

Appendix 4D

Half Year Report to the Australian Securities Exchange

Part 1 - Details of reporting period

Name of Entity	DOTZ NANO LIMITED
ABN	71 125 264 575
Half Year Ended	30 June 2021
Previous Corresponding Reporting Period	30 June 2020

Part 2 – Results for Announcement to the Market

Key information	30 June 2021 US\$	30 June 2020 US\$	Increase/ (decrease) %	Amount change US\$
Revenue from continuing operations	258,124	32,940	684%	225,184
Profit/(Loss) from ordinary activities after tax attributable to members	(4,312,745)	(1,255,382)	244%	(3,057,363)
Net Profit/ (Loss) for the period attributable to members	(4,312,745)	(1,255,382)	244%	(3,057,363)
Net tangible asset \$ per share	0.012	0.001	1,348%	0.011

Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Record date for determining entitlements to the dividends (if any)	Not Applicable	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

Refer to the Review of Activities contained in the Directors' Report which forms part of the attached Interim Financial Report for details.

Part 3 – Contents of ASX Appendix 4D

Section	Contents
Part 1	Details of entity, reporting period
Part 2	Results for announcement to the market
Part 3	Contents of ASX Appendix 4D
Part 4	Commentary on results
Part 5	Details relating to dividends
Part 6	Net tangible assets per security
Part 7	Details of entities over which control has been gained or lost
Part 8	Details of associates and joint venture entities
Part 9	Information on audit or review

Part 4 – Commentary on Results

Refer to the Review of Activities contained in the Directors' Report which forms part of the attached Interim Financial Report for details.

Part 5 – Details Relating to Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	N/A
Total dividend	N/A
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

Part 6 – Net Tangible Assets per Security

	2021	2020
	US\$	US\$
Net tangible asset (deficiency) backing per ordinary security	0.012	0.001

Part 7 – Details of Entities Over Which Control has been Gained or Lost

Not applicable.

Part 8 – Details of Associates and Joint Venture Entities

Name of associate and joint venture entities	Ownership Interest		Contribution to net profit/(loss)	
	2021 %	2020 %	2021 US\$	2020 US\$
Associates	NA	NA	-	-
Joint Venture Entities	NA	NA	-	-

Part 9 – Audit/Review Status

This report is based on accounts to which one of the following applies:

(Tick one)

The accounts have been audited	<input type="checkbox"/>	The accounts have been subject to review	<input checked="" type="checkbox"/>
The accounts are in the process of being audited or subject to review	<input type="checkbox"/>	The accounts have not yet been audited or reviewed	<input type="checkbox"/>

If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:

N/A

If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:

Refer to Half Year Financial Report for the half-year ended 30 June 2021.

Attachments Forming Part of Appendix 4D

Attachment #	Details
1	Interim Financial Report

Signed by Company Secretary



Ian Pamensky

Date 30 August 2021



DOTZ NANO LIMITED

ABN 71 125 264 575

**INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 30 JUNE 2021**

	PAGE
Directors’ report	3
Consolidated statement of profit or loss and other comprehensive income	5
Consolidated statement of financial position	6
Consolidated statement of changes in equity	7
Consolidated statement of cash flows	8
Notes to the financial statements	9
Directors’ declaration	17
Auditor’s independence declaration	18
Independent auditor’s review report	19

For personal use only

Directors

Bernie Brookes – Chairman & Interim CEO
Doron Eldar – Non-Executive Director
Ian Pamensky – Non-Executive Director
Garry Browne – Non-Executive Director

Company Secretary

Ian Pamensky

Registered Office

Level 14
330 Collins Street
Melbourne VIC 3000

Auditor

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

Share Registry

Automic 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

For personal use only

The Directors of Dotz Nano Limited (the **Company** or **Dotz**) and controlled entities (the **Group** or **Consolidated Entity**) submit the following report for the half year ended 30 June 2021 (**Financial Period**).

DIRECTORS

The following persons were directors of the Company during the whole of the financial half-year and up to date of this report, unless otherwise stated:

Mr Bernie Brookes AM
Mr Doron Eldar
Mr Ian Pamensky
Mr Garry Browne AM (appointed on 19 May 2021)
Mr James Cotton (resigned on 19 May 2021)

COMPANY SECRETARY

Mr Ian Pamensky

PRINCIPAL ACTIVITIES

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

REVIEW AND RESULTS OF OPERATIONS

The net loss of the Group after income tax for the half year ended 30 June 2021 amounted to (US\$4,312,745) (30 June 2020: (US\$1,255,383) net loss).

