



DOTZ NANO LIMITED

ABN 71 125 264 575

**ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

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Directors

Bernie Brookes – Non-Executive Chairman
Gideon Shmuel – CEO, Executive Director
Doron Eldar – Non-Executive Director
Garry Browne - Non-Executive Director
Kerry Harpaz – Non-Executive Director
Ian Pamensky – Non-Executive Director

Company Secretary

Ian Pamensky

Registered Office

Level 14
330 Collins Street
Melbourne VIC 3000

Auditor**BDO Audit (WA) Pty Ltd**

Level 9, Mia Yellagonga Tower 2
5 Spring Street
PERTH WA 6000

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

Dear fellow shareholders,

2021 was a very busy year for Dotz, as we progressed our commercialisation strategy, developed our virus detection technology, secured distributors and first purchase orders, and prepared for mass production.

Demand for our SARS-CoV-2 virus detection technology is increasing, particularly in densely populated countries with large tourism industries. The Dotz Test Kits, once delivered offer a fast and effective mass testing solution with broad applicability across medical facilities, airports, sporting and entertainment venues, and education centres. It facilitates simultaneous testing of hundreds of samples on-site with results available in under 20 minutes, determined by samples changing colour.

Regulatory approval is key to opening new markets for our diagnostic technology, and we obtained CE Mark authorisation, clearing the product for sale in the European Union¹. This certification combined with a successful blind clinical trial in the United States, has enabled us to secure US\$2.3 million in orders from our distribution partners.

Distribution partners are key to our growth strategy, enabling us to cost-effectively target, acquire and service customers in disperse geographic regions. Dotz has four reputable diagnostic distributors for its Test Kits, covering UAE, Sudan, Egypt, Paraguay, Thailand and Malaysia. In parallel, we continue to progress our US Food and Drug Administration Emergency Use Authorisation application to access new markets, as well as undertake additional clinical trials to meet country-specific import requirements.

While the diagnostic sector provides us with immediate revenue opportunities, we have not neglected the broader authentication sector. Anti-counterfeiting is a \$2.2 trillion market with most industries and premium brands being targeted by counterfeiters. Our non-toxic security taggants have significant competitive advantages over existing solutions and are embedded directly into materials during manufacturing – everything from engine oil and plastics through to textiles and concrete. Our ValiDotz markers do not affect the product's appearance or properties and are impossible to detect with the naked eye. We have several authentication pilots underway that may convert to large, long-term sales agreements.

Despite the significant progress the Company has achieved in 2021, the year was not without its challenges. The ongoing impact of COVID and travel restrictions saw many of our 'Secured by Dotz' authentication customers delay their order obligations. Outstanding orders currently total more than \$1.2 million, however we remain confident that the majority of these orders will be realised in 2022. On the diagnostic front, extensive quality assurance testing has delayed our ability to fulfil existing Dotz Test Kit orders.

To support Dotz through its next growth phase, we welcomed two seasoned business executives to Dotz's Board in 2021. Garry Browne AM, and Kerry Harpaz bring a wealth of experience in sales and marketing, distribution networks, culture and teams, and supporting high growth businesses to profitability.

On behalf of the Board, I'd like to thank the entire Dotz team for their hard work and commitment over the past few years. Despite challenging operating conditions, we have leveraged the versatility of our marking and verification technology to quickly develop an industry-leading mass testing solution, opening new markets for our business.

And lastly, thank you to our loyal shareholders for your ongoing support. We have significant growth opportunities ahead of us as we commercialise our industry-leading products within large addressable markets. We look forward to capitalising on these opportunities and delivering increasing shareholder value.



Bernie Brookes
Dotz Nano Chairman

¹ Some countries still have further certification requirements.

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 2021.

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	Non-Executive Chairman	Appointed 15 January 2020	-
Gideon Shmuel	CEO and Executive Director	Appointed 2 September 2021	-
Doron Eldar	Non-Executive Director	Appointed 15 January 2020	-
Garry Browne AM	Non-Executive Director	Appointed 19 May 2021	-
Karry Harpaz	Non-Executive Director	Appointed 2 September 2021	-
Ian Pamensky	Non-Executive Director	Appointed 25 September 2020	-
James Cotton	Non-Executive Director	Appointed 16 November 2020	Resigned 19 May 2021

Principal Activities

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

Dividends

There were no dividends paid or recommended during the financial year ended 31 December 2021 (2020: Nil).

Financial Review

Dotz Nano Limited had a loss for the year of \$7,935,940 (2020: \$3,968,996 loss). This included a non-cash amount of \$3,131,433 share-based payments (2020: \$1,392,484).

The net assets of the Group have decreased from \$5,205,896 at 31 December 2020 to \$4,062,471 at 31 December 2021.

As at 31 December 2021, the Group's cash and cash equivalents balance was \$4,137,046 (2020: \$5,259,087) and had working capital of \$3,568,141 (2020: \$4,950,829).

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

Review of Operations

In 2021, Dotz continued to commercialise its end-to-end solutions within the authentication and diagnostic domains. The Company's significant activities in 2021 are outlined below.

Diagnostic

During the year, Dotz continued the development and commercialisation of its SARS-CoV-2 virus detection technology, known as the Dotz Test Kits.

In January 2021, Dotz obtained authorisation to use the CE mark for its nasopharyngeal swab and saliva based Dotz Test Kits, clearing the product for sale in the European Union, noting some countries have additional regulatory requirements.

In April 2021, Dotz completed a successful blind clinical trial of its Dotz Test Kits on 73 subjects in the United States with a broad range of viral loads. Patient nasopharyngeal swab samples were acquired from US-based iQ Genetrix1, and sample positivity was first tested using the Dotz Test Kit and then confirmed using the CDC 2019-Novel Coronavirus (2019-nCoV) Real-Time RT-PCR Diagnostic Panel in accordance with FDA requirements. The clinical trial identified 31 positive patient samples with 97% accuracy and 42 negative patient samples with 100% accuracy.

The successful clinical trial is a key component of Dotz's US Food and Drug Administration Emergency Use Authorisation (EUA) application, which was initially filed in April 2021. The Company is continuing to progress its US FDA Emergency Use Authorisation application for both its nasopharyngeal swab and saliva samples. However, it is not able to provide an estimated timeline for receipt of the regulatory approval.

Review of Operations (Continued)

Dotz entered into two-year distribution agreements for its Test Kits with Hygiene Links for the UAE, Egypt and Sudan and El Alamo SA in Paraguay. Under these agreements, Dotz received a US\$2.1 million purchase order from Hygiene Links for its Dotz Test Kits and a US\$220,000 purchase order from El Alamo SA. Exclusivity for both distribution agreements is subject to minimum purchase orders. Dotz has not yet fulfilled its existing Dotz Test Kit purchase orders due to ongoing mass production quality assurance and some customisation by customers. Dotz expects to complete its purchase orders as soon as it is satisfied as to the quality and applicability of the product.

During the year, Dotz also entered into three-year non-exclusive distribution agreements for its Dotz Test Kits with ScienceVision Sdn Bhd in Malaysia and World Siam Company Limited in Thailand. The agreements grant the distribution partners the right to promote, sell and distribute the Dotz Test Kits in the respective regions with conditional exclusivity subject to minimum first-year purchase orders of US\$600,000 in Malaysia and US\$250,000 in Thailand.

Authentication

Dotz continues to engage with its 'Secured by Dotz' authentication customers and distributors in relation to the following outstanding orders:

- US\$450,000 from TT Medical, which was due in Q1 2021 (noting TT Medical made an advance payment of US\$35,000 in 2020 and paid an additional US\$215,000 in July 2021) Dotz expects to receive the outstanding \$450,000 order;
- US\$255,000 from UEG in connection with the second agreement with UEG, which was due in Q1 2021 (noting UEG paid its commitment under its first agreement in the amount of US\$300,000 in 2020); and
- A\$502,000 from V2 Tech, which was due in Q4 2020 (noting AUD\$26,000 was received from V2 Tech in 2020).

While the original timeline obligations for these orders have not been met due to COVID related factors impacting these customers, Dotz believes that the agreements will be substantively honoured based on discussions with those customers.

In August 2021, Dotz commenced legal proceedings against Canadian PPE manufacturer Breathe Medical Manufacturing Ltd for failing to meet its obligations under a contracted purchase agreement. Following advice from the Company's professional advisers, Dotz terminated the binding arbitration against Breathe Medical in December. Dotz reserves the right to pursue a claim against Breathe Medical.

