

1. Company details

Name of entity:	Dotz Nano Limited
ABN:	71 125 264 575
Reporting period:	For the year ended 31 December 2025
Previous period:	For the year ended 31 December 2024

2. Results for announcement to the market

				US\$
Revenue from continuing operations	up	100.0%	to	285,782
Loss from ordinary activities after tax attributable to the owners of Dotz Nano Limited	up	58.2%	to	(9,108,245)
Loss for the year attributable to the owners of Dotz Nano Limited	up	58.2%	to	(9,108,245)

Comments

The loss for the consolidated entity after providing for income tax amounted to US\$9,108,245 (31 December 2024: US\$5,758,440).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(0.50)	(0.62)

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Details of associates and joint venture entities

Not applicable.

8. Foreign entities

Dotz Nano Ltd

Controlled entity	Country of incorporation	Percentage owned 2025	Percentage owned 2024
Dotz Nano Ltd	Israel	100%	100%

9. Audit qualification or review

Refer to unmodified audit report on page 57 of the Annual Report.

10. Signed

Signed  _____

Date: 24 February 2026

Dotz Nano Limited

ABN 71 125 264 575

Annual Report - 31 December 2025

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General information

The financial statements cover Dotz Nano Limited as a consolidated entity consisting of Dotz Nano Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in US dollars.

Dotz Nano Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered Office:

c/ Kardos Scanlan Lawyers
Level 5, 44 Martin Place
Sydney NSW 2000

Principal Place of Business:

1 Atir Yeda
Kefar-Sava
Israel 4464301

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 February 2026. The directors have the power to amend and reissue the financial statements.

Directors	Mr Bernie Brookes AM Mr Sharon Malka Mr Doron Eldar Ms Kerry Harpaz Mr Glenn Kelly Mr Mitchell Board
CEO	Mr Sharon Malka
Company secretary	Mr Bernie Brookes AM
Registered office	c/ Kardos Scanlan Lawyers Level 5, 44 Martin Place Sydney NSW 2000
Principal place of business	1 Atir Yeda Kefar-Sava Israel 4464301
Share register	Automatic Registry Services Level 5, 126 Phillip Street SYDNEY NSW 2000
Auditor	BDO Audit Pty Ltd Level 9, Mia Yellagonga Tower 2 5 Spring Street PERTH WA 6000
Stock exchange listing	Dotz Nano Limited shares are listed on the Australian Securities Exchange (ASX code: DTZ) and on Over-the-Counter (OTC) and American Depositary Receipts (ADR) (Codes: DTZZF and DTZNY)

Dear Stakeholders,

The year 2025 has been a year of decisive transformation for Dotz Nano. We have moved beyond technical validation to establish an early commercial footprint in the global carbon market.

Our mission is clear: to provide the high-performance sorbent materials essential to making gigaton-scale carbon removal both efficient and economically viable. We see that once viable we can look for an ongoing revenue stream from the Sorbent material.

We have successfully transitioned from a laboratory breakthrough to a purchased industrial solution, proving that our technology can meet the rigorous demands of the world's largest industries.

2025: From Lab to Market

The most significant milestone for any deep-tech organization is the successful transition from "testing" to "revenue." In 2025, Dotz crossed this threshold by securing critical validation from global industry leaders, effectively proving that our technologies are no longer a laboratory concept but a purchased industrial solution.

This momentum was spearheaded by our first commercial order for AMP sorbents we received from a leading multinational manufacturer for kilogram-scale testing. Simultaneously, we established an initial foothold in the energy sector, recording initial revenues for DotzShield from a global Oil & Gas provider.

Throughout the year, we effectively proved our operational readiness. We successfully transitioned our proprietary CO₂ sorbents from small-batch research to kilogram-scale production, a vital step in meeting the volume requirements of global partners.

We have significantly strengthened our financial position to support this transition from lab to market. Through a series of placements and loan agreements, we raised US\$2.8M (AU\$4.3M) from both existing and new investors. Coupled with the extension of our convertible notes, these actions provide Dotz with a sufficient runway and interim financial flexibility to execute our strategic plan.

Looking Forward to 2026

With our production capabilities proven, early traction secured with industry leaders, and a strengthened cash position, we have a clear foundation for sustainable growth.

Dotz is no longer just a technology company, we are an industrial partner helping to engineer a carbon-neutral future. As we move into 2026, our focus is squarely on rapid commercialization, delivering materials for large-scale deployment, and pursuing the strategic alliances that will drive long-term value for our shareholders.

In closing, I would like to express my sincere gratitude to all of our stakeholders, our employees, partners, and investors for your unwavering support and belief in Dotz's mission.



Bernie Brookes AM

Dotz Nano Chairman

Dear fellow shareholders,

Fiscal Year 2025 marked a pivotal turning point for Dotz Nano. We have successfully evolved from a period of intense technological development into a phase of definitive commercial validation.

Today, Dotz is addressing the core inefficiencies hampering global carbon removal efforts. By delivering high-performance sorbent materials that surpass existing market alternatives in efficiency, stability, and energy consumption, we are removing the barriers to affordable, gigaton-scale carbon sequestration. Dotz is no longer just a participant in the climate tech space, we are a primary enabler of its future.

Our journey through 2025 has been defined by a seamless progression from foundational science to industrial-scale reality. This momentum began with the successful transition of our DotzShield technology, which moved beyond the theoretical to record its initial revenues through a major energy solutions provider in the global oil and gas sector. This first commercial foothold provided the tailwind necessary to push our DotzEarth platform into the spotlight, where a series of lab-scale pilot demonstrations proved that our sorbents consistently outperform current commercial standards in both working capacity and energy efficiency.

The market responded to these results with immediate and widespread interest. More than a dozen industry leaders have now independently verified our platform's superior performance through their own testing protocols. This widespread validation followed by market endorsement and culminated in a landmark milestone: our first commercial order for AMP sorbent from a multinational automotive giant. This move to kilogram-scale testing was mirrored by our strategic partnership with Direct Air Capture pioneer CarbonCapture Inc. (CCI), expanding the reach of our materials into the heart of the carbon removal industry.

To meet this surging demand, we successfully bridged the gap between lab to industrial scale production. By completing a kilogram-scale production scale-up of our proprietary CO₂ sorbent materials, we have effectively de-risked our operational readiness, clearing the path for large-scale deployment.

Our strategic execution has been supported by a disciplined and strengthened cash position. While we have maintained a lean and focused approach to our routine activities, our recent funding efforts have allowed us to expand our register with new investors who believe deeply in Dotz potential. This strategic support provides the stability required to advance our roadmap while validating our commercial trajectory.

In 2024, we spoke about building a foundation. In 2025, we executed that promise. By combining deep materials science with real-world application, we have moved DotzEarth closer to commercial deployment and solidified our path forward.

Looking Ahead

With a solid foundation firmly in place, Dotz is poised for a year of accelerated innovation and commercial expansion. Having proven our production capabilities and secured early traction with industry leaders, we have established a clear trajectory for sustainable growth.

As we move into this next phase, our focus shifts squarely to rapid commercialization. We are moving beyond the testing phase to deliver our proprietary materials for integrated operational use in pilot deployments, while simultaneously pursuing high-impact industry alliances that will expand our market reach. To support this growth, we are partnering with leading Contract Manufacturing Organizations to ensure seamless, global manufacturing capacity at scale.