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

REVIEW OF ACTIVITIES

During the half year ended 30 June 2021, the following activities occurred:

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

As part of its FDA EUA application, the Company was required to complete a clinical trial of at least 30 COVID-19 positive and 30 COVID-19 negative subjects with a broad range of viral loads. Patient nasopharyngeal swab samples were acquired from US-based iQ Genetrix1, and sample positivity of these samples 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. In the evaluation performed on behalf of the Company 73 subjects located in the United States, 31 positive patient samples and 42 negative patient samples were identified. The blinded clinical trial produced the following results:

- 96.77% positive agreement between the CDC 2019-Novel Coronavirus (2019-nCoV) Real-Time RT-PCR Diagnostic Panel;
- 100% negative agreement between the CDC 2019-Novel Coronavirus (2019-nCoV) Real-Time RT-PCR Diagnostic Panel;
- Limit of Detection (LoD) of 2,500 copies per mL; and
- 100% specificity, which is the ability to identify SARS-CoV-2 without being triggered by other viruses.

REVIEW OF ACTIVITIES (CONTINUED)

- The Company 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 Israel Ministry of Defence, 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.
- On 19 May 2021, Mr Garry Browne AM was appointed as Non-Executive Director of the Company and Mr James Cotton resigned as a Non-Executive Director of the Company.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

SUBSEQUENT EVENTS

Subsequent to the half year end the following events occurred:

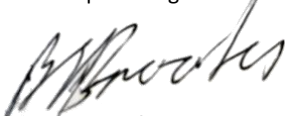
- The Company entered into a distribution agreement granting UAE-based Hygiene Links the exclusive right to sell the Dotz Kits in UAE, Egypt and Sudan for an initial two-year term (subject to minimum purchase order requirement). Under the distribution agreement, Dotz has received a US\$2.1 million initial purchase order from Hygiene Links for its Dotz Test Kits. The delivery to Hygiene Links is expected over the next six months with the first Dotz Kits being shipped in August 2021.
- The Annual General Meeting was held on 29 July 2021 where all resolutions put to the shareholders were passed except for the approval to issue to Mr. Uzi Breier (a former director and CEO) options in accordance with his separation agreement.
- On 5 August 2021, the Company announced that it had commenced legal proceedings against Breathe Medical. As previously disclosed, Breathe Medical has been unable to satisfy its obligation under the Breathe Medical Agreement and the Company has been unable to reach amicable solution.

There have been no other material matters or circumstances that have arisen since 30 June 2021.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration to the Directors of the Consolidated Entity on page 18 forms part of the Directors' Report for the half year ended 30 June 2021.

This report is signed in accordance with a resolution of the Board of Directors.



Bernie Brookes
Chairman & Interim CEO
30 August 2021

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE 2021

	Note	30 June 2021 US\$	30 June 2020 US\$
Revenue from contract with customers		258,124	32,940
Cost of sales		(69,995)	(9,762)
Gross profit		188,129	23,178
Research and development expenses		(617,919)	(365,627)
General, administrative, selling and marketing expenses		(1,576,887)	(884,485)
Share based compensation	9	(2,270,254)	(18,988)
Finance costs		(35,814)	(9,460)
Profit/(Loss) before income tax		(4,312,745)	(1,255,382)
Income tax expense		-	-
Profit/(Loss) for the period		(4,312,745)	(1,255,382)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations		(128,747)	(46,532)
Other comprehensive loss for the year, net of tax			
Total comprehensive income/(loss) for the period		(4,441,492)	(1,301,914)
Basic earnings/(loss) per share (cents per share)	8	(1.12)	(0.42)