In April, Dotz entered into supply and distribution agreements with Zohar Dalia Professional LP – a subsidiary of Israel's largest manufacturer and supplier of detergent intermediates and cleaning products. Under the exclusive supply agreement, Dotz is supplying Zohar Dalia with its non-toxic markers and detectors for use in its new active surface sanitation solution. Active V-SRD is a slow-release anti-viral disinfectant that utilises Dotz's security markers to verify proper surface sanitation in real-time. A non-exclusive distribution agreement grants Dotz the right to promote and sell Zohar Dalia's Active V-SRD solution in multiple approved markets, including the UK, India, Italy, France, Australia, Germany, Spain and throughout Africa. The two parties are progressing commercialisation of Active V-SRD, fine tuning the liquid formulation to increase customer useability. The Active V-SRD surface sanitisation wipes are already meeting commercial specifications and Dotz is building its sales pipeline for both solutions.

Leadership

In 2021, Dotz strengthened the Board's business, marketing, and distribution expertise, appointing three new highly qualified Directors.

Experienced Australian executive Garry Browne AM joined Dotz as an Independent Director in May, bringing more than four decades' senior management experience to the Board. As the former CEO and current Chair of FMCG company Stuart Alexander & Co, Mr Browne has a wealth of sales and marketing experience in local and international markets. He replaced Non-Executive Director James Cotton, who stepped down from the Board due to competing priorities. James remains with Dotz in a consulting capacity, sourcing distributors for Dotz's products in Australia, the USA, and Europe.

In September, Mr Gideon Shmuel was appointed as CEO and Executive Director, and Mrs Kerry Harpaz joined the Board as a Non-Executive Director. Gideon had previous CEO roles at AI computer vision company Cipia and aerospace digital e-commerce platform ePlane. Mrs Harpaz is an accomplished business executive with more than 17 years' experience in senior management and leadership roles, specialising in building large teams and successful cultures, and investing in high growth companies and growing them into profitability.

Dotz held its Annual General Meeting on 29 July 2021, where all resolutions put to shareholders were passed, excluding approval to issue former CEO and Director Mr. Uzi Breier options in accordance with his separation agreement.

Significant events after the reporting period

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)

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 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 1,225,000 Ordinary Shares
440,000 unlisted options with exercise price of AU\$0.07 and expiry date of 31 December 2022
500,000 unlisted options with exercise price of AU\$0.12 and expiry date of 31 December 2022
500,000 unlisted options with exercise price of AU\$0.12 and expiry date of 31 December 2022
500,000 unlisted options with exercise price of AU\$0.20 and expiry date of 31 December 2023

Special Responsibilities Nil

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

Mr Gideon Shmuel CEO and Executive Director (Appointed 2 September 2021)

Qualifications MA, Marketing Management, 1995 - 1996
BA, Business Studies, 1992 - 1995

Experience Mr Shmuel is a highly-experienced CEO and senior executive with strong sales, business development and marketing expertise. He has extensive experience scaling innovative tech companies globally, and is the previous CEO of AI computer vision company Cipia and aerospace digital e-commerce platform ePlane. More recently, Mr Shmuel is a venture partner at London-based venture capital firm Downing Ventures.

Interest in Shares and Options Nil

Special Responsibilities Nil

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

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

Qualifications BA in Business Economics

Information on Directors

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 370,371 Ordinary Shares
440,000 unlisted options with exercise price of AU\$0.07 and expiry date of 31 December 2022
500,000 unlisted options with exercise price of AU\$0.12 and expiry date of 31 December 2022
500,000 unlisted options with exercise price of AU\$0.12 and expiry date of 31 December 2022
500,000 unlisted options with exercise price of AU\$0.20 and expiry date of 31 December 2023

Special Responsibilities Nil

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

Mr Garry Browne AM Non- Executive Director

Qualifications University of Technology Sydney - Bachelor of Business
Harvard Business School - OPM

Experience Mr Browne has more than 40 years' senior management and Board experience across government, not-for-profit and corporate entities, including as the former CEO and current Chair of FMCG company Stuart Alexander & Co. Mr Browne is on the Board of the Australian War Memorial ANZAC Foundation and the UNSW International House Residential College.

Interest in Shares and Options 288,550 Ordinary Shares*
* Includes 28,550 shares held by his son.

Special Responsibilities Nil

Ms Kerry Harpaz Non-Executive Director

Qualifications LL.B - College of Management Academic Studies, Israel
Practical Legal Training- The Collage Of law, Sydney, Australia
Mind, Brain and Behaviour 1 – Psychology Course – Melbourne University, Australia
Sustainability and Corporate Responsibility – Macquarie University, Australia
Positive Psychology – Tel Aviv University, Israel

Experience Mrs Harpaz, LLB, has more than 17 years of experience in senior management and leadership with speciality in building large teams with a focus on coaching and mentoring to build successful cultures.

Interest in Shares and Options 27,352,894 Ordinary Shares

Special Responsibilities Nil

Information on Directors

Mr Ian Pamensky	Non-Executive Director and Company Secretary
Qualifications	B.Com, BAccS (Hons), CA
Experience	Mr. Pamensky has over 25 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 Ordinary Shares 205,000 unlisted options with exercise price of AU\$0.07 and expiry date of 31 December 2022 250,000 unlisted options with exercise price of AU\$0.12 and expiry date of 31 December 2022 250,000 unlisted options with exercise price of AU\$0.12 and expiry date of 31 December 2022 250,000 unlisted options with exercise price of AU\$0.20 and expiry date of 31 December 2023
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

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).

Information on Directors

Mr Tomer Segev	Chief Financial Officer (appointed 1 January 2019, resigned, acting Chief Financial Officer until 17 March 2022 and employed to 31 March 2022)
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.

DIRECTORS' REPORT

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:

	Appointed	Resigned	DIRECTORS' MEETINGS	
			Number eligible to attend	Number Attended
Bernie Brookes AM	Appointed 15 January 2020	-	10	10
Gideon Shmuel	Appointed 2 September 2021	-	3	3
Doron Eldar	Appointed 15 January 2020	-	10	10
Garry Browne AM	Appointed 19 May 2021	-	6	6
Karry Harpaz	Appointed 2 September 2021	-	3	3
Ian Pamensky	Appointed 25 September 2020	-	10	9
James Cotton	Appointed 16 November 2020	Resigned 19 May 2021	3	-

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
17 June 2022	18 June 2020	AU\$0.09	4,629,630
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 2023	30 July 2020	AU\$0.20	3,550,000
16 October 2022	16 October 2020	AU\$0.30	400,000
11 May 2023	6 February 2021	AU\$0.048	375,000
4 December 2022	28 February 2021	AU\$0.001	1,000,000
31 December 2022	29 July 2021	AU\$0.07	1,085,000
31 December 2022	29 July 2021	AU\$0.12	1,250,000
31 December 2022	29 July 2021	AU\$0.12	1,250,000
31 December 2023	29 July 2021	AU\$0.20	1,250,000
25 November 2023	25 August 2021	AU\$0.25	4,000,000
4 August 2023	3 August 2021	AU\$0.23	1,500,000
10 July 2024	10 July 2021	AU\$0.20	250,000
			31,169,260

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, multiple applications, including biomedical, in-product authentication, tracing, lighting and sensors - specifically using 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 2021 has been received and can be found on page 20 of the financial report.

Remuneration Report (Audited)

This remuneration report for the year ended 31 December 2021 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	Non-Executive Chairman	15 January 2020	N/A
Gideon Shmuel	CEO and Executive Director	2 September 2021	N/A
Doron Eldar	Non-Executive Director	15 January 2020	N/A
Garry Browne AM	Non-Executive Director	19 May 2021	N/A
Karry Harpaz	Non-Executive Director	2 September 2021	N/A
Ian Pamensky	Non-Executive Director	25 September 2020	N/A
James Cotton	Non-Executive Director	16 November 2020	19 May 2021
Michael Shtein	Chief Technology Officer	1 August 2015	N/A
Tomer Segev	Chief Financial Officer	1 January 2019	Resigned, acting Chief Financial Officer until 17 March 2022 and employed to 31 March 2022

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.

During the year ended 31 December 2021 the Company had three appointed executives, being Mr Gideon Shmuel as CEO and Executive Director, Dr Michael Shtein as the Chief Technology Officer 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
Mr Gideon Shmuel	- Executive gross salary of ILS 66,400 (~US\$21,350)* and car expenses of ILS 3,500 (~US\$1,125) per month. In addition, employee is entitled to full social benefits (Pension fund, study fund and disability insurance) - Annual bonus of up to 30% subject to performance against the KPI's - 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 6 months' notice. - Long term incentives: 500,000 unlisted options with an exercise price of zero and expiry date of 29 March 2024; 2,000,000 unlisted options with an exercise price of AU41.25 cents and expiry date of 29 March 2023; 2,500,000 unlisted options with an exercise price of AU48.12 cents and expiry date of 29 March 2024; and 2,500,000 unlisted options with an exercise price of AU55 cents and expiry date of 29 March 2025 The options have not been issued and are subject to shareholder approval
Dr Michael Shtein	- Executive compensation of US\$15,000 for 75% position, 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 38,000 for 75% position (~US\$12,218) per month. 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.