The transition from a development-focused entity to a commercial-scale provider is well underway. We are positioned to capture a dominant share of the global sorbent market, and we are more confident than ever in our ability to deliver long-term value to our shareholders.

Thank you for your continued support as we accelerate this transformative journey.



Sharon Malka,

Dotz Nano Chief Executive Officer

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 2025.

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
Mr Bernie Brookes AM	Non-Executive Chairman	15 January 2020	-
Mr Doron Eldar	Non-Executive Director	15 January 2020	-
Ms Kerry Harpaz	Non-Executive Director	2 September 2021	-
Mr Sharon Malka	CEO and Executive Director	22 March 2024	-
Mr Glenn Kelly	Non-Executive Director	7 March 2024	-
Mr Mitchell Board	Non-Executive Director	15 February 2024	-

Principal activities

The principal continuing activities of the Group during the year is developing, manufacturing and commercialising innovative solutions addressing some of the world's toughest industrial and environmental challenges by fusing chemical expertise and material science with practical, real-world solutions. The Group two areas of focus are:

- In-product tagging technology, with the first commercial solution for corrosion inhibitors monitoring for the oil & gas industry;
- Carbon dioxide (CO₂) management technologies, advancing next-generation sorbent materials engineered for Direct Air Capture (DAC) and Point Source CO₂ Mitigation (PSC) with exceptional performance, making carbon capture and removal economically viable.

Dividends

There were no dividends paid, recommended during the financial year ended 31 December 2025 (2024: Nil)

Financial review

Dotz Nano Limited had a loss for the year of \$9,108,245 (31 December 2024: \$5,758,440). This included a non-cash amount of \$462,211 share-based payments (31 December 2024: (\$488,602)) and non-cash amount of \$3,786,590 impairment expense as a result of termination of a license agreement with regards to the technology acquired from H2 Blue.

The Group had a net liability position of \$3,433,239 at 2025 (31 December 2024: net asset \$369,738)

As at 31 December 2025, the Group's cash and cash equivalents balance was \$1,096,689 (31 December 2024: \$ 799,853).

The Directors are satisfied that the Group will have access to sufficient cash to fund its operation and meet its obligations and liabilities for a period of at least twelve months from the date of signing this report. Accordingly, the Directors consider the going concern basis of preparation to be appropriate

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

Review of operations

Dotz Nano is a technology leader driving innovation in material science and nanotechnologies, addressing some of the world's toughest industrial and environmental challenges by fusing nanomaterial science expertise with practical, real-world solutions.

Delivering transformative high-performance materials for the technologies of tomorrow, Dotz designs, develops, and deploys customized nanomaterial-based solutions that meet the evolving needs of our customers, enabling a cleaner, more efficient, and sustainable industrial future.

Our focus lies in advancing next-generation sorbent materials engineered for affordable carbon capture.

Dotz is committed to advancing next-generation sorbent materials engineered for Direct Air Capture (DAC) and Point Source CO₂ mitigation. Our objective is to bridge the gap between technical innovation and commercial necessity, making carbon capture and removal economically viable on a scale.

Fiscal Year 2025 was a period of high-impact execution for Dotz Nano. The Company successfully transitioned from the research-intensive phase of its lifecycle to a stage defined by tangible results, delivering a series of critical milestones that validate the commercial readiness and scalability of its technologies.

This review details the four key pillars of Dotz's success this year: technology validation, market endorsement, operational scale, and financial resilience.

Technology Validation

The core of our 2025 success lay in the definitive validation of the DotzEarth platform. The Company's successful lab-scale pilot demonstrations of Direct Air Capture (DAC) technology delivered results that established a new performance benchmark. Dotz's proprietary sorbents proved to have a superior working capacity and significantly higher energy efficiency compared to currently available commercial DAC sorbents.

The lab scale pilot was developed in collaboration with Dotz's strategic partner, integrating Dotz's high-performing DAC sorbent with its proprietary Temperature Vacuum Swing Adsorption (TVSA) capture process design. The innovative TVSA process accentuates the high CO₂ capture capacity of Dotz's sorbent and efficiently regenerates the sorbent at low temperature enhanced by concentrated water vapor.

This validation extended to Company's industrial applications through our DotzShield in-product tagging solution. This year, we successfully converted technology potential into tangible results, recording initial revenues from a leading global energy solutions provider to the Oil & Gas industry.

Market Endorsement

This momentum accelerated through significant market endorsements from global industry leaders. The Company secured a landmark commercial order for its AMP sorbent from a leading multinational automotive manufacturer, Konnect VW Group Innovation TLV, to commence kilogram-scale testing and demonstration, a major step toward deep integration with a global OEM.

Furthermore, the Company expanded its reach into the heart of the carbon removal industry by signing a Memorandum of Understanding (MoU) with CarbonCapture Inc. (CCI), a prominent leader in the DAC space, to expand the evaluation of our high-performance DAC sorbent material for large-scale applications.

These individual successes are supported by a broader foundation of interest, with more than a dozen industry leaders having now independently verified Dotz's sorbents' performance through their own testing protocols.

Operational Scalability

A primary strategic focus this year was "de-risking" the transition from laboratory innovation to industrial application. Following the receipt of the first commercial purchase order, Dotz initiated a strategic production scale-up required to address this immediate demand and prepare for broader market adoption.

During the third quarter of 2025, the Company successfully achieved a kilogram-scale production scale-up for its proprietary CO₂ sorbent materials, confirming that the manufacturing processes are robust and capable of producing industrial volumes without compromising material quality.

By proving its ability to manufacture at scale, the Company has established the necessary operational bridge to fulfill immediate demand and prepare for high-volume global deployment by multinational partners.

Financial Resilience and Strategic Funding

Dotz maintained a disciplined approach to capital management throughout the year, ensuring its routine activities remained well-supported while simultaneously attracting new strategic backing.

Through a series of private placements and unsecured loan agreements, the Company raised approximately US\$2.8 million (AU\$4.3 million) in new capital. These funding rounds were instrumental not only for the liquidity they provided but for their ability to bring in new qualified and high-net-worth investors who are strategically aligned with the Dotz vision.

As announced on 11 April 2025, the Company entered into a standby subscription agreement (“Subscription Agreement”) with TRITON FUNDS LP (“TRITON”), under which the Company has the right (but not the obligation), in its discretion, to sell to TRITON ordinary shares valued at up to A\$4 million, at any time until 31 December 2025. The Company, in line with the signed Subscription Agreement, issued a drawdown notice to TRITON, and TRITON has raised questions regarding certain aspects of the timing of the issue of shares and receipt of funds under the Subscription Agreement. The Company’s representatives have sought to engage in discussions with TRITON to resolve the matters and have not been responded to. The Company has not yet received any funds from TRITON and the company does now not expect to receive these funds. In view of this, Dotz is considering its legal options and next steps under this signed Subscription Agreement.

In May 2025, the Company raised AU\$1.2 million (US\$0.7 million) via a private placement offering to new qualified and high-net-worth investors.

During the third quarter of 2025, the Company entered into unsecured convertible loan agreements with existing and new sophisticated investors, to secure debt funding (“Loan Facility”). A total of approximately A\$1.2 million has been raised under the Loan Facility, with A\$0.5 million received in the fourth quarter. During the fourth quarter, approximately A\$0.7 million of the Loan Facility has been converted into 16.8 million new fully paid ordinary shares, reflecting continued support and confidence in the Company’s growth strategy.

