

26 April 2021

Dotz and Zohar Dalia sign supply and distribution agreements for anti-viral disinfectant with verifiable surface sanitation

Key highlights

- Dotz has entered into the following agreements with Zohar Dalia Professional LP ("**Zohar Dalia**"), a subsidiary of Israel's largest manufacturer and supplier of detergent intermediates and cleaning products:
 - an exclusive **Supply Agreement**, whereby Dotz will supply Zohar Dalia with its non-toxic molecular markers and detectors for Zohar Dalia to use with its slow-release disinfectant, exclusively licensed from the Israel Ministry of Defense, for the purposes of Zohar Dalia creating its new active surface sanitation solution – Active V-SRD®; and
 - a non-exclusive **Distribution Agreement**, granting 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.
- Zohar Dalia's Active V-SRD® is a hydrogen peroxide-based active disinfectant that provides anti-viral protection and uses Dotz's security markers to verify proper surface sanitation in real time.
- Follows successful pilot where Dotz marked 1,000 litres of Zohar Dalia's unique disinfectant with its taggants to trace and verify proper surface sanitisation within Tel Aviv Ben Gurion Airport as well as other public areas.
- Potential to implement the solution in airports, hospitals, hotels, public transportation, manufacturing facilities and other public spaces requiring verified disinfection.
- The agreements with Zohar Dalia are not expected to have an immediate material impact on Dotz's revenue, however Dotz believes that the agreements have significant potential based on the large addressable global market.

Dotz Nano Limited (ASX:DTZ) ("Dotz" or "The Company"), a technology leader in authentication and tracing solutions, has entered into a supply agreement and a distribution agreement with Zohar Dalia Professional LP, a subsidiary of Zohar Dalia Cooperative Agricultural Association Ltd - Israel's largest manufacturer supplier of detergent intermediates and cleaning products, in connection with Zohar Dalia's anti-viral disinfectant that utilises Dotz's security markers to verify surface sanitation in real-time.

Zohar Dalia's Active V-SRD® product uses Dotz's non-toxic molecular markers and detectors to enable real-time verification of proper surface sanitation, and combines this with Zohar Dalia's slow-release disinfectant, exclusively licensed from the Israel Ministry of Defense, which provides effective anti-viral protection.



Attached as *Annexure A* to this announcement is a copy of the independent laboratory results conducted by System Laboratories in Israel in respect of the anti-viral protection efficacy of the Active V-SRD® product over specific time periods. Specifically, System Laboratories tested the effect of the Active V-SRD® product in experimental conditions that reflected as much as possible real conditions over the following key time periods: after 24 hours, 48 hours and 72 hours.

However, depending on the jurisdiction, in order to include the anti-viral protection efficacy of Active V-SRD® over specific time periods as part of any product marketing, certain regulatory requirements and/or permits will need to be obtained. Dotz and Zohar Dalia intend to work together to satisfy such regulatory requirements in each of the markets that Dotz will promote and sell the Active V-SRD® product, in accordance with the new non-exclusive distribution agreement between the two companies (as described below). There is no certainty that such regulatory requirements will be satisfied.

Under the exclusive supply agreement, Dotz will provide its non-toxic molecular markers and detectors to Zohar Dalia to be used by Zohar Dalia to create its Active V-SRD® product. Dotz's security markers are invisible to the naked eye and do not affect the properties or appearance of tagged products. Its ValiDotz taggants are ideal for use in long shelf life products, remaining stable in high temperatures and harsh conditions for two years. These characteristics align with the requirements of Zohar Dalia's disinfection materials. The supply agreement grants Zohar Dalia an initial exclusivity period of six months in connection with products that compete with its Active V-SRD® product, and thereafter such exclusivity is subject to Zohar Dalia satisfying certain conditions still to be agreed between the parties.

The non-exclusive distribution agreement enables Dotz 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 (subject to any necessary regulatory approvals required in each market to be sought together by the parties as required).

The agreements follow a successful free pilot in Tel Aviv Ben Gurion Airport, where Dotz inserted its markers into 1,000 litres of the Zohar Dalia disinfectant to provide real-time verification of proper surface sanitation in commercial passenger airplanes.