In addition to the above appointed executives Mr Doron Eldar is as a director in Dotz Nano Ltd in Israel. 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)

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 2021 a total of 5,035,000 options have been issued under this plan (2020: 17,950,000 options).

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 \$357,586 (2020: \$185,183) 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-21	Short Term Salary, Fees & Commissions US\$	Post- Employment Superannuation US\$	Other* US\$	Share-based payments US\$	Total US\$	Performance based remuneration
Directors:						
Bernie Brookes	162,266	-	-	312,996	475,262	0%
Gideon Shmuel ¹	240,819	-	6,438	388,755	636,012	0%
Doron Eldar	112,685	-	-	312,996	425,681	0%
Ian Pamensky	18,030	-	-	153,189	171,219	0%
James Cotton ²	17,206	-	-	-	17,206	0%
Garry Browne ²	27,867	-	-	-	27,867	0%
Kerry Harpaz ³	19,532	-	-	-	19,532	0%
Key management:						
Michael Shtein	203,286	-	-	244,347	447,633	0%
Tomer Segev	199,852	-	19,399	177,654	396,905	0%
Total	1,001,543	-	25,837	1,589,937	2,617,317	

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

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 ⁴	102,066	-	-	-	102,066	0%
Uzi Breier ⁵	222,187	-	19,694	10,401	252,282	0%
Doron Eldar ⁴	57,231	-	-	-	57,231	0%
Ian Pamensky ⁶	4,142	-	-	-	4,142	0%
James Cotton ⁷	5,178	-	-	-	5,178	0%
John Bullwinkel ⁸	8,630	-	-	-	8,630	0%
Ashley Krongold ⁸	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.

¹ Appointed as CEO and Executive Director on 2 September 2021. The total salary and other includes \$135,211 and \$3,886 relating to services prior to appointment as CEO and Executive Director of the Company.

² Mr James Cotton resigned on 19 May 2021 and Mr Garry Browne was appointed on 19 May 2021

³ Appointed on 2 September 2021

⁴ Appointed on 15 January 2020

⁵ Resigned 25 September 2020, this amount includes \$63,756 relating to post termination.

⁶ Appointed on 25 September 2020

⁷ Appointed on 16 November 2020

⁸ Resigned on 23 March 2020

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-21	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 ¹	Balance at end of Year
Directors:					
Bernie Brookes	625,000	-	-	600,000	1,225,000
Gideon Shmuel	-	-	-	-	-
Doron Eldar	277,778	-	92,593	-	370,371
Ian Pamensky	-	-	-	-	-
James Cotton	-	-	-	-	-
Garry Browne	-	-	-	288,550	288,550
Kerry Harpaz	-	-	12,307,408	15,045,486	27,352,894
Key management:					
Michael Shtein	5,146,201	-	2,000,000	-	7,146,201
Tomer Segev	-	-	2,000,000	-	2,000,000
Total	6,048,979	-	16,400,001	15,934,036	38,383,016

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-21	Balance at the start of the year	Granted as remuneration during the year*	Exercised during the year	Other changes during the year ¹	Balance at the end of the year	Vested and exercisable	Unvested and unexercisable
Directors:							
Bernie Brookes	-	1,940,000	-	-	1,940,000	1,440,000	500,000
Gideon Shmuel**	-	-	-	-	-	-	-
Doron Eldar	92,593	1,940,000	(92,593)	-	1,940,000	1,440,000	500,000
Ian Pamensky	-	955,000	-	-	955,000	705,000	250,000
James Cotton	-	-	-	-	-	-	-
Garry Browne	-	-	-	-	-	-	-
Kerry Harpaz	-	-	(12,307,408)	12,307,408	-	-	-
Key management:							
Michael Shtein	4,000,000	-	(2,000,000)	-	2,000,000	1,000,000	1,000,000
Tomer Segev	4,000,000	-	(2,000,000)	-	2,000,000	1,000,000	1,000,000
Total	8,092,593	4,835,000	(16,400,001)	12,307,408	8,835,000	5,585,000	3,250,000

* The options granted to Directors were approved at the AGM held on 29 July 2021 under ASX Listing Rule 10.14.

**The Board agreed to grant Mr Gideon Shmuel 7,500,00 options, the options have not been issued and subject to shareholder approval.

¹ Other changes during the year include amounts held at appointment date where director was appointed during the year and on-market trade.

Remuneration Report (Audited)

The following options were granted and issued to KMP during the year ended 31 December 2021:

a) 1,085,000 Director Options (440,000 Bernie Brookes, 440,000 Doron Eldar, 205,000 Ian Pamensky)

The issue of 1,085,000 options (Tranche 1) with exercise price of AU\$0.07 and expiry date of 31 December 2022 under the Employee Share Option Plan (ESOP) granted to Board of Directors for past services. The options vest immediately and were subject to shareholder approval which was granted on 29 July 2021. The options were issued on 6 August 2021 and a total expense of \$239,372 was recognised at 31 December 2021. The options were granted as part of the Company's COVID-19 cost reduction measures in lieu of certain payments due to Board members and Company secretary under their relevant consultancy and services agreements.

b) 2,500,000 Director Options (1,000,000 Bernie Brookes, 1,000,000 Doron Eldar, 500,000 Ian Pamensky)

The issue of 2,500,000 options (Tranche 2 and 3) with exercise price of AU\$0.12 and expiry date of 31 December 2022 under the Employee Share Option Plan (ESOP) granted to Board of Directors for past services. The options vest immediately and were subject to shareholder approval which was granted on 29 July 2021. The options were issued on 6 August 2021 and a total expense of \$475,562 was recognised at 31 December 2021.

c) 1,250,000 Director Options (500,000 Bernie Brookes, 500,000 Doron Eldar, 250,000 Ian Pamensky)

The issue of 1,250,000 options (Tranche 4) with exercise price of AU\$0.20 and expiry date of 31 December 2023 under the Employee Share Option Plan (ESOP) granted to Board of Directors. The options were issued on 6 August 2021 and vest on 31 December 2022. A portion of the value, being expense of \$64,248 was recognised at 31 December 2021.

The following option to KMP which are subject to shareholder approval have been recognised during the year ended 31 December 2021:

d) 500,000 Employee Options (Gideon Shmuel)

The vesting on 500,000 options (Tranche 1) with exercise price of AU\$Nil and expiry date of 29 March 2024 under the Employee Share Option Plan (ESOP). The options have not been issued and are subject to shareholder approval which. The options vest 12 months from 29 March 2021 (commencement date). A portion of expense of \$94,438 was recognised at 31 December 2021.

e) 2,000,000 Employee Options (Gideon Shmuel)

The vesting on 2,000,000 options (Tranche 2) with exercise price of AU\$0.413 and expiry date of 29 March 2023 under the Employee Share Option Plan (ESOP). The options have not been issued and are subject to shareholder approval which. The options vest 12 months from 29 March 2021 (commencement date). A portion of expense of \$131,362 was recognised at 31 December 2021.

f) 2,500,000 Employee Options (Gideon Shmuel)

The vesting on 2,500,000 options (Tranche 3) with exercise price of AU\$0.481 and expiry date of 29 March 2024 under the Employee Share Option Plan (ESOP). The options have not been issued and are subject to shareholder approval which. The options vest 24 months from 29 March 2021 (commencement date). A portion of expense of \$93,349 was recognised at 31 December 2021.

g) 2,500,000 Employee Options (Gideon Shmuel)

The vesting on 2,500,000 options (Tranche 4) with exercise price of AU\$0.55 and expiry date of 29 March 2025 under the Employee Share Option Plan (ESOP). The options have not been issued and are subject to shareholder approval which. The options vest 36 months from 29 March 2021 (commencement date). A portion of expense of \$69,606 was recognised at 31 December 2021.

Remuneration Report (Audited)

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

Options	Director Options (Tranche 1)	Director Options (Tranche 2-3)	Director Options (Tranche 4)	Employee Options (Tranche 1)	Employee Options (Tranche 2)	Employee Options (Tranche 3)	Employee Options (Tranche 4)
Financial year	2021	2021	2021	2021	2021	2021	2021
Exercise price	A\$0.070	AU\$0.120	AU\$0.200	Nil	AU\$0.413	AU\$0.481	AU\$0.550
Price at measurement	AU\$0.360	AU\$0.360	AU\$0.360	AU\$0.340	AU\$0.340	AU\$0.340	AU\$0.340
Grant date	29-Jul-21	29-Jul-21	29-Jul-21	(ii)	(ii)	(ii)	(ii)
Vesting date	6-Aug-21	29-Jul-21	31-Dec-22	29-Mar-22	29-Mar-22	29-Mar-23	29-Mar-24
Expected volatility (i)	85%	85%	85%	N/A	75%	75%	75%
Expiry date	31-Dec-22	31-Dec-22	31-Dec-23	29-Mar-24	23-Mar-23	23-Mar-24	23-Mar-25
Expected dividends	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Risk free interest rate	0.01%	0.01%	0.01%	N/A	0.08%	0.08%	0.08%
Value per option or share	AU\$0.292	AU\$0.252	AU\$0.229	AU\$0.340	AU\$0.118	AU\$0.134	AU\$0.150
Number of options	1,085,000	2,500,000	1,250,000	500,000	2,000,000	2,500,000	2,500,000
Total value in AUD	AU\$317,720	AU\$631,217	AU\$286,090	AU\$170,000	AU\$236,467	AU\$336,078	AU\$375,900
Total value in USD	US\$239,372	US\$475,562	US\$215,542	US\$124,440	US\$173,094	US\$246,009	US\$275,159

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

(ii) Options have not been granted as subject to shareholder approval, valued at commencement date of 29 March 2021.