In December 2025, the Company raised A\$1.8 million (US\$1.2 million) from several existing and new institutional and sophisticated investors via a placement of new fully paid ordinary shares in the Company (“Placement”) for working capital purposes.

In addition to new capital, the Company improved our structural stability by successfully extending the maturity dates of its existing convertible notes. On 14 November 2025, the Company executed a second deed of variation to its Convertible Securities Agreement with investment funds managed by Mercer Street Capital Partners, LLC to extend the maturity dates of certain convertible notes on issue.

This combination of fresh investment and debt management has strengthened Dotz’s cash position, providing the financial flexibility required to advance its roadmap with confidence.

By merging these operational breakthroughs with a stabilized and diversified capital base, Dotz Nano enters the next fiscal year as a commercial partner ready for industrial-scale deployment.

The Company will continue to evaluate its capital needs and alternatives to fund its capital requirements to ensure that it has the appropriate financial pathway to fund its operation towards the commercialisation of the DotzEarth technology. The Company believes that it has access to sufficient funds to continue to meet its working capital requirements as at the date of this report.

Material Business Risks

The key risk factors affecting the Company are set out below. The occurrence of any of the risk below could adversely impact the Company's operating or financial performance. The Company is committed to high standards of corporate governance designed to enable the Company to meet its performance objectives and better manage its risks. The Audit and Risk Committee Charter requires that the Audit and Risk Committee (or, in its absence, the Board) should, at least annually, satisfy itself that the Company's risk management framework continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board

Company's current operations risks

(a) Research and development

The Company can make no representation that any of its research into or development of its technologies will be successful or that they will be developed into products that are commercially exploitable. There are many risks inherent in the development of carbon-based nano technologies products, particularly where the products are in the early stages of development. Projects can be delayed or fail to demonstrate any benefit, or research may cease to be viable for a range of scientific and commercial reasons.

(b) Commercialisation of the technology

The Company is in the business of development and commercialisation innovative solutions addressing global environmental and industrial challenges, utilising its carbon-based nano technologies.

The success of the Company will depend upon the Company's ability to commercialise its technologies. A failure to successfully commercialise the technologies in commercial quantities, could impact the Company's operating results and financial position.

The Company continues to focus its commercialisation activities in areas that are considered new markets for its technology. There is a risk that products produced by the Company will not be accepted by market participants in these fields (or other fields) (such as anti-counterfeiting, authentication and tracing solutions). Failure to create a market in these fields will have an adverse effect on the Company's potential profitability.

The Company is seeking to develop its technologies with organisations that provide chemical production industry services. If the Company is successful in developing the technology, there may be further additional risks associated with how the technology fits within industry standards (including legal and regulatory standards), and issues faced with production.

Global marketplace for most products is ever changing due to new technologies, new products, changes in preferences, changes in regulation and other factors influencing market acceptance or market rejection. This market volatility and risk exists despite the best endeavours of market research, promotion, and sales and licensing campaigns. There is a risk that if the Company's technology is not accepted by the market or its products are not utilised in the Company's proposed markets or continuing to be utilised in the existing markets that currently use the technology, the Company will not be able to commercialise its products which could adversely impact the Company's operations.

Even if the Company does successfully commercialise its technology, there is a risk the Company will not achieve a commercial return and will not be able to sell products and services to clients at a rate which covers its operating and capital costs.

(c) Competition and new technologies

The industries in which the Company is involved are subject to increasing domestic and global competition which is fast-paced and fast-changing. While the Company undertakes all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively or negatively affect the operating and financial performance of the Company's projects and business. For instance, new technologies could result in the Company's technology not being differentiated to other similar offerings.

The size and financial strength of some of the Company's competitors may make it difficult for it to maintain a competitive position in the technology market. In particular, the Company's ability to acquire additional technology interests could be adversely affected if it is unable to respond effectively and/or in a timely manner to the strategies and actions of competitors and potential competitors or the entry of new competitors into the market. This may in turn impede the financial condition and rate of growth of the Company.

The key competition risk is in achieving appreciable market share and differentiation from its key competitors.

(d) Staff risk

There is a risk that knowledge will be lost in the event that development staff who have knowledge of the technology and business resign or retire. This involves the risk that those staff will have information in respect of the Company's intellectual property which has a commercial value to the Company as well as an opportunity cost for replacement of those staff and subsequent training.

This risk is mitigated as the Company has historically had low levels of staff turnover in the development teams. In addition, all staff contracts contain express provisions with respect to ownership of intellectual property and restraints of trade to limit any potential loss suffered by the Company to the maximum extent possible. Furthermore, the Company has taken measures to mitigate this risk by expanding its research staff so that technological intellectual property is not converged into one person but is disbursed among several people within the Company.

(e) Outsourcing

The Company outsources to consultants for expert advice and contracts organisations for some development, manufacturing, marketing and distribution services and there is no guarantee that such experts or organisations will be available as required or will meet expectations.

(f) Licensing and regulatory risks

Development, production and sale of the company's products in most markets are subject to local laws and regulations, including personal and environmental protection existing laws or regulations, or future laws or regulations that may adversely affect the Company. Compliance with such laws or regulations may significantly increase the Company's operating expenses.

(g) Protection of intellectual property rights

If the Company fails to protect its intellectual property rights adequately, competitors may gain access to its technology which may harm its business.

While the Company has developed its own method, process, know-how and intellectual property for manufacturing graphene and carbon quantum dots, which it believes is valuable and material to its business. It has not yet been granted patents for these methods and processes and the Company is in the process of applying for patents in respect thereof. As noted below, there can be no guarantee that such patents will ultimately be granted.

Securing rights to intellectual property is an integral part of securing potential product value from the development of information technology. Competition in retaining and sustaining protection of intellectual property and the complex nature of intellectual property can lead to expensive and lengthy patents disputes for which there can be no guaranteed outcome.

Legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain. Effective patent, trademark, copyright and trade secret protection may not be available to the Company in every country in which the technology may eventually be sold. Accordingly, despite its efforts, the Company may not be able to prevent third parties from infringing upon or misappropriating the intellectual property.

Market conditions depending, the Company may be required to incur significant expenses in monitoring and protecting future intellectual property rights. It may initiate or otherwise be involved in litigation against third parties for infringement, or to establish the validity, of its rights. Any litigation, whether or not it is successful, could result in significant expense to the Company and cause a distraction to management.

In addition, unauthorised use of the "Dotz" brand in competing products or services may not only result in potential revenue loss, but also have an adverse impact on its brand value and perceptions of its product qualities.

(h) Currency risk

The Company expects to derive a majority of its revenue in US dollars. The Company will also be required to pay fees in the currency for the State of Israel (shekel). Accordingly, changes in the exchange rate between the US dollar and the Australian dollar or the Israeli shekel and the Australian dollar would be expected to have a direct effect on the performance of the Company.

(i) Contractual risk

The operations of the Company necessitate involvement of a number of third parties. As with any contract generally, there is a risk that the business could be disrupted in situations where there is a disagreement or dispute in relation to a term of the contract. Should such a disagreement or dispute occur, this may have an adverse impact on the Company's operations and performance generally. It is not possible for the Company to predict or protect itself against all such risks.