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	30 June 2021 US\$	31 December 2020 US\$
CURRENT ASSETS			
Cash and cash equivalents		4,643,073	5,259,087
Restricted cash	3	399,382	-
Trade and other receivables		320,747	189,478
Other assets		160,358	28,360
Inventory		17,600	14,475
TOTAL CURRENT ASSETS		5,541,160	5,491,400
NON-CURRENT ASSETS			
Property, plant and equipment		184,089	214,958
Right-of-use assets	4	685,349	47,845
TOTAL NON-CURRENT ASSETS		869,438	262,803
TOTAL ASSETS		6,410,598	5,754,203
CURRENT LIABILITIES			
Trade and other payables		355,595	428,797
Contract liability		51,891	38,685
Provisions		22,457	33,757
Lease liabilities	4	315,524	39,332
Liability to issue shares	3	399,382	-
TOTAL CURRENT LIABILITIES		1,144,849	540,571
NON-CURRENT LIABILITIES			
Lease liabilities	4	393,479	7,736
TOTAL NON-CURRENT LIABILITIES		393,479	7,736
TOTAL LIABILITIES		1,538,328	548,307
NET ASSETS		4,872,270	5,205,896
SHAREHOLDERS' EQUITY			
Issued capital	5	30,808,866	28,971,254
Reserves	6	5,731,266	3,589,759
Accumulated losses		(31,667,862)	(27,355,117)
SHAREHOLDERS' EQUITY		4,872,270	5,205,896

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2021

	Issued Capital US\$	Option Reserve US\$	Foreign Currency Reserve US\$	Accumulated Losses US\$	Total US\$
Balance at 1 January 2020	22,627,901	2,102,496	(44,611)	(23,386,121)	1,299,665
Loss for the year	-	-	-	(1,255,383)	(1,255,383)
Other comprehensive income	-	-	(46,532)	-	(46,532)
Total comprehensive loss for the year	-	-	(46,532)	(1,255,383)	(1,301,915)
Transactions with owners, recognised directly in equity					
Issue of shares	357,997	-	-	-	357,997
Issue of options	-	31,131	-	-	31,131
Balance at 30 June 2020	22,985,898	2,133,627	(91,143)	(24,641,504)	386,878
Balance at 1 January 2021	28,971,254	3,312,190	277,569	(27,355,117)	5,205,896
Loss for the year	-	-	-	(4,312,745)	(4,312,745)
Other comprehensive income	-	-	(128,747)	-	(128,747)
Total comprehensive loss for the year	-	-	(128,747)	(4,312,745)	(4,441,492)
Transactions with owners, recognised directly in equity					
Exercise of options	1,837,612	-	-	-	1,837,612
Share based payments (Note 9)	-	2,270,254	-	-	2,270,254
Balance at 30 June 2021	30,808,866	5,582,444	148,822	(31,667,862)	4,872,270

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE HALF YEAR ENDED 30 JUNE 2021

	Note	30-Jun-21 US\$	30-Jun-20 US\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		18,266	80,591
Payments to suppliers and employees		(2,131,087)	(1,272,078)
Interest received		7,185	413
Interest and other finance costs		(49,443)	(7,894)
Net cash used in operating activities		(2,155,079)	(1,198,968)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(78,247)	(8,727)
Receipts from investments		29,274	-
Net cash used in investing activities		(48,973)	(8,727)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	333,505
Proceeds from exercise of options		1,837,612	-
Proceeds from exercise of options – shares unissued		399,383	-
Repayment of lease liabilities		(105,083)	(71,317)
Net cash from financing activities		2,131,912	262,188
Net decrease in cash and cash equivalents		(72,140)	(945,507)
Cash and cash equivalents at the beginning of the period		5,259,087	1,371,275
Foreign exchange		(144,492)	(44,654)
Restricted cash	3	(399,382)	-
Cash and cash equivalents at the end of the financial period		4,643,073	381,114

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2021

NOTE 1: REPORTING ENTITY

The interim financial report (**Report**) of Dotz Nano Limited (the **Company**) and its controlled entities (the **Group** or **Consolidated Entity**) for the half year ended 30 June 2021 was authorised for issue in accordance with a resolution of the Directors on 30 August 2021.

Dotz Nano Limited is a listed public company, trading on the Australia Securities Exchange, limited by shares, incorporated and domiciled in Australia.

The Group's principal place of business is at 2 Granit Street Petah Tikva, Israel, 4951446 and the registered office is located at Level 14, 330 Collins Street, Melbourne, Victoria 3000, Australia.