KMP performance rights and performance shares holdings

No performance rights and performance shares were on issue as at 31 December 2021, (2020: nil).

Shares issued on exercise of options

The amounts paid per ordinary share on the exercise of options at the date of exercise were as follows:

Exercise date	Amount paid per share
5 May 2021	AU\$0.060
5 May 2021	AU\$0.085
5 May 2021	AU\$0.100
5 May 2021	AU\$0.090
5 May 2021	AU\$0.070
5 May 2021	AU\$0.048
10 May 2021	AU\$0.085
10 May 2021	AU\$0.001
6 August 2021	AU\$0.100
6 August 2021	AU\$0.048
6 August 2021	AU\$0.000
6 August 2021	AU\$0.070
6 August 2021	AU\$0.090
27 August 2021	AU\$0.000
14 September 2021	AU\$0.000
27 October 2021	AU\$0.000
20 December 2021	AU\$0.050
20 December 2021	AU\$0.048
20 December 2021	AU\$0.090
10 January 2022	AU\$0.000

Amounts unpaid on shares issued on the exercise of options were \$217,834 (AU\$300,000)

Remuneration Report (Audited)

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

On 10 December 2021, Company entered into a Loan Agreement of up to A\$300,000 (2020: Nil) (excluding interest) to Marzameno Ltd (Marzameno), related to Director Kerry Harpaz for the purpose of funding the payment of the exercise of up to 1/3 of 10,000,000 Options (each with an exercise price of \$0.09 and exercisable on or before 11 December 2021).

The loan is unsecured, accrues interest at 6% per annum, and must be repaid in full on 31 March 2022. Until all monies owing under the Loan Agreement are repaid in full, Marzameno must not dispose of any of 10,000,000 Ordinary Shares (issued pursuant on the exercise of 10,000,000 Options held by Marzameno) subject to certain exceptions (such as the Company providing consent).

	US\$
Balance at the start of the year	-
Interest paid and payable for the year	394
Interest not charged	-
Balance at the end of the year	218,227
Highest indebtedness during the year	218,227

No write-downs or allowances for doubtful receivables have been recognised in relation to this loan.

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	
			2021 US\$	2020 US\$	2021 US\$	2020 US\$
Ian Pamensky – CFO 2 Grow	Company secretarial services	Ian Pamensky	54,089	20,298	4,357	4,624
Oxen 9 Ltd	Advisory services	Doron Eldar	72,377	65,832	-	-

The company secretarial fees provided by Mr Ian Pamensky totalled to \$54,089 in 2021 and \$20,298 in 2020 (from appointment date of 25 September 2020). 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.

Remuneration Report (Audited)

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

At the AGM held on 29 July 2021, 100% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2020. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

REMUNERATION REPORT (AUDITED) (END)

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



Bernie Brookes

Chairman & Interim CEO

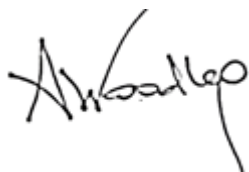
25 March 2022

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 2021, 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, 25 March 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME



FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 US\$	2020 US\$
Revenue from contracts with customers	2	304,595	375,811
Cost of Sales		(122,190)	(264,881)
Gross profit		182,405	110,930
Research and development expenses	3	(1,519,442)	(634,112)
General, administrative, selling and marketing expenses	3	(3,357,675)	(2,119,086)
Share based compensation	16	(3,131,433)	(1,392,484)
Finance costs		(109,795)	65,756
Loss before income tax		(7,935,940)	(3,968,996)
Income tax expense	4	-	-
Loss for the year		(7,935,940)	(3,968,996)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations	15	(231,713)	322,180
Total comprehensive loss for the year		(8,167,653)	(3,646,816)
Basic loss per share (cents per share)	7	(1.98)	(1.24)

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 2021

	Note	2021 US\$	2020 US\$
CURRENT ASSETS			
Cash and cash equivalents	8(a)	4,137,046	5,259,087
Trade and other receivables	9	78,589	189,478
Other assets		73,013	28,360
Inventory		47,743	14,475
Loan to related party	10	218,227	-
TOTAL CURRENT ASSETS		4,554,618	5,491,400
NON-CURRENT ASSETS			
Property, plant and equipment	12	235,380	214,958
Right-of-use assets	11	540,741	47,845
TOTAL NON-CURRENT ASSETS		776,121	262,803
TOTAL ASSETS		5,330,739	5,754,203
CURRENT LIABILITIES			
Trade and other payables	13	575,941	428,797
Provisions		88,606	38,685
Contract liability		-	33,757
Lease liabilities	11	321,930	39,332
TOTAL CURRENT LIABILITIES		986,477	540,571
NON-CURRENT LIABILITIES			
Lease liabilities	11	281,791	7,736
TOTAL NON-CURRENT LIABILITIES		281,791	7,736
TOTAL LIABILITIES		1,268,268	548,307
NET ASSETS		4,062,471	5,205,896
SHAREHOLDERS' EQUITY			
Issued capital	14	32,864,049	28,971,254
Reserves	15	6,489,479	3,589,759
Accumulated losses		(35,291,057)	(27,355,117)
SHAREHOLDERS' EQUITY		4,062,471	5,205,896

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 2021



	Issued Capital	Option Reserve	Foreign Currency Reserve	Accumulated Losses	Total
	US\$	US\$	US\$	US\$	US\$
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
Balance at 1 January 2021	28,971,254	3,312,190	277,569	(27,355,117)	5,205,896
Loss for the year	-	-	-	(7,935,940)	(7,935,940)
Other comprehensive income	-	-	(231,713)	-	(231,713)
Total comprehensive loss for the year	-	-	(231,713)	(7,935,940)	(8,167,653)
Transactions with owners, recognised directly in equity					
Issue of shares (net of cost)	591,268	-	-	-	591,268
Exercise of options	3,301,527	-	-	-	3,301,527
Share based payments	-	3,131,433	-	-	3,131,433
Balance at 31 December 2021	32,864,049	6,443,623	45,856	(35,291,057)	4,062,471

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 2021



	Note	2021 US\$	2020 US\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		291,629	394,461
Payments to suppliers and employees		(4,348,322)	(2,828,359)
Interest paid		(108,346)	(14,228)
Interest received		7,355	459
Net cash used in operating activities	8 (b)	(4,157,684)	(2,447,667)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(165,861)	(20,168)
Proceeds from investments		29,274	-
Net cash used in investing activities		(136,587)	(20,168)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net Proceeds for the issue of shares		591,268	4,835,041
Proceeds from exercise of options		3,088,234	1,320,281
Lease Payments	11	(221,060)	(144,896)
Net cash from financing activities		3,458,442	6,010,426
Net increase in cash and cash equivalents		(835,829)	3,542,591
Cash and cash equivalents at the beginning of the financial year		5,259,087	1,371,275
Foreign exchange		(286,212)	345,221
Cash and cash equivalents at the end of the financial year	8(a)	4,137,046	5,259,087

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 25 March 2022.

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) Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Group incurred a loss for year ended 31 December 2021 of US\$7,935,940 (2020: US\$3,968,996) and net cash outflows from operating activities of US\$4,157,684 (2020: US\$2,447,667).

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

The Directors believe that there are sufficient funds available to continue to meet the Group's working capital requirements as at the date of this report and that sufficient funds will be available to finance the operations of the Group for the following reasons:

- The Directors of Dotz Nano Limited have assessed the likely cash flow for the 12 month period from the date of signing this financial report and its impact on the Group and believe there will be sufficient funds to meet the Group's working capital requirements as at the date of this report.
- The Group has the ability to reduce its expenditure to conserve cash.
- The Group has historically demonstrated its ability to raise funds to satisfy its immediate cash requirements.
- The Directors of Dotz Nano also have reason to believe that in addition to the cash flow currently available, additional funds from receipts are expected through the commercialisation of the Group's products.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) 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 2021. 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 2021. 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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Leases (Continued)

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.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**f) Financial Instruments (Continued)****(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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**o) Employee Benefits (Continued)****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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

r) Foreign currency transactions and balances (continued)

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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

u) Critical Accounting estimates and judgements

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, Binominal 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.