General risks relating to the Company

(j) Additional requirements for capital

The Company's activities require substantial expenditure and depend on numerous factors. The Company anticipates that it will require further financing in the future.

If the Company is unable to use debt or equity to fund its business development activities after the substantial exhaustion of its cash reserves, there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to Shareholders and any debt financing, if available, may involve restrictive covenants, which may limit the Company's operations and business strategy.

The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities, including its ability to continue as a going concern. Unfavourable market conditions may also adversely affect the Company's ability to raise additional funding regardless of the Company's operating performance.

(k) Reliance on key management

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and directors. There can be no assurance that there will be no detrimental impact on the performance of the Company or its growth potential if one or more of these employees cease their employment and suitable replacements are not identified and engaged in a timely manner.

The Company is focused on ensuring the Board is of an appropriate size and collectively has the skills, commitment and knowledge of the Company and the industry in which it operates to enable it to discharge its duties effectively and add value. As part of this focus, the Company anticipates further Board changes to be made as and when appropriate.

(l) Trading price of Shares

The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Shares. In addition, the price of Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to general economic conditions including the performance of the Australian dollar on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Shares.

In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

Further, the U.S. over-the-counter (OTC) market can be affected by the US stock market and accordingly the Company's American Depositary Receipts (ADRs) which are traded on the U.S. OTC

The occurrence of any of these market-driven fluctuations may result in a share price that does not reflect the Company's underlying fundamental value. Such a discrepancy can limit the Company's ability to raise additional equity capital on favorable terms, increase the cost of future debt financing, and potentially trigger 'change of control' or 'hostile takeover' scenarios if the valuation remains depressed. Furthermore, extreme volatility may affect the Company's ability to attract and retain key personnel who are incentivized through equity-based compensation schemes.

(m) Litigation risks

The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims, employee claims, shareholder claims and disputes in relation to regulatory matters.

Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. As at the date of this Report the Company is not involved in any litigation proceedings against the Company which are currently on foot.

(n) Economic risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's Securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as: general economic outlook; interest rates and inflation rates; currency fluctuations; changes in investor sentiment toward particular market sectors; the demand for, and supply of, capital; and terrorism or other hostilities.

(o) Force majeure

The Company, now or in the future, may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(p) Acquisitions and business developments

As part of its business strategy, the Company may make acquisitions of, or significant investments in, companies, products, technologies and/or products that are complementary to the Company's business. Similarly the Company may continue to develop its technology in a way that it may be applied to new industries and for new purposes.

Any such future transactions or business developments are accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies, or moving into new areas, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the sales and margins anticipated and retaining key staff and customer and supplier relationships.

(q) Infectious disease pandemics

Infectious disease pandemics such as the coronavirus, have the potential to interrupt the Company's operations, impair deployment of its products to customers and prevent suppliers or distributors from honouring their contractual obligations. Such pandemics could also cause hospitalisation or death of the Company's existing and potential customers and staff.

(r) Cyber risks and security breaches

The Company stores data in its own systems and networks and also with a variety of third-party service providers. A malicious attack on the Company's systems, processes or people, from external or internal sources, could put the integrity and privacy of customers' data and business systems at risk. It could prevent customers from using the products for a period of time, put its users' premises at risk and could also lead to unauthorised disclosure of data.

(s) Risk of an Israeli company

The Company's Israeli operations remain unaffected by military activities and attacks on Israel. All of the Company's employees have a home office setup in which they can work remotely if needed. However, any escalation of military activities in and attacks on Israel could adversely affect the Company's Israeli operations, the availability of the Company's employees and negatively impact its financial performance.

The Company's research and development facilities are based in Israel and accordingly, political, economic and military conditions in Israel and the surrounding region, and national, company, consumer and other boycotts, may directly affect the Company's business. Furthermore, several countries, principally in the Middle East, restrict business with Israel and Israeli companies, and additional countries may impose restrictions on doing business with Israel and Israeli companies whether as a result of hostilities or otherwise. In addition, there have been increased efforts by activists to cause companies and consumers to boycott Israeli goods based on Israeli government policies. Such actions, particularly if they become more widespread, may have an adverse impact on the Company's ability to commercialise its products, its business operations and financial performance.

(t) Effect of global political situations

Political unrest and wars, such as the conflict between Russia and Ukraine, and Israel and Palestine (Ukraine and Gaza

Conflicts, are impacting global markets and could delay or disrupt business activity, and if such political unrest escalates or spills over to or otherwise impacts additional regions, it could also heighten many of the other risk factors described in this Annual Report.

Further, any governmental or industry measures taken in response to the Ukraine and Gaza Conflicts, including limitations on travel and changes to import/export restrictions and arrangements involving the relevant countries may adversely impact the Company's operations and are likely to be beyond the control of the Company. The Company is monitoring the situation closely and considers the impact of the Ukraine and Gaza Conflicts on the Company's business and financial performance to, at this stage, be limited. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.

(u) Insurance risk

Our commercial insurance does not cover losses that may occur as a result of an event associated with the security situation in the Middle East. The reinstatement value of direct damages that are caused by terrorist attacks or acts of war that the Israeli government is currently committed to covering might not be maintained or, if maintained, might not be sufficient to compensate us fully for damages incurred. Accordingly, the occurrence of an event that is not covered or fully covered by insurance could adversely effect our operations, financial condition and Company's operations.

Significant changes in the state of affairs

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

Significant events after the reporting period

The Company granted 6,000,000 options to consultant with exercise price of A\$0.055 and expiring 2 years from grant date.

No matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Information on directors

Name:	Mr Bernie Brookes AM
Title:	Non-Executive Chairman
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.

Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Special responsibilities:	Nil
Interests in shares:	3,340,000 Ordinary Shares
Interests in options:	3,000,000 Unlisted Options with exercise price of AU\$0.19 and expiry date of 02 May 2029

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

Other current directorships: Nil
Former directorships (last 3 years): Nil
Special responsibilities: Nil
Interests in shares: 1,990,371 Ordinary Shares
Interests in options: 1,500,000 Unlisted Options with exercise price of AU\$0.19 and expiry date of 02 May 2029

Name: Ms Kerry Harpaz
Title: 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.

Other current directorships: Nil
Former directorships (last 3 years): Nil
Special responsibilities: Nil
Interests in shares: 26,902,690 Ordinary Shares
Interests in options: 1,500,000 Unlisted Options with exercise price of AU\$0.19 and expiry date of 02 May 2029

Name: Mr Sharon Malka
Title: CEO and Executive Director
Qualifications: CPA, B.Sc in Business Administration, MBA
Experience: Mr Malka is an accomplished senior executive with over 20 years of strategic, operational, commercial and financial leadership in innovative technology companies. Prior to joining Dotz, Mr Malka served as Chief Executive Officer of MediWound Ltd, a Nasdaq-listed biopharmaceutical company. Prior to that, he was a partner at Variance Economic Consulting Ltd., a multi-disciplinary consulting boutique, specialising in financial services for international and local Hi-Tech clients.

Mr. Malka is a certified CPA and holds a B.Sc. in Business Administration from the Business Management College in Israel and an M.B.A. from Bar Ilan University, Israel.

