLDINGS LTD A/C>	100,000	100%

400,000 Options Expiring 16/10/22 @ \$0.30 – 1 Holders (DTZOPT32)

Holders with more than 20%

Holder Name	Holding	% IC
IBI TRUST MANAGEMENT <BH BEN HUR HOLDINGS LTD A/C>	400,000	100%

ON-MARKET BUY BACK

There is currently no on-market buyback program.

ASX LISTING RULE 4.10.19

The Company has used its cash and assets in a form readily convertible to cash that it had at the time of reinstatement of the Company's securities to quotation in a way consistent with its business objectives.