NOTE 2: REVENUE FROM CONTRACTS WITH CUSTOMERS

	2021	2020
	US\$	US\$
Revenue recognised at a point in time:		
- Revenue from contract with customers	304,595	375,811
Total revenue	304,595	375,811

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.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



NOTE 3: EXPENSES

2021
US\$

2020
US\$

Loss before income tax from continuing operations includes the following specific expenses:

Research and development expenses

- Wages and benefits	(561,389)	(354,408)
- Consulting fees	(597,345)	(434,743)
- Lab expenses	(167,394)	(62,552)
- Other R&D expenses	(53,110)	(39,890)
- Fair value change in grant liability	(140,204)	257,481
	(1,519,442)	(634,112)

General, administrative, selling and marketing expenses

- Wages and benefits	(683,436)	(227,915)
- Consulting fees	(529,541)	(515,542)
- Sales and marketing expenses	(475,699)	(412,822)
- Director fees	(357,131)	(185,183)
- Other expenses	(1,311,868)	(777,624)
	(3,357,675)	(2,119,086)

NOTE 4: INCOME TAX

The financial accounts for the year ended 31 December 2021 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% (2020: 27.5%). The applicable tax rate in Israel is 23% (2020: 23%).

2021
US\$

2020
US\$

(a) Income tax expense

Current tax	-	-
Deferred tax	-	-

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

Income tax benefit on operating loss at 27.5% (2020: 27.5%)	(2,182,384)	(1,091,474)
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Non-deductible items

Non-deductible expenditure	918,374	676,188
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Non-assessable income

Adjustment for difference in tax rates	93,867	113,494
Deferred tax (liabilities)/asset not brought to account	1,170,143	301,792
Income tax attributable to operating income/(loss)	-	-

The applicable weighted average effective tax rates are as follows:

Balance of franking account at year end	Nil	Nil
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CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



NOTE 4: INCOME TAX (CONTINUED)

	2021	2020
	US\$	US\$
Deferred tax assets		
Tax losses	1,056,420	408,062
Black hole expenditure	70,391	114,427
Unrecognised deferred tax asset	1,126,811	522,489
Set-off deferred tax liabilities		-
Net deferred tax assets	1,126,811	522,489
Less deferred tax assets not recognised	(1,126,811)	(522,489)
Net assets	-	-
Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	6,126,939	4,786,955

Carry forward losses

Potential future income tax benefits attributable to tax losses carried forward have not been brought to account at 31 December 2021, 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:

	2021	2020
	US\$	US\$
Short-term salary, fees and commissions	1,001,543	897,942
Other	25,837	60,504
Share based payments (Refer Note 16)	1,589,937	354,819
Total KMP Compensation	2,617,317	1,313,265

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	
			2021	2020	2021	2020
			US\$	US\$	US\$	US\$
Ian Pamensky – CFO 2 Grow	Company secretarial services	Ian Pamensky	54,089	20,298	4,357	4,624
Oxen 9 Ltd	Advisory services	Doron Eldar	72,377	65,832	-	-

As disclosed in Note 10, the Company provided AU\$300,000 loan to an entity related to director Kerry Harpaz.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



NOTE 6: AUDITOR'S REMUNERATION

	2021	2020
	US\$	US\$
Remuneration of the auditor of the Group for:		
- Auditing and reviewing the financial reports (BDO) – Australia	33,833	26,124
- Auditing and reviewing the financial reports (BDO) – Israel	37,350	34,200
	<u>71,183</u>	<u>60,324</u>
Non-assurance services		
- Tax (BDO) – Australia	3,005	2,762
- Tax (BDO) – Israel	6,609	3,800
	<u>9,614</u>	<u>6,562</u>

NOTE 7: LOSS PER SHARE

	2021	2020
	US\$	US\$
(Loss) per share (EPS)		
a) Loss used in calculation of basic EPS and diluted EPS	(7,935,940)	(3,968,996)
b) Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted loss per share	400,324,106	319,518,815
c) Basic earnings/(loss) per share (cents per share)	(1.98)	(1.24)

NOTE 8 a: CASH AND CASH EQUIVALENTS

	2021	2020
	US\$	US\$
Cash at bank	4,137,046	5,259,087
Total cash and cash equivalents in the statement of cash flows	<u>4,137,046</u>	<u>5,259,087</u>

NOTE 8 b: CASH FLOW INFORMATION

	2021	2020
	US\$	US\$
Loss after income tax	(7,935,940)	(3,968,996)
Non-cash flows in loss after income tax		
Share based payment expense	3,131,433	1,392,484
Depreciation	74,007	86,148
Other	-	(2,631)
Amortisation of rights of use asset	283,235	132,831
Fair value movement in grant liability	-	(257,481)
Foreign exchange	35,143	(15,220)
Changes in assets and liabilities		
Decrease/(Increase) in trade and other receivables	140,163	(19,605)
Decrease/(Increase) in prepayments	(44,653)	5,781
(Decrease)/Increase in payables	176,032	165,711
(Decrease)/Increase in payables in other payables	(33,757)	-
(Decrease)/Increase in unearned revenue	49,922	33,757

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS



FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 8 b: CASH FLOW INFORMATION

	2021	2020
	US\$	US\$
Changes in assets and liabilities		
(Decrease)/Increase in payables in provisions	(33,269)	9,717
Decrease/(Increase) in inventory	-	(10,163)
Cash flow used in operating activities	(4,157,684)	(2,447,667)

Credit Standby Facilities

The Group has no credit standby facilities.

Non-Cash investing and financing activities

During the year ended 31 December 2021, there were no non-cash investing and financing activities.

Other

For risk exposure refer to Note 18.

NOTE 9: TRADE AND OTHER RECEIVABLES

	2021	2020
	US\$	US\$
CURRENT		
Trade receivables	8,481	24,923
Other receivables	70,108	164,555
	78,589	189,478

Other receivables include amounts receivable from tax authorities for GST/VAT and deposits. All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value. For risk exposure refer to Note 18.

NOTE 10: LOANS TO RELATED PARTY

	2021	2020
	US\$	US\$
CURRENT		
Loan to Related Party	218,227	-
	218,227	-
Opening balance	-	-
Loan advanced	217,834	-
Interest charged	394	-
Repayment received	-	-
Closing balance	218,834	-

On 10 December 2021, Company entered into a Loan Agreement of up to A\$300,000 (excluding interest) to Marzameno Ltd (Marzameno), related to Director Kerry Harpaz for the purpose of funding the payment of the exercise of up to 1/3 of 10,000,000 Options (each with an exercise price of \$0.09 and exercisable on or before 11 December 2021).

The loan is unsecured, accrues interest at 6% per annum, and must be repaid in full on 31 March 2022. Until all monies owing under the Loan Agreement are repaid in full, Marzameno must not dispose of any of 10,000,000 Ordinary Shares (issued pursuant on the exercise of 10,000,000 Options held by Marzameno) subject to certain exceptions (such as the Company providing consent).

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



NOTE 11: RIGHT-OF-USE ASSETS & LEASE LIABILITIES

	2021	2020
	US\$	US\$
<i>i. AASB 16 related amounts recognised in the statement of financial position</i>		
Office space – right-of use	529,228	7,372
Motor vehicles – right-of-use	11,513	40,473
Net carrying amount	540,741	47,845

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	321,930	39,332
Non-current	281,791	7,736
Total lease liabilities	603,721	47,068

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

Depreciation charge related to right-of-use assets	283,235	132,830
Interest expense on lease liabilities (under finance cost)	68,189	11,418

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

Cash outflows in financing activities	221,059	144,896
Cash outflows in operating activities	97,241	11,418
	318,300	156,314

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 12: PLANT AND EQUIPMENT

	2021	2020
	US\$	US\$
Plant and equipment at costs	586,097	529,920
Accumulated depreciation	(350,717)	(314,962)
	235,380	214,958
Opening balance at reporting date	214,958	283,239
Additions	167,991	17,867
Disposal	(73,563)	-
Depreciation	(74,006)	(86,148)
Balance at the end of the year	235,380	214,958

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NOTE 13: TRADE AND OTHER PAYABLES

	2021	2020
	US\$	US\$
Trade and other payables	192,365	280,027
Accruals	383,576	148,770
	<u>575,941</u>	<u>428,797</u>

All amounts are short-term. The carrying values are considered to approximate fair value. For risk exposure refer to Note 18.