NOTE 2: BASIS OF PREPARATION

This Report for the half-year ended 30 June 2021 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This Report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2020 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The Report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The Report does not include full disclosures of the type normally included in an annual financial report. For the purposes of preparing the interim financial statements, the half-year has been treated as a discrete reporting period.

The same accounting policies and methods have been consistently applied by the Consolidated Entity in these interim financial statements as compared with the most recent annual financial statements, except as follows:

a) New or amended Accounting Standards and Interpretations adopted

The Group has reviewed all 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 half year.

NOTE 3: RESTRICTED CASH

	30 June 2020 US\$	31 December 2020 US\$
Restricted cash (a)	399,382	-
Total restricted cash	399,382	-

- (a) Restricted cash includes funds received on exercise of options for which shares were not issued at 30 June 2021. As at 30 June 2021, the Company had received a total of \$399,382 recorded as restricted cash and recognised as a liability to issue shares.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2021

NOTE 4: RIGHT-OF-USE ASSETS & LEASE LIABILITIES

30 June 2020 US\$	31 December 2020 US\$
-------------------------	-----------------------------

i. AASB 16 related amounts recognised in the statement of financial position

Office space – right-of use	637,504	7,372
Motor vehicles – right-of-use	47,845	40,473
Net carrying amount	685,349	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	315,524	39,332
Non-current	393,479	7,736
Total lease liabilities	709,003	47,068

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

Depreciation charge related to right-of-use assets	135,049	132,830
Interest expense on lease liabilities (under finance cost)	34,071	11,418

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

Cash outflows in financing activities	105,083	144,896
Cash outflows in operating activities	44,764	11,418
	149,847	156,314

Short-term leases and leases of low-value assets

The Group at the half 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2021

NOTE 5: ISSUED CAPITAL

(a) Share Capital

403,883,143 (31 December 2020: 376,382,378) fully paid Ordinary Shares

30 June
2021
US\$

31 December
2020
US\$

30,808,866	28,971,254
------------	------------

(b) Movements in fully paid Ordinary Capital

Opening balance at 1 January 2020

No. US\$

295,004,274 22,627,901

Shares issued on exercise of options, 10 February 2020

347,977 -

Shares issued on exercise of options, 10 February 2020

500,000 -

Shares issued under Cleansing Prospectus, 6 May 2020

100 4

Shares issued under Deferred Share Placement, 18 June 2020

13,888,889 342,250

Shares issued on exercise of options, 18 June 2020

1,200,000 -

Shares issued on exercise of options, 18 June 2020

1,500,000 -

Shares issued to Mr Uzi Breier, 18 June 2020

1,000,000 58,183

Shares cancelled relating to Mr Uzi Breier, 18 June 2020

(1,000,000) (42,440)

Shares issued to former employee, 18 June 2020

1,000,000 -

Shares issued on exercise of options, 18 June 2020

1,000,000 -

Shares issued on exercise of options, 10 July 2020

50,000 2,952

Shares issued on exercise of options, 22 July 2020

425,000 26,693

Shares issued on exercise of options, 28 July 2020

208,334 13,107

Shares issued on exercise of options, 20 August 2020

1,125,001 69,508

Shares issued to Consultant, 20 August 2020

1,500,000 177,581

Shares issued on exercise of options, 3 September 2020

80,648 5,294

Shares issued on exercise of options, 3 September 2020

495,000 -

Shares issued under Deferred Share Placement, 10 September 2020

13,888,889 363,651

Shares issued on exercise of options, 10 September 2020

803,299 52,218

Shares issued on exercise of options, 25 September 2020

2,662,635 156,150

Shares issued on exercise of options, 8 October 2020

1,000,000 64,404

Shares issued on exercise of options, 28 October 2020

12,790,443 872,878

Shares issued under Placement, 28 October 2020

25,068,000 4,443,303

Shares issued on exercise of options, 12 November 2020

1,843,889 52,991

Less: capital raising fees

- (315,374)

Closing balance at 31 December 2020

376,382,378 28,971,254

Opening balance at 1 January 2021

Shares issued on exercise of options, 05 May 2021

21,167,431 1,484,975

Shares issued on exercise of options, 10 May 2021

6,333,334 352,637

Closing balance at 30 June 2021

403,883,143 30,808,866

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2021

NOTE 6: RESERVES

	30 June 2021	31 December 2020
a) Reserves	US\$	US\$
Option Reserve 54,572,113 (31 December 2020: 82,547,879) options on issue	5,582,444	3,312,190
Foreign currency translation reserve	148,822	277,569
	5,731,266	3,589,759
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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2021