Other current directorships: Nil
Former directorships (last 3 years): Nil
Interests in shares: 605,880 Ordinary Shares
Interests in options: 2,000,000 Unlisted Options with exercise price of AU\$0.30 and expiry date of 20 March 2028
2,000,000 Unlisted Options with exercise price of AU\$0.37 and expiry date of 20 March 2028
2,000,000 Unlisted Options with exercise price of AU\$0.44 and expiry date of 20 March 2028
2,000,000 Unlisted Options with exercise price of AU\$0.51 and expiry date of 20 March 2028
1,375,000 Unlisted Options with exercise price of AU\$0.57 and expiry date of 20 March 2029
1,467,750 Unlisted Options with exercise price of AU\$0.15 and expiry date of 02 May 2029

Name: Mr Glenn Kelly
Title: Non- Executive Director
Qualifications: B.Sc (Hons) in Civil Engineering, MBA
Experience: Glenn Kelly has over 35 years of operational, business development and strategic leadership in the natural resources and clean technology sectors. Mr. Kelly holds an Honours B.Sc. degree in Civil Engineering from Queen's University and an MBA from Laval University.

He started his career in oil and gas exploration for Chevron Canada Resources. Mr. Kelly then undertook to develop underground storage of natural gas in Eastern Canada, as founder and President of Intragaz Inc. He was then named President of Rabaska Inc., a \$1 billion LNG import terminal project, after which he was named President and CEO of CO2 Solutions, which developed proprietary carbon capture technologies used for greenhouse gas reductions. In 2013 he was named Vice-President and COO of Orbite Aluminae, a producer of high purity alumina used in the fabrication of lithium-ion batteries. He was promoted to President in 2014 until the sale of the company to an Australian mining company in 2019. Mr. Kelly now serves on various boards and acts as a strategic consultant to technology companies.

Other current directorships: Nil
Former directorships (last 3 years): Nil
Special responsibilities: Nil
Interests in shares: Nil
Interests in options: 1,000,000 Unlisted Options with exercise price of AU\$0.21 and expiry date of 28 September 2028
1,000,000 Unlisted Options with exercise price of AU\$0.27 and expiry date of 28 September 2028
1,000,000 Unlisted Options with exercise price of AU\$0.34 and expiry date of 28 September 2028
1,500,000 Unlisted Options with exercise price of AU\$0.19 and expiry date of 02 May 2029

Name: Mr Mitchell Board
Title: Non-Executive Director
Qualifications: B.Sc (Hons) in Economic and Social Sciences, EMBA
Experience: Mitchell Board is an experienced executive with over 15 years of experience in carbon markets, global commodities trading, and renewables infrastructure investment. He has worked at top-tier firms, including Trafigura and Mercuria across the UK, Switzerland, Singapore, and Australia.

Mitchell has built and grown international businesses with experience in trading, leadership, management, analysis, investment, contract negotiation, commercial development, logistics and strategy. Mr. Board holds an Honours B.Sc. degree in Economic and Social Sciences from University of Sydney and an EMBA from Quantic School of Business and Technology. Mr. Board also holds an Energy Innovation and Emerging Technologies Engineering Certificate from Stanford University School of Engineering. As Chief Investment Officer and Head of Markets at Climate Friendly, Mr. Board is responsible for the management of one of the world's leading carbon removal portfolios and growth of the company's customer base.

Other current directorships: Nil
Former directorships (last 3 years): Nil
Special responsibilities: Nil
Interests in shares: 30,000 Ordinary Shares
Interests in options: 1,500,000 Unlisted Options with exercise price of AU\$0.19 and expiry date of 02 May 2029

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Mr Bernie Brooks (Appointed 1 December 2024)

Qualification:

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.

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:

Name	Appointed	Resigned	DIRECTORS' MEETING Number eligible to attend	DIRECTORS' MEETING Number attended
Mr Bernie Brookes AM	15 January 2020	-	14	14
Mr Doron Eldar	15 January 2020	-	14	12
Ms Kerry Harpaz	2 September 2021	-	14	13
Mr Sharon Malka	22 March 2024	-	14	14
Mr Glenn Kelly	7 March 2024	-	14	11
Mr Mitchell Board	15 February 2024	-	14	13

Unissued shares under options

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
2 August 2026	12 November 2024	AU\$0.165	1,750,000
2 August 2026	9 August 2024	AU\$0.165	6,000,000
2 August 2026	4 November 2024	AU\$0.165	560,000
2 August 2026	9 October 2024	AU\$0.165	1,000,000
2 August 2026	2 August 2024	AU\$0.165	10,350,000
15 August 2026	15 August 2023	AU\$0.800	8,000,000
15 August 2026	15 August 2023	AU\$0.850	8,000,000
15 August 2026	15 August 2023	AU\$0.950	9,000,000
15 August 2026	15 August 2023	AU\$0.900	8,000,000
14 September 2026	23 September 2022	AU\$0.475	7,118,644
15 January 2027	15 January 2025	AU\$0.165	1,690,000
31 January 2027	5 February 2024	AU\$0.350	2,857,143
1 March 2027	13 September 2023	AU\$0.400	565,000
1 March 2027	13 September 2023	AU\$0.330	565,000
19 March 2027	19 March 2024	AU\$0.350	2,142,857
1 March 2027	13 September 2023	AU\$0.500	565,000
19 March 2027	19 March 2024	AU\$0.350	2,142,857
31 May 2027	30 September 2022	AU\$0.400	1,035,000
31 May 2027	30 September 2022	AU\$0.500	1,035,000
31 May 2027	30 September 2022	AU\$0.330	1,035,000
10 July 2027	10 October 2025	AU\$0.055	6,821,063
30 October 2027	10 October 2025	AU\$0.055	425,000
28 November 2027	28 November 2024	AU\$0.175	4,285,714
23 December 2027	23 December 2025	AU\$0.055	42,261,906
15 January 2028	15 January 2025	AU\$0.165	2,500,000
22 January 2028	15 January 2025	AU\$0.175	1,428,571
20 March 2028	20 March 2023	AU\$0.298	2,000,000
20 March 2028	20 March 2023	AU\$0.367	2,000,000
20 March 2028	20 March 2023	AU\$0.436	2,000,000
20 March 2028	20 March 2023	AU\$0.505	2,000,000
1 April 2028	1 April 2023	AU\$0.330	365,000
1 April 2028	1 April 2023	AU\$0.400	365,000
1 April 2028	1 April 2023	AU\$0.500	365,000
15 May 2028	28 September 2023	AU\$0.210	1,000,000
15 May 2028	28 September 2023	AU\$0.272	1,000,000
15 May 2028	28 September 2023	AU\$0.335	1,000,000
20 March 2029	20 March 2023	AU\$0.573	1,375,000
2 May 2029	26 September 2024	AU\$0.190	9,000,000
2 May 2029	26 September 2024	AU\$0.150	1,467,750
2 May 2029	26 September 2024	AU\$0.150	2,205,625
31 July 2030	1 March 2025	AU\$0.100	770,000
28 October 2028	28 October 2025	AU\$0.100	21,583,352
4 February 2028	4 February 2026	AU\$0.550	6,000,000
Total			<u>185,630,482</u>

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

Shares Issue on Exercise of Options

During the year ended 31 December 2025, nil shares were issued on exercise of options (31 December 2024: Nil)

Convertible Notes

At the date of this report, there are 4,968,307 Convertible Notes on issue, which have a face value each of AU\$1 and maturity dates as follows:

552,730 convertible loans which matured on 5 February 2026, the Company is in discussion to extend the maturity date

1,650,000 convertible loans will mature on 28 May 2026

690,5777 convertible loans will mature on 22 July 2026

2,075,000 convertible loans will mature on 19 September 2026

Performance Shares

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

Proceedings on behalf of the 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.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that

Corporations Instrument to the nearest dollar.