NOTE 14: ISSUED CAPITAL

	2021	2020
	US\$	US\$
(a) Share Capital		
434,184,704 fully paid ordinary shares (31 December 2020:376,382,378)	<u>32,864,049</u>	<u>28,971,254</u>

(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

NOTE 14: ISSUED CAPITAL (CONTINUED)

(b) Reconciliation of Share Capital

	No.	US\$
Less: capital raising fees	-	(315,374)
Closing balance at 31 December 2020	376,382,378	28,971,254
Opening balance at 1 January 2021	376,382,378	28,971,254
Shares issued on exercise of options, 5 May 2021	200,000	9,164
Shares issued on exercise of options, 5 May 2021	9,169,931	614,666
Shares issued on exercise of options, 5 May 2021	10,410,000	800,175
Shares issued on exercise of options, 5 May 2021	1,012,500	53,997
Shares issued on exercise of options, 5 May 2021	375,000	13,979
Shares issued on exercise of options, 10 May 2021	6,333,334	352,745
Shares issued on exercise of options, 6 August 2021	4,590,000	353,255
Shares issued on exercise of options, 6 August 2021	375,000	13,546
Shares issued on exercise of options, 6 August 2021	4,000,000	-
Shares issued on exercise of options, 6 August 2021	337,500	17,999
Shares issued on exercise of options, 6 August 2021	483,873	32,778
Shares issued under the Placement, 6 August 2021	3,200,000	591,268
Shares issued on exercise of options, 27 August 2021	250,000	-
Shares issued on exercise of options, 14 September 2021	250,000	-
Shares issued on exercise of options, 27 October 2021	250,000	-
Shares issued on exercise of options, 20 December 2021	850,000	29,463.67
Shares issued on exercise of options, 20 December 2021	15,715,188	1,009,759
Closing balance at 31 December 2021	434,184,704	32,864,049

(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 2021 (2020: Nil).

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NOTE 15: RESERVES

	2021	2020
(a) Reserves	US\$	US\$
36,394,260 Option Reserve (31 December 2020:82,547,879)	6,443,623	3,312,190
Foreign currency translation reserve	45,856	277,570
	6,489,479	3,589,760
(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	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	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	500,000	14,332
Issue of options, 20 August 2020	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	6,650,000	350,163
Issue of options under Employees Share Option Plan, 30 October 2020	5,650,000	192,032
Issue of options under Employees Share Option Plan, 30 October 2020	5,650,000	59,944
Exercise of options, 12 November 2020	(1,843,889)	-
Issue of options, 12 November 2020	100,000	17,761
Issue of options, 12 November 2020	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

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NOTE 15: RESERVES (CONTINUED)

(b) Options Reserve	No.	US\$
Opening balance at 1 January 2021	82,547,879	3,312,190
Options issued on 17 March 2021	375,000	6,151
Issue of options on 19 March 2021	200,000	34,989
Issue of options on 3 May 2021	2,000,000	368,072
Options exercised on 5 May 2021	(200,000)	-
Options exercised on 5 May 2021	(9,169,931)	-
Options exercised on 5 May 2021	(10,410,000)	-
Options exercised on 5 May 2021	(1,012,500)	-
Options exercised on 5 May 2021	(375,000)	-
Options exercised on 10 May 2021	(6,333,334)	-
Cancellation of options on 10 May 2021	(125,001)	-
Options issued on 26 May 2021	375,000	6,151
Cancellation of options on 30 June 2021	(3,300,000)	-
Issue of options under Employees Share Option Plan, 29 July 2021 (Tranche 1)	1,085,000	239,372
Issue of options under Employees Share Option Plan, 29 July 2021 (Tranche 2)	1,250,000	237,781
Issue of options under Employees Share Option Plan, 29 July 2021 (Tranche 3)	1,250,000	237,781
Issue of options under Employees Share Option Plan, 29 July 2021 (Tranche 4)	1,250,000	64,248
Cancellation of options on 29 July 2021	(661,292)	-
Options issued on 6 August 2021	375,000	6,151
Issue of options on 17 July 2021	500,000	38,617
Issue of options on 6 August 2021	4,000,000	561,471
Issue of options on 6 August 2021	1,500,000	248,023
Options exercised on 6 August 2021	(4,590,000)	-
Options exercised on 6 August 2021	(375,000)	-
Options exercised on 6 August 2021	(4,000,000)	-
Options exercised on 6 August 2021	(337,500)	-
Options exercised on 6 August 2021	(483,873)	-
Options exercised on 10 August 2021	(250,000)	-
Cancellation of options on 14 September 2021	(500,000)	-
Options exercised on 14 September 2021	(250,000)	-
Options exercised on 27 October 2021	(250,000)	-
Options issued on 6 November 2021	375,000	6,151
Options exercised on 20 December 2021	(16,565,188)	-
Vesting of consultant options issued on 3 December 2019	-	12,152
Vesting of consultant options issued on 18 June 2020	-	19,344
Vesting of consultant options issued on 20 August 2020	-	20,481
Vesting of consultant options issued on 20 August 2020	-	23,714
Vesting of Employees Share Option Plan options issued on 30 October 2020	-	583,992
Vesting of consultant options issued on 12 November 2020	-	28,038

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NOTE 15: RESERVES (CONTINUED)

(b) Options Reserve	No.	US\$
Vesting of CEO options (Tranche 1 - 4)	-	388,755
Cancellation of options on 31 December 2021	(1,500,000)	-
Closing balance at 31 December 2021	36,394,260	6,443,624

(c) Foreign currency translation reserve	US\$	US\$
Opening balance	277,569	(44,611)
Difference arising on translation	(231,713)	322,180
Balance at the end of the year	45,856	277,569

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 2021:

h) 200,000 Employee Options

The issue of 200,000 options with exercise price of AU\$0.06 and expiry date of 31 December 2022 under the Employee Share Option Plan (ESOP) to a consultant. The options vest on grant date and a total of \$34,989 was recognised as an expense.

i) 2,000,000 Caerus Options

The issue of 2,000,000 options with exercise price of AU\$0.001 and expiry date of 4 December 2022 under the Service Agreement with Caerus Therapeutics Inc. (Caerus). Under the agreement the options vest subject to completion of works. During the year ended 31 December 2021 a total of \$368,072 was recognised as an expense.

j) 1,500,000 V2 Tech Options

The issue of 1,500,000 options with exercise price of AU\$0.23 and expiry date of 4 August 2023 under the Distribution Agreement with V2 Tech Distribution Pty Ltd (V2 Tech). Under the agreement the options vest over a two-year period from the commencement date. The options were subject to shareholder approval which was granted on 29 July 2021 and were issued on 6 August 2021. During the year ended 31 December 2021 a portion of the value, being \$248,023 vested and was recognised as an expense.

k) 4,000,000 TT Medical Options

The issue of 4,000,000 options with exercise price of AU\$0.252 (being a 40% premium to the share price at agreement date) and expiry date of 25 November 2023 under the Distribution Agreement with TT Medical UAE (TT Medical). Under the agreement the options vest over a three-year period from the commencement date. The options were subject to shareholder approval which was granted on 29 July 2021 and were issued on 6 August 2021. During the year ended 31 December 2021 a portion of the value, being \$561,471 vested and was recognised as an expense, under AASB 2 the valuation of the options is completed at shareholder approval date not at the date of the agreement between the Company and TT medical.

NOTE 16: SHARE BASED PAYMENTS (CONTINUED)

The following new share-based payment arrangements existed at 31 December 2021:

l) 1,085,000 Director Options (440,000 Bernie Brookes, 440,000 Doron Eldar, 205,000 Ian Pamensky)

The issue of 1,085,000 options (Tranche 1) with exercise price of AU\$0.07 and expiry date of 31 December 2022 under the Employee Share Option Plan (ESOP) granted to Board of Directors for past services. The options vest immediately and were subject to shareholder approval which was granted on 29 July 2021. The options were issued on 6 August 2021 and a total expense of \$239,372 was recognised at 31 December 2021. The options were granted as part of the Company's COVID-19 cost reduction measures in lieu of certain payments due to Board members and Company secretary under their relevant consultancy and services agreements.

m) 2,500,000 Director Options (1,000,000 Bernie Brookes, 1,000,000 Doron Eldar, 500,000 Ian Pamensky)

The issue of 2,500,000 options (Tranche 2 and 3) with exercise price of AU\$0.12 and expiry date of 31 December 2022 under the Employee Share Option Plan (ESOP) granted to Board of Directors for past services. The options vest immediately and were subject to shareholder approval which was granted on 29 July 2021. The options were issued on 6 August 2021 and a total expense of \$475,562 was recognised at 31 December 2021.

n) 1,250,000 Director Options (500,000 Bernie Brookes, 500,000 Doron Eldar, 250,000 Ian Pamensky)

The issue of 1,250,000 options (Tranche 4) with exercise price of AU\$0.20 and expiry date of 31 December 2023 under the Employee Share Option Plan (ESOP) granted to Board of Directors. The options were issued on 6 August 2021 and vest on 31 December 2022. A portion of the value, being expense of \$64,248 was recognised at 31 December 2021.