NOTE 6: RESERVES (CONTINUED)

b) Options Reserve

Opening balance at 1 January 2021

	No.	US\$
Vesting of consultant options issued on 3 December 2019	-	12,434
Vesting of consultant options issued on 18 June 2020	-	19,344
Vesting of consultant options issued on 20 August 2020	-	20,961
Vesting of consultant options issued on 20 August 2020	-	11,926
Vesting of Employees Share Option Plan options issued on 30 October 2020	-	398,395
Vesting of consultant options issued on 12 November 2020	-	28,038
Issue of options on 17 March 2021 and 26 May 2021	750,000	12,526
Issue of options on 19 March 2021 (Note 9)	200,000	34,989
Issue of options on 3 May 2021 (Note 9)	2,000,000	368,072
Options exercised on 5 May 2021	(21,167,431)	-
Options exercised on 10 May 2021	(6,333,334)	-
Cancellation of options on 10 May 2021	(125,001)	-
Cancellation of options on 30 June 2021	(3,300,000)	-
Vesting of V2 Tech options (Note 9)	-	197,334
Vesting of TT Medical options (Note 9)	-	434,636
Vesting of Board of Director Options (Tranche 1) (Note 9)	-	244,951
Vesting of Board of Director Options (Tranche 2 and 3) (Note 9)	-	486,648
Closing balance at 30 June 2021	54,572,113	5,582,444

c) Foreign currency translation reserve

Opening balance

	30 June 2021	31 December 2020
Difference arising on translation	(128,747)	322,180
Balance at the end of the year	148,822	277,569

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

NOTE 7: DIVIDENDS

The Company did not pay or propose any dividends in the half year to 30 June 2021.

NOTE 8: LOSS PER SHARE

The following reflects income and share data used in the calculation of basic loss per share.

	30 June 2021	30 June 2020
Total loss for the period (US\$)	(4,312,745)	(1,255,838)
Weighted average number of Ordinary Shares in calculating basic loss per share (No.)	384,715,948	296,886,894

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2021

NOTE 9: SHARE BASED PAYMENTS

Share Based Payments issued during the Half Year

During the half year ended 30 June 2021 the Group recorded the following share-based payments:

- 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.
- 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 half year ended 30 June 2021 a total of \$368,072 was recognised as an expense.
- The vesting on 1,500,000 options with exercise price of AU\$0.23 and expiry date of 3 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 half year ended 30 June 2021 a portion of the value, being \$197,334 vested and was recognised as an expense.
- The vesting on 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 half year ended 30 June 2021 a portion of the value, being \$434,636 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.
- The vesting on 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 \$244,951 was recognised at 30 June 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.
- The vesting on 2,500,000 options (Tranche 2 and 3) with exercise price of AU\$0.12 and expiry date of 31 December 2021 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 \$486,648 was recognised at 30 June 2021.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2021

NOTE 9: SHARE BASED PAYMENTS (CONTINUED)

Fair Value

The Black Scholes option pricing model was used to determine the fair value of the unlisted options issued. The Black Scholes inputs and valuations were as follows:

Options	ESOP Options	Caerus Options	V2 Tech Options	TT Medical Options	Director Options (Tranche 1)	Director Options (Tranche 2-3)
Number of options	200,000	2,000,000	1,500,000	4,000,000	1,085,000	2,500,000
Grant date ¹	16-Mar-21	28-Feb-21	29-Jul-21	29-Jul-21	29-Jul-21	29-Jul-21
Issue date	19-Mar-21	3-May-21	6-Aug-21	6-Aug-21	6-Aug-21	6-Aug-21
Exercise price	AU\$0.06	AU\$0.001	\$0.230	\$0.252	A\$0.070	A\$0.12
Expected volatility	90%	90%	85%	87%	85%	85%
Implied option life	1.8 years	1.8 years	3 years	3.25 years	1.4 years	1.4 years
Expected dividend yield	Nil	Nil	Nil	Nil	Nil	Nil
Risk free rate	0.08%	0.11%	0.28%	0.26%	0.01%	0.01%
Valuation per option A\$	\$0.227	\$0.239	\$0.230	\$0.232	\$0.292	\$0.252
Exchange rate	\$0.77	\$0.77	\$0.77	\$0.77	\$0.77	\$0.75
Valuation per option US\$	\$0.176	\$0.184	\$0.178	\$0.179	\$0.226	\$0.195
Total half-year expense US\$	\$34,989	\$368,072	\$197,334	\$434,636	\$244,951	\$486,648