The supply and distribution agreements are each for initial five-year periods (unless terminated earlier in accordance with their terms). The agreements are not expected to have an immediate material impact on Dotz's revenue, however Dotz believes the agreements have significant potential based on the large addressable global market and subject to customer demand for Zohar Dalia's Active VSRD® sanitation solution. The supply and distribution agreements contain standard commercial terms relating to pricing, marketing, warranties, and termination usually found in contracts of this nature.

Commenting on the agreements Dotz Chairman and Interim CEO Bernie Brookes AM said, "Our supply and distribution agreements with Zohar Dalia further highlight the broad applicability of Dotz's authentication technology, and the Board believes increases our value proposition even further. It enables us to enter a new sector in several markets with what the Board believes to be a superior solution both in terms of effectiveness and the unique ability to verify proper surface sanitation.



“As the world adapts to the new normal from the COVID-19 pandemic, it is more important than ever before that public spaces are properly sanitised to a high standard. The ability to verify effective surface sanitisation, made possible by Dotz’s ValiDotz taggants, will provide additional peace of mind to consumers.

“The Board believes that the success of the volume pilot at Tel Aviv Ben Gurion Airport validates the effectiveness of Zohar Dalia’s Active V-SRD® sanitation solution and Dotz’s ValiDotz taggants, and provides a large addressable global market, including public transport providers, hospitals and healthcare facilities, as well as hotels, universities and sporting venues.”

-ENDS-

This announcement was approved by Board of Dotz Nano Limited.

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About Dotz Nano Limited

Dotz Nano Limited (ASX: **DTZ**) is a technology leader in research, production and marketing of anticounterfeiting, authentication and tracing solutions.

Its unique products ValiDotz, BioDotz, Fluorensic and InSpec are exceptional solutions for numerous applications, such as anti-counterfeiting, Diagnostics, brand & reputation protection, oil & gas industry, liquids tagging, lubricants and DEF authentication, polymers tagging and bio imaging.

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

Annexure A

Chemistry and Microbiology Laboratory
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CERTIFICATE OF ANALYSIS
No. 37948C

To : Zohar Dalia

Receiving date: 24.11.2020
Performing date: 29.11.2020

For Laboratory Use:

Project Name: ---

Project Number: ---

Sample Description	Batch	Manufacturer
CORONA X RTU	---	Zohar Dalia

Details of the experiment:

The purpose of this experiment is to test the effect of the disinfectant in experimental conditions that reflect as much as possible real conditions.

For this purpose, a door handle with frequent use has been tested as follows :

- Total mesophilic count of door handle was tested at time 0 using sterile SWAB (Duplicate).
- The disinfectant was spread on the handle for contact time of one hour, total mesophilic count was tested using sterile SWAB.
- Additional SWAB samples for Total mesophilic count execute as following: 24h, 48h, 72h. Each sample was taken from adjacent areas (about 2 cm) from the surface of the handle in order not to damage the layer of material smeared on the handle.

Results

Performed quality test	Standard	0 time (without treatment)	1 hr	24 h	48h	72h
Total mesophilic count	FDA BAM Chapter 23	100,90	0,0	6,3	3,9	1,2

Conclusion: It can be seen that there was a decrease of about 1.5-2 orders of magnitude from time 0 compared to the sampled time points

- The customer provided the product sample.
- Terms of maintaining and transporting the sample/s: ambient temperature.
- The laboratory is not authorized to give an opinion and / or interpretation of test results.

Approved by: Dr. S. Sigawi - Laboratory ManagerDate of Approval: 03.12.2020

Signature:

*****End of the report/ test report *****

- System Laboratories is Accredited by the Israel Laboratory Accreditation Authority for ISO/IEC 17025 standard.
- This certificate was delivered for the customer use only. Do not use this file, the company name or one of its employees names for commercial or publicity uses without written permission from the lab.
- The report refers only to tested subject.
- This report can be copied only in its entire form and only with written permission by the laboratory manager.
- The Israel Laboratory Accreditation Authority is not responsible for the results of the laboratory test
- The laboratory standards are calibrated in certified laboratories according to ISO / IEC 17025 standards and are consistent with national or international standards.

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