o) 500,000 Employee Options (Gideon Shmuel)

The vesting on 500,000 options (Tranche 1) with exercise price of AU\$Nil and expiry date of 29 March 2024 under the Employee Share Option Plan (ESOP). The options have not been issued and are subject to shareholder approval which. The options vest 12 months from 29 March 2021 (commencement date). A portion of expense of \$94,438 was recognised at 31 December 2021.

p) 2,000,000 Employee Options (Gideon Shmuel)

The vesting on 2,000,000 options (Tranche 2) with exercise price of AU\$0.413 and expiry date of 29 March 2023 under the Employee Share Option Plan (ESOP). The options have not been issued and are subject to shareholder approval which. The options vest 12 months from 29 March 2021 (commencement date). A portion of expense of \$131,362 was recognised at 31 December 2021.

q) 2,500,000 Employee Options (Gideon Shmuel)

The vesting on 2,500,000 options (Tranche 3) with exercise price of AU\$0.481 and expiry date of 29 March 2024 under the Employee Share Option Plan (ESOP). The options have not been issued and are subject to shareholder approval which. The options vest 24 months from 29 March 2021 (commencement date). A portion of expense of \$93,349 was recognised at 31 December 2021.

r) 2,500,000 Employee Options (Gideon Shmuel)

The vesting on 2,500,000 options (Tranche 4) with exercise price of AU\$0.55 and expiry date of 29 March 2025 under the Employee Share Option Plan (ESOP). The options have not been issued and are subject to shareholder approval which. The options vest 36 months from 29 March 2021 (commencement date). A portion of expense of \$69,606 was recognised at 31 December 2021.

s) 500,000 Consultant Options (Gideon Shmuel)

The issue of 500,000 options with exercise price of AU\$0.20 and expiry date of 10 July 2024 under the Consulting Agreement. The options were issued on 6 August 2021 and vest $\frac{1}{4}$ at grant date, $\frac{1}{4}$ at first renewal date and $\frac{2}{4}$ at second renewal date. A portion of the value, being expense of \$38,617 was recognised at 31 December 2021.

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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	Employee Options	Caerus Options	V2 Tech Options	TT Medical Options	Director Options (Tranche 1)	Director Options (Tranche 2-3)
Financial year	2021	2021	2021	2021	2021	2021
Exercise price	AU\$0.06	AU\$0.001	\$0.230	\$0.252	A\$0.070	AU\$0.120
Price at measurement	AU\$0.280	AU\$0.240	AU\$0.360	AU\$0.360	AU\$0.360	AU\$0.360
Grant date	16-Mar-21	28-Feb-21	29-Jul-21	29-Jul-21	29-Jul-21	29-Jul-21
Vesting date	19-Mar-21	3-May-21	6-Aug-21	6-Aug-21	6-Aug-21	29-Jul-21
Expected volatility (i)	90%	90%	85%	87%	85%	85%
Expiry date	31-Dec-22	4-Dec-22	3-Aug-23	25-Nov-25	31-Dec-22	31-Dec-22
Expected dividends	Nil	Nil	Nil	Nil	Nil	Nil
Risk free interest rate	0.08%	0.11%	0.28%	0.26%	0.01%	0.01%
Value per option or share	AU\$0.227	AU\$0.239	AU\$0.230	AU\$0.232	AU\$0.292	AU\$0.252
Number of options	200,000	2,000,000	1,500,000	4,000,000	1,085,000	2,500,000
Total value in AUD	AU\$45,353	AU\$478,004	AU\$352,758	AU\$942,806	AU\$317,720	AU\$631,217
Total value in USD	US\$34,989	US\$368,072	US\$266,448	US\$711,475	US\$239,372	US\$475,562

Options	Director (Tranche 4)	Employee Options (Tranche 1)	Employee Options (Tranche 2)	Employee Options (Tranche 3)	Employee Options (Tranche 4)	Consultant Options
Financial year	2021	2021	2021	2021	2021	2021
Exercise price	AU\$0.200	Nil	AU\$0.413	AU\$0.481	AU\$0.550	AU\$0.200
Price at measurement	AU\$0.360	AU\$0.340	AU\$0.340	AU\$0.340	AU\$0.340	AU\$0.340
Grant date	29-Jul-21	(ii)	(ii)	(ii)	(ii)	10-Jul-21
Vesting date	31-Dec-22	29-Mar-22	29-Mar-22	29-Mar-23	29-Mar-24	Various
Expected volatility (i)	85%	N/A	75%	75%	75%	80%
Expiry date	31-Dec-23	29-Mar-24	23-Mar-23	23-Mar-24	23-Mar-25	10-Jul-24
Expected dividends	Nil	Nil	Nil	Nil	Nil	Nil
Risk free interest rate	0.01%	N/A	0.08%	0.08%	0.08%	0.20%
Value per option or share	AU\$0.229	AU\$0.340	AU\$0.118	AU\$0.134	AU\$0.150	AU\$0.217
Number of options	1,250,000	500,000	2,000,000	2,500,000	2,500,000	500,000
Total value in AUD	AU\$286,090	AU\$170,000	AU\$236,467	AU\$336,078	AU\$375,900	AU\$108,406
Total value in USD	US\$215,542	US\$124,440	US\$173,094	US\$246,009	US\$275,159	US\$77,235

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

(iv) Options have not been granted as subject to shareholder approval, valued at commencement date of 29 March 2021.

NOTE 16: SHARE BASED PAYMENTS (CONTINUED)

For the year ending 31 December 2021 a share-based payment expense of US\$3,131,433 (2020: US\$1,392,484) was recognised in line with option vesting periods, in which US\$712,324 was recognised as a vesting expense from options issued in a prior period.

	2021
	US\$
Share based compensation comprises of the following:	
Vested options relating to prior reporting period	712,324
Issue of options on 19 March 2021	34,989
Issue of options on 3 May 2021	368,072
Issue of options under Employees Share Option Plan, 29 July 2021 (Tranche 1)	239,372
Issue of options under Employees Share Option Plan, 29 July 2021 (Tranche 2)	237,781
Issue of options under Employees Share Option Plan, 29 July 2021 (Tranche 3)	237,781
Issue of options under Employees Share Option Plan, 29 July 2021 (Tranche 4)	64,248
Issue of options on 17 July 2021	38,617
Issue of options on 6 August 2021	561,471
Issue of options on 6 August 2021	248,023
Vesting of CEO options (Tranche 1 - 4)	388,755
	<u>3,131,433</u>

	2020
	US\$
Share based compensation comprises of the following:	
Vested options relating to 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>

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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:

	Floating Interest Rate US\$	Fixed Interest Rate (6%)	Non-interest bearing US\$	2021 Total US\$	Floating Interest Rate US\$	Non-interest bearing US\$	2020 Total US\$
Financial assets							
- Within one year							
Cash and cash equivalents	4,137,046	-	-	4,137,046	5,259,087	-	5,259,087
Trade and Other receivables		218,277	8,481	226,708	-	24,923	24,923
Total financial assets	4,137,046	218,277	8,481	4,363,754	2,259,087	24,923	5,284,010
Weighted average interest rate	0.19%				0.08%		
Financial Liabilities							
- Within one year							
Trade and other Payables	-	-	351,406	351,406	-	180,537	180,537
Other Liabilities	-	-	-	-	-	-	-
Lease liabilities	-	-	603,721	603,721	-	33,757	33,757
Total financial liabilities	-	-	955,127	955,127	-	214,294	214,294
Weighted average interest rate							
Net financial assets	4,137,046	218,277	(946,646)	3,408,627	5,259,087	(189,371)	5,069,716

NOTE 18: FINANCIAL INSTRUMENTS (CONTINUED)

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 2021		
+/-1% in interest rates	46,981	46,981
Year ended 31 December 2022		
+/-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.

(b) Credit risk

	Note	2021 US\$	2020 US\$
Cash and cash equivalents - AA Rated	8a	4,137,046	5,256,087

(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.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS



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NOTE 18: FINANCIAL INSTRUMENTS (CONTINUED)

2021	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 (liabilities) US\$
Financial liabilities at amortised cost							
Trade and other payables	(351,406)	-	-	-	-	(351,406)	(351,406)
Lease liabilities							
- Office lease	(163,023)	(163,023)	(326,045)	-	-	(652,091)	(594,721)
- Car lease	(6,985)	(2,328)	-	-	-	(9,313)	(9,000)
	(521,414)	(165,351)	(326,045)	-	-	(1,012,810)	(955,127)

2020	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 (liabilities) US\$
Financial liabilities at amortised cost							
Trade and other payables	(180,537)	-	-	-	-	(180,537)	(180,537)
Lease liabilities							
- Office lease	(9,546)	-	-	-	-	(9,546)	(9,535)
- Car lease	(19,736)	(11,413)	(9,009)	-	-	(40,158)	(37,533)
	(209,819)	(11,413)	(9,009)	-	-	(230,241)	(227,605)

(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.