Share based payment expense at 30 June 2021 is comprised as follows:

	30 June 2021	30 June 2020
Net expense of options issued in comparative and prior periods	105,230	18,988
Vesting of options for the half year	2,165,024	-
Total share-based payments expense	2,270,254	18,988

NOTE 10: CONTINGENT ASSET AND LIABILITIES

As noted in annual report for 31 December 2020, the Company has a contingent liability related to the grant received from BIRD. 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. There has been no change to contingent assets and liabilities to 30 June 2021.

¹ For options with a 29-Jul-21 grant date, the services associated with these options commenced during the period with shareholder approval and therefore grant date occurring post period end on 29 July 2021

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2021

NOTE 11: SUBSEQUENT EVENTS

Subsequent to the half year end the following events occurred:

- The Company entered into a distribution agreement granting UAE-based Hygiene Links the exclusive right to sell the Dotz Kits in UAE, Egypt and Sudan for an initial two-year term (subject to minimum purchase order requirement). Under the distribution agreement, Dotz has received a US\$2.1 million initial purchase order from Hygiene Links for its Dotz Test Kits. The delivery to Hygiene Links is expected over the next six months with the first Dotz Kits being shipped in August 2021.
- The Annual General Meeting was held on 29 July 2021 where all resolutions were put to the shareholders were passed, except for the approval to issue to Mr. Uzi Breier (a former director and CEO) options in accordance with his separation agreement.
- On 5 August 2021, the Company announced that it had commenced legal proceedings against Breathe Medical. As previously disclosed, Breathe Medical has been unable to satisfy its obligation under the Breathe Medical Agreement and the Company has been unable to reach amicable solution.

There have been no other material matters or circumstances that have arisen since 30 June 2021.

NOTE 12: SEGMENT INFORMATION

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 13: RELATED PARTY TRANSACTIONS

During the half year share-based payments were recognised in relation to options vested to the Board of Directors. The details of the share-based payments are disclosed in Note 9. Tranche 1 Options recognised include \$99,335 to Mr Bernie Brookes, \$99,335 to Mr Doron Eldar and \$46,281 to Mr Ian Pamensky. Tranche 2 and 3 Options recognised include \$194,659 to Mr Bernie Brookes, \$194,659 to Mr Doron Eldar and \$97,330 to Mr Ian Pamensky

On 19 May 2021, Mr Garry Browne AM was appointed as a Non-Executive Director of the Company. Mr Browne's remuneration is set at \$60,000 per annum.

There have been no other significant changes to related parties since 31 December 2020.

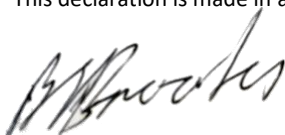
NOTE 14: COMMITMENTS

The Group does not have known material commitments at 30 June 2021.

The Directors of Dotz Nano Limited declare that:

1. The financial statements and notes, as set out on pages 6 to 16 are in accordance with the Corporations Act 2001 and:
 - a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - b) give a true and fair view of the Consolidated Entity's financial position as at 30 June 2021 and of its performance for the period ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Bernie Brookes
Chairman & Interim CEO
30 August 2021



Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

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

As lead auditor for the review of Dotz Nano Limited for the half-year ended 30 June 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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

A handwritten signature in black ink, appearing to read 'Ashleigh Woodley', is written over a light grey circular watermark that says 'For personal use only'.

Ashleigh Woodley
Director

BDO Audit (WA) Pty Ltd
Perth, 30 August 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Dotz Nano Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Dotz Nano Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 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 half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 30 June 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Ashleigh Woodley', with a stylized 'BDO' logo above it.

Ashleigh Woodley

Director

Perth, 30 August 2021