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 regulation

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. The Company's primary focus is the advancement of carbon management technologies offering an efficient and sustainable approach, as an enabler of carbon neutrality. Dotz Nano's mission are groundbreaking carbon management solutions, which include direct air capture and point source capture. The Company's future developments, prospects and business strategies are to continue to develop and commercialise these technologies

Non-audit services

During the year, BDO Audit 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 8.

The directors are of the opinion that the services as disclosed in Note 8 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Auditor's independence declaration

The auditor's independence declaration for the year ended 31 December 2025 has been received and can be found on page 25 of the financial report.

Remuneration report (audited)

This remuneration report for the year ended 31 December 2025 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 set out under the following main sections:

- (1) Introduction
- (2) Remuneration governance
- (3) Executive remuneration arrangement
- (4) Non-executive Director fee arrangement
- (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	-
Doron Eldar	Non-Executive Director	15 January 2020	-
Kerry Harpaz	Non-Executive Director	2 September 2021	-
Sharon Malka	CEO & Executive Director	20 March 2023 (CEO), 22 March 2024 (Director)	-
Glenn Kelly	Non-Executive Director	7 March 2024	-
Mitchell Board	Non-Executive Director	15 February 2024	-
Michael Shtein	Chief Technology Officer	1 August 2015	31 March 2025*
Liat Bar Ziv Alperovitz	Chief Financial Officer	1 March 2023	

* Effective of 31 March 2025, Michael Shtein resign and became a senior scientific consultant to management.

2. Remuneration governance

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.

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

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, variable compensation to the performance achievements, 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 2025 the Company had three appointed executives, being Mr Sharon Malka as CEO, Executive Director and Ms Liat Bar Ziv Alperovitz as the Chief Financial Officer and Dr Michael Shtein as the Chief Technology Officer. The terms of their Executive Employment Agreements with Dotz Nano Limited are summarised in the following table.

Dr Michael Shtein

- Effective of 1 April 2025, Michael Shtein ceased his CTO position and become a senior scientific consultant to management;
- Executive compensation of NIS40,000 (approximately \$11,300) per month for 50% position; Effective of 1 October, the scope of work reduced to up to 45 hours per month for a monthly consulting fee of NIS20,000;

Mr Sharon Malka

- Executive gross salary is set as NIS 77,000 (approximately \$21,100) per month, linked to the Israel consumer price index.
- Entitled to an annual bonus up to 30% of base remuneration, subject to the performance of the Executive.
- Entitled to 9,375,000 Options in accordance with the Company's Incentive Option Plan.
- The agreement may be terminated by either party at any time, by giving the other party 6 months advance notice.

Ms Liat Bar Ziv Alperovitz

- Executive gross salary is set at NIS 45,000 (approximately \$12,325) per month, which is the sum of gross monthly salary of NIS 35,000 (approximately \$9,586) and gross monthly global compensation for overtime work-hours of NIS 10,000 (approximately \$2,838).
- Entitled to an annual bonus of up to 20% of base remuneration, according to the Company's sole discretion.
- Entitled to 1,695,000 Options in accordance with the Company's Incentive Option Plan.
- The agreement may be terminated by either party at any time, by giving the other party 60 days advance notice.

Short-term Incentive Plan (STI)

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 research & development business development and corporate activities.

The STI performance measures align with our strategic priorities, shareholder value and fostering talented and engaged people and included the following: (i) securing and manage capital to support the company's growth; (ii) advance the scale-up of carbon capture applications through sorbent optimization, production scale-up and piloting; (iii) securing strategic partnerships and collaborations; and (iv) individual performance evaluation.

In addition, the board has discretion to adjust remuneration outcomes up or down to prevent any inappropriate reward outcomes, including reducing any deferred STI award.

Performance Conditions Linked to Remuneration

The incentive payments for the year ended 31 December 2025 have been approved by the Board on 4 February 2025.

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;
- an 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 2025 a total of 770,000 (31 December 2024: 12,673,375) options have been issued under this plan, out of which Nil were issued to KMP (31 December 2024: 12,530,250 options).

Group Performance

The table below shows the performance of the Group over the last 5 reporting periods:

Financial year	2025	2024	2023	2022	2021
Loss for the year	9,108,246	5,758,440	6,569,473	5,373,346	7,935,940
Loss per share (cents)	1.52	1.08	1.37	1.21	1.98
Share price	0.40	0.10	0.17	0.30	0.46

4. Non-executive Director fee arrangement

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\$600,000 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 \$233,055, a total of \$38,838 was paid and the balance of \$194,218 remains outstanding at 31 December 2025 (31 December 2024: \$354,266). During the year ended 31 December 2025 a total of Nil (31 December 2024: 9,000,000 options have been issued under the Plan. Non-executive Directors may receive additional remuneration for other services provided to the Group.

5. Details of remuneration

31 December 2025	Short Term Salary, Fees & Commissions	Bonus*	Other**	Equity Settled***	Performance based remuneration	Total
	US\$	US\$	US\$	US\$	%	US\$
Directors:						
Bernie Brookes	77,346	-	-	47,580	-	124,926
Doron Eldar	38,673	-	-	23,790	-	62,463
Kerry Harpaz	38,673	-	-	23,790	-	62,463
Sharon Malka	352,166	39,538	10,242	163,928	6.99%	565,874
Glenn Kelly	39,690	-	-	23,790	-	63,480
Mitchell Board	38,673	-	-	23,790	-	62,463
Key management:						
Michael Shtein*	88,854	8,520	1,861	21,863	7.04%	121,098
Liat Bar Ziv Alperovitz	203,136	8,324	3,386	40,589	3.26%	255,435
	<u>877,211</u>	<u>56,382</u>	<u>15,489</u>	<u>369,120</u>		<u>1,318,202</u>

* On 31 March 2025 Michael Shtein ceased to be KMP on resignation as Chief Technology Officer, the remuneration presented above is for the financial year until resignation date.

31 December 2024	Short Term Salary, Fees & Commissions	Bonus*	Other**	Equity Settled***	Performance based remuneration	Total
	US\$	US\$	US\$	US\$	%	US\$
Directors:						
Bernie Brookes	117,707	-	-	18,460	-	136,167
Doron Eldar	58,853	-	-	9,230	-	68,083
Kerry Harpaz	58,853	-	-	9,230	-	68,083
Sharon Malka	347,992	39,073	7,869	295,752	7.83%	690,686
Glenn Kelly	60,000	-	-	86,187	-	146,187
Mitchell Board	58,853	-	-	9,230	-	68,083
Key management:						
Michael Shtein	146,753	8,226	7,208	11,116	4.75%	173,303
Liat Bar Ziv Alperovitz	207,712	8,226	3,028	60,430	2.94%	279,396
	<u>1,056,723</u>	<u>55,525</u>	<u>18,105</u>	<u>499,635</u>		<u>1,629,988</u>

* Cash bonus is based on actual achievements of performance measures, which were partially achieved (~30% of max bonus) plus board discretion bonus in accordance with the Company's compensation policy.