(e) Financial arrangements

The company had no other financial arrangements in place at 31 December 2021 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 and the Swiss Franc.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS



FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 18: FINANCIAL INSTRUMENTS (CONTINUED)

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

	2021		2020	
Cash and cash equivalents	Foreign Currency	USD Equivalent	Foreign Currency	USD Equivalent
New Israeli Shekels	493,730	158,756	172,085	53,526
Australian Dollar	5,421,589	3,937,385	6,722,925	5,182,441
Swiss Franc	26,197	28,678	5,598	6,355

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

	2021 US\$	2020 US\$
ASSETS		
Current assets	3,206,430	4,751,383
TOTAL ASSETS	3,206,430	4,751,383
LIABILITIES		
Current liabilities	99,437	102,338
TOTAL LIABILITIES	99,437	102,338
NET ASSETS	3,106,993	4,649,045
SHAREHOLDERS' EQUITY		
Issued capital	348,145,246	344,252,452
Reserves	6,341,759	3,442,038
Accumulated Losses	(351,380,013)	(343,045,445)
SHAREHOLDERS' EQUITY	3,106,993	4,649,045

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

Loss for the year	(8,334,568)	(4,557,582)
Total comprehensive loss	(8,334,568)	(4,557,582)

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

There are no guarantees entered into by Dotz Nano Limited (2020: 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 2021 are disclosed in the consolidated entities in Note 21 below (2020: Nil).

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS



FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 20: CONTROLLED ENTITIES

Controlled entity	Country of Incorporation	Percentage Owned	
		2021	2020
Dotz Nano Ltd	Israel	100%	100%

NOTE 21: COMMITMENT

The Group has no commitments which are not recorded on the statement of financial position as at 31 December 2021.

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 (2020: Nil).

There were no other contingent liabilities for the year ended 31 December 2021.

NOTE 23: EVENTS SUBSEQUENT TO REPORTING DATE

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 2021 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 21 to 52 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 2021 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 2021.

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

25 March 2022

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 2021, 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 2021 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.

Material uncertainty related to going concern

We draw attention to Note 1(b) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

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. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

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 2021, the Group issued equity instruments, to eligible directors, employees and other consultants, which have been accounted for as share-based payments, as disclosed in Note 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(o) & 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(o) & 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 2021, 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 19 of the directors' report for the year ended 31 December 2021.

In our opinion, the Remuneration Report of Dotz Nano Limited, for the year ended 31 December 2021, 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 the letters 'BDO' in a stylized, cursive-like font, followed by a large, sweeping flourish that extends downwards and to the right, ending in a small loop.

Ashleigh Woodley

Director

Perth, 25 March 2022

ADDITIONAL ASX INFORMATION



The shareholder information set out below was applicable as at 15 March 2022.

As at 15 March 2022 there were 951 holders of Ordinary Fully Paid Shares.

CORPORATE GOVERNANCE

The Company's Corporate Governance Statement has been released as a separate document and is also located on our website at <https://www.dotz.tech/investors/>

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	116,702,930	26.57%
SOUTHERN ISRAEL BRIDGING FUND TWO LP	72,983,334	16.61%
BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	67,698,414	15.41%
BNP PARIBAS NOMS PTY LTD <DRP>	15,124,026	3.44%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	15,028,633	3.42%
IBI TRUST MANAGEMENT <ARIEL MALIK A/C>	11,746,611	2.67%
AVOCADO VENTURES INC	10,270,548	2.34%
MARZAMENO LTD	10,000,000	2.28%
MARZAMENO LTD	8,832,678	2.01%
IBI TRUST MANAGEMENT <MICHAEL SHTEIN A/C>	8,146,201	1.85%
ZINNIAH GROUP LIMITED	7,700,000	1.75%
ROMFAL SIFAT PTY LTD <THE FIZMAIL FAMILY A/C>	5,667,633	1.29%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	5,538,271	1.26%
MR NATANEL HARPAZ	3,712,708	0.85%
BNP PARIBAS NOMINEES PTY LTD <LGT BANK AG DRP>	3,350,000	0.76%
MR GAREN AZOYAN SUTISY & MRS ARMINIH MOSES MINASKANIANS <GAAM SUPER FUND A/C>	3,163,158	0.72%
IBI TRUST MANAGEMENT <TOMER SEGEV A/C>	3,000,000	0.68%
IBI TRUST MANAGEMENT <INVESTJTECH LLC A/C>	2,993,461	0.68%
SOUTHERN ISRAEL BRIDGING FUND LP	2,485,186	0.57%
KNH INVESTMENTS (AUST) PTY LTD	2,307,408	0.53%
Total	376,451,200	85.70%
Total issued capital - selected security class(es)	439,284,704	100.00%

SUBSTANTIAL HOLDERS

The names of the substantial shareholders disclosed to the Company as substantial shareholders as at 15 March 2022 are:

Name	No of Shares Held	% of Issued Capital
CITICORP NOMINEES PTY LIMITED	116,702,930	26.57%
SOUTHERN ISRAEL BRIDGING FUND TWO LP	72,983,334	16.61%
BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	67,698,414	15.41%

DISTRIBUTION OF EQUITY SECURITIES

Ordinary Fully Paid Shares

Holding Ranges	Holders	Total Units	% Issued Share Capital
1 - 1,000	158	10,593	0.00%
1,001 - 5,000	224	668,763	0.15%
5,001 - 10,000	160	1,310,140	0.30%
10,001 - 100,000	286	10,598,050	2.41%
100,001 - 9,999,999,999	123	426,697,158	97.13%
Totals	951	439,284,704	100.00%

Based on the price per security, number of holders with an unmarketable holding: 184, with total 43,539, amounting to 0.01% of Issued Capital (based on share price of \$0.34)

RESTRICTED SECURITIES

As at 15 March 2022 the following shares are subject to escrow:

- Nil

UNQUOTED SECURITIES

As at 15 March 2022, 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 LP	4,629,630	100%

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%

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%

3,550,000 Options ESOP T3 VEST 31/12/21 EXP 31/12/23 – 08 Holders (DTZESOPT8)

Holders with more than 20%

Holder Name	Holding	% IC
IBI TRUST MANAGEMENT < MICHAEL SHTEIN A/C>	1,000,000	28.16\$
IBI TRUST MANAGEMENT < TOMER SEGEV A/C>	1,000,000	28.16%

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%

1,000,000 Options Expiring 04/12/22 @ \$0.001 – 1 Holders (DTZOPT33)

Holders with more than 20%

Holder Name	Holding	% IC
CAERUS THERAPEUTICS INC	1,000,000	100%

250,000 Options Expiring 10/07/24 @ \$0.20 – 1 Holders (DTZOPT34)

Holders with more than 20%

Holder Name	Holding	% IC
NUBS GROUP TECHNOLOGIES LTD	250,000	100%

1,085,000 Options Expiring 31/12/2022 @ \$0.07 – 3 Holders (DTZESOPT10)

Holders with more than 20%

Holder Name	Holding	% IC
BROOKES FAMILY INVESTMENTS PTY LIMITED	440,000	40.55%
GO RND PTY LTD <RGO FAMILY A/C>	440,000	40.55%
GO RND PTY LTD <RGO FAMILY A/C>	250,000	18.89%

2,500,000 Options Expiring 31/12/2022 @ \$0.12 – 3 Holders (DTZESOPT11)

Holders with more than 20%

Holder Name	Holding	% IC
BROOKES FAMILY INVESTMENTS PTY LIMITED	1,000,000	40.00%
GO RND PTY LTD <RGO FAMILY A/C>	1,000,000	40.00%
GO RND PTY LTD <RGO FAMILY A/C>	500,000	20.00%

1,250,000 Options Expiring 31/12/2023 @ \$0.20 – 3 Holders (DTZESOPT12)

Holders with more than 20%

Holder Name	Holding	% IC
BROOKES FAMILY INVESTMENTS PTY LIMITED	500,000	40.00%
GO RND PTY LTD <RGO FAMILY A/C>	500,000	40.00%
GO RND PTY LTD <RGO FAMILY A/C>	250,000	20.00%

4,000,000 Options Expiring 25/11/23 @ \$0.252 – 2 Holders (DTZOPT35)

Holders with more than 20%

Holder Name	Holding	% IC
HILHAR PTY LTD	2,000,000	50.00%
TT MEDICAL UAE	2,000,000	50.00%

1,500,000 Options Expiring 04/08/23 @ \$0.23 – 1 Holders (DTZOPT36)

Holders with more than 20%

Holder Name	Holding	% IC
V2 TECH DISTRIBUTORS PTY LTD	1,500,000	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.