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

*** Relates to equity settled options and performance rights.

6. Additional disclosures relating to key management personnel

KMP shareholdings

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

31 December 2025	Balance at the start of the year	Granted as Remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at the end of the year
	No.	No.	No.	No.	No.
Directors					
Bernie Brookes	3,340,000	-	-	-	3,340,000
Doron Eldar	1,990,371	-	-	-	1,990,371
Kerry Harpaz	26,902,690	-	-	-	26,902,690
Sharon Malka	605,880	-	-	-	605,880
Glenn Kelly	-	-	-	-	-
Michell Board	30,000	-	-	-	30,000
Key Management:					
Michael Shtein*	8,146,201	145,700	-	(8,291,901)	-
Liat Bar Ziv Alperovitz	174,148	145,700	-	-	319,848
Total	<u>41,189,290</u>	<u>291,400</u>	<u>-</u>	<u>(8,291,901)</u>	<u>33,188,789</u>

* On 31 March 2025 Michael Shtein ceased to be KMP on resignation as Chief Technology Officer, this is the balance as at resignation date.

Options awarded, vested and lapsed during the year

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

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

KMP Option holding

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

31 December 2025	Balance at the start of the year	Granted as remuneration	Exercised	Other changes	Balance at the end of the year	Vested and exercisable	Unvested and un- exercisable
	No.	No.	No.	No.	No.	No.	No.
Directors:							
Bernie Brookes	3,000,000	-	-	-	3,000,000	1,500,000	1,500,000
Doron Eldar	1,500,000	-	-	-	1,500,000	750,000	750,000
Kerry Harpaz	1,500,000	-	-	-	1,500,000	750,000	750,000
Sharon Malka	10,842,750	-	-	-	10,842,750	4,489,201	6,353,549
Glenn Kelly	4,500,000	-	-	-	4,500,000	2,750,000	1,750,000
Mitchell Board	1,500,000	-	-	-	1,500,000	750,000	750,000
	-	-	-	-	-	-	-
Key Management:							
Michael Shtein	500,000	-	-	(500,000)	-	-	-
Liat Bar Ziv Alperovitz	2,257,500	-	-	-	2,257,500	1,441,250	846,250
	<u>25,600,250</u>	<u>-</u>	<u>-</u>	<u>(500,000)</u>	<u>25,100,250</u>	<u>12,430,451</u>	<u>12,699,799</u>

* On 31 March 2025 Michael Shtein ceased to be KMP on resignation as Chief Technology Officer, this is the balance as at resignation date.

Performance Rights Holding

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

31 December 2025	Balance at the start of the year	Granted as remuneration	Vested	Expired/for feited/ other	Balance at the end of the year	Vested and exercisable	Unvested and un- exercisable
	No.	No.	No.	No.	No.	No.	No.
Directors:							
Bernie Brookes	-	-	-	-	-	-	-
Doron Eldar	-	-	-	-	-	-	-
Kerry Harpaz	-	-	-	-	-	-	-
Sharon Malka	2,000,000	-	-	(2,000,000)	-	-	2,000,000
Glenn Kelly	-	-	-	-	-	-	-
Mitchell Board	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Key Management:							
Michael Shtein	-	-	-	-	-	-	-
Liat Bar Ziv Alperovitz	-	-	-	-	-	-	-
	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>(2,000,000)</u>	<u>-</u>	<u>-</u>	<u>2,000,000</u>

Options

No options were issued to KPM during the year.

Ordinary Shares

During the reporting period, the Company granted 425,000 ordinary shares as short term incentives to KMP. The value of these shares was determined based on market price at issue date and totalled to AU\$36,125/US\$23,142.

7. Loans to KMP and their related parties

There were no loans with KMP and their related parties

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

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 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	Payable Balance
			2025 US\$	2024 US\$	2025 US\$	2024 US\$
RGO Family Trust – Rent		Doron Eldar	-	9,417	-	2,977
Doron Eldar			-		-	
RGO Family Trust – Investor relations		Doron Eldar	-	27,465	-	8,685
Doron Eldar			-		-	
Kerry Harpaz	Interest paid	Kerry Harpaz	-	6,539	-	-
Mitchell Board	Interest paid	Mitchell Board	-	9,808	-	-

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

At the AGM held on 31 May 2025, 98.75% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2024. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

This concludes the remuneration report, which has been audited.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Bernie Brookes AM
 Chairman

24 February 2026



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

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY NEIL SMITH TO THE DIRECTORS OF DOTZ NANO LIMITED

As lead auditor of Dotz Nano Limited for the year ended 31 December 2025, 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.

A handwritten signature in black ink, appearing to read 'Neil Smith', with a stylized flourish at the end.

Neil Smith
Director

BDO Audit Pty Ltd
Perth
24 February 2026

Dotz Nano Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2025



	Note	31 December 2025 US\$	31 December 2024 US\$
Revenue			
Revenue	4	285,782	-
Cost of revenue		(107,441)	-
Gross profit		<u>178,341</u>	<u>-</u>
Expenses			
Research and development expenses	5	(1,144,672)	(1,314,079)
General, administrative, selling and marketing expenses	6	(2,119,778)	(2,934,035)
Share based compensation	25	(462,211)	(488,603)
Impairment of intangible assets	18	(3,786,590)	-
Operating loss		(7,334,910)	(4,736,717)
Finance costs	7	(1,773,335)	(1,021,723)
Loss before income tax expense		(9,108,245)	(5,758,440)
Income tax expense	8	-	-
Loss after income tax expense for the year attributable to the owners of Dotz Nano Limited		(9,108,245)	(5,758,440)
Other comprehensive income loss			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations	24	(304,298)	(74,820)
Other comprehensive income loss for the year, net of tax		(304,298)	(74,820)
Total comprehensive income loss for the year		<u>(9,412,543)</u>	<u>(5,833,260)</u>
		Cents	Cents
Basic and diluted loss per share	11	(1.52)	(1.08)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Dotz Nano Limited
Consolidated statement of financial position
As at 31 December 2025



	Note	31 December 2025 US\$	31 December 2024 US\$
Assets			
Current assets			
Cash and cash equivalents	12	1,096,689	799,853
Trade and other receivables	14	108,286	27,657
Other assets	17	46,567	94,298
Total current assets		<u>1,251,542</u>	<u>921,808</u>
Non-current assets			
Plant and equipment	15	206,688	230,710
Right-of-use assets	16	613,731	224,667
Intangible assets	18	-	4,158,765
Total non-current assets		<u>820,419</u>	<u>4,614,142</u>
Total assets		<u>2,071,961</u>	<u>5,535,950</u>
Liabilities			
Current liabilities			
Trade and other payables	19	1,053,629	991,987
Lease liabilities	16	330,470	239,528
Financial liability	20	2,985,889	2,938,239
Derivative financial instrument	21	402,396	900,653
Provisions		112,265	58,584
Liability for unissued shares	22	-	37,221
Total current liabilities		<u>4,884,649</u>	<u>5,166,212</u>
Non-current liabilities			
Lease liabilities	16	296,574	-
Financial liability	20	323,977	-
Total non-current liabilities		<u>620,551</u>	<u>-</u>
Total liabilities		<u>5,505,200</u>	<u>5,166,212</u>
Net assets/ (liabilities)		<u>(3,433,239)</u>	<u>369,738</u>
Equity			
Issued capital	23	49,331,420	43,702,146
Reserves	24	9,335,902	9,659,908
Accumulated losses		<u>(62,100,561)</u>	<u>(52,992,316)</u>
Total (equity/ (deficiency))		<u>(3,433,239)</u>	<u>369,738</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Dotz Nano Limited
Consolidated statement of changes in equity
For the year ended 31 December 2025



	Issued Capital	Performance Rights Reserve	Options Reserve	Foreign Currency Reserve	Accumulated losses	Total in equity
	US\$	US\$	US\$	US\$	US\$	US\$
Balance at 1 January 2024	40,701,153	-	8,885,736	46,653	(47,233,876)	2,399,666
Loss after income tax expense for the year	-	-	-	-	(5,758,440)	(5,758,440)
Other comprehensive income loss for the year, net of tax	-	-	-	(74,820)	-	(74,820)
Total comprehensive income loss for the year	-	-	-	(74,820)	(5,758,440)	(5,833,260)
<i>Transactions with owners in their capacity as owners:</i>						
Issue of shares (note 23)	2,936,148	-	-	-	-	2,936,148
Share-based payments (note 25)	64,845	15,289	787,050	-	-	867,184
Balance at 31 December 2024	<u>43,702,146</u>	<u>15,289</u>	<u>9,672,786</u>	<u>(28,167)</u>	<u>(52,992,316)</u>	<u>369,738</u>
	Issued Capital	Performance Rights Reserve	Options Reserve	Foreign Currency Reserve	Accumulated losses	Total in equity
	US\$	US\$	US\$	US\$	US\$	US\$
Balance at 1 January 2025	43,702,146	15,289	9,672,786	(28,167)	(52,992,316)	369,738
Loss after income tax expense for the year	-	-	-	-	(9,108,245)	(9,108,245)
Other comprehensive income loss for the year, net of tax	-	-	-	(304,298)	-	(304,298)
Total comprehensive income loss for the year	-	-	-	(304,298)	(9,108,245)	(9,412,543)
<i>Transactions with owners in their capacity as owners:</i>						
Issue of shares (net of cost)(note 23)	5,606,001	-	(685,386)	-	-	4,920,616
Share-based payments (note 25)	23,272	-	438,939	-	-	462,211
Options issued to Mercer (note 20)	-	-	31,336	-	-	31,336
Options issued to H2B	-	-	47,079	-	-	47,079
Option issued to Joint Lead Manager	-	-	118,184	-	-	118,184
Conversion options	-	-	30,140	-	-	30,140
Balance at 31 December 2025	<u>49,331,419</u>	<u>15,289</u>	<u>9,653,078</u>	<u>(332,465)</u>	<u>(62,100,561)</u>	<u>(3,433,239)</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Dotz Nano Limited
Consolidated statement of cash flows
For the year ended 31 December 2025



	Note	31 December 2025 US\$	31 December 2024 US\$
Cash flows from operating activities			
Receipts from customers		295,367	7,050
Payments to suppliers and employees		(2,423,313)	(3,106,148)
Interest received		1,398	4,026
Interest paid		(30,143)	(19,344)
Net cash used in operating activities	13	(2,156,691)	(3,114,416)
Cash flows from investing activities			
Payments for plant and equipment		(42,039)	(81,688)
Net cash used in investing activities		(42,039)	(81,688)
Cash flows from financing activities			
Proceeds from issue of shares	23	1,927,394	1,755,937
Proceeds from issue of convertible loan	20	838,475	4,204,017
Proceeds from borrowings		-	575,767
Repayment of borrowings		-	(3,210,331)
Repayment of lease liabilities		(281,644)	(273,496)
Transaction costs relating to borrowings		-	(374,669)
Proceeds from unissued shares		-	37,222
Net cash from financing activities		2,484,226	2,714,447
Net increase/(decrease) in cash and cash equivalents		285,495	(481,657)
Cash and cash equivalents at the beginning of the financial year		799,853	1,345,529
Effects of exchange rate changes on cash and cash equivalents		11,341	(64,019)
Cash and cash equivalents at the end of the financial year	12	<u>1,096,689</u>	<u>799,853</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Reporting entity

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 24 February 2026.

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 2. Material accounting policies

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.

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 2025 of US\$9,108,245 (31 December 2024: US\$5,758,440) and net cash outflows from operating activities of US\$2,156,691 (31 December 2024 : US\$3,114,416). The Group had working capital deficit of US\$3,633,107 (31 December 2024: working capital of US\$4,244,402).

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

The Group has prepared a cash flow forecast, which indicates that the entity will be required to raise funds to provide additional working capital and to continue to fund its business activities. The ability of the Group to continue as a going concern is dependent on securing additional funding by capital raise or other means.

The Directors of Dotz 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. The Directors believe that there will be sufficient funds available to continue to meet the Group's working capital requirements for the following reasons:

- The Group is managing the maturity dates of the existing convertible notes and is in discussions to confirm the extension of maturity dates.
- 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 and the directors plan to raise A\$2-3 million in the second quarter of 2026.
- 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 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 2. Material accounting policies (continued)

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 2025. 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.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

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 Group's presentational currency.

Transaction and balances

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

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

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

Group companies

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

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

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

The accounting policies that are material to the consolidated entity are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Going Concern

Management has made a significant judgement in determining that the Company will continue as a going concern for a period of at least 12 months from the end of the reporting period. This judgement is based on an evaluation of the facts and circumstances available at the date of this report, including the feasibility of future revenue, capital raisings and cost reductions.

While there are inherent uncertainties in projecting future events, Management has concluded that the application of the going concern basis of accounting is appropriate.

Share based payments

The Group initially measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them, as well as an assessment of the probability of achieving non-market based vesting conditions.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 25 'Share-based payments'

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.

Financial liability

Included in note 20 is a financial liability in relation to convertible securities agreement. There are significant estimates and judgements involved in determining the fair value of the various components of the hybrid instrument.

Acquisition of intangible assets

The Group initially measured the cost of equity-based contingent consideration, with regards to the acquisition of technology-based assets, by reference to the fair value of the equity instruments at the date of the acquisition. This estimate requires determination of the probability of future events to occur or conditions to be met.

Intangible assets

Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Note 4. Revenue

	21 December 2025 US\$	31 December 2024 US\$
Revenue	<u>285,782</u>	<u>-</u>

Note 4. Revenue (continued)

Revenue from sale of products

The revenue 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 sale of products 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.

Note 5. Research and development expenses

	31 December 2025 US\$	31 December 2024 US\$
Wages and benefits	484,128	510,399
Consulting fees	109,716	186,039
Lab expenses	3,870	199,237
SRA, patent & Licence fee	12,846	156,322
Amortisation of intangible assets to impairment date	372,174	106,335
Other expenses	161,938	155,747
Total	<u>1,144,672</u>	<u>1,314,079</u>

Accounting policy research and development expenses

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.

Note 6. General, administrative, selling and marketing expenses

	31 December 2025 US\$	31 December 2024 US\$
Wages and benefits	1,003,338	1,102,541
Consulting fees	408,919	467,366
Sales and marketing expenses	87,323	294,666
Director fees	233,055	353,836
Other expenses	387,143	715,626
Total	<u>2,119,778</u>	<u>2,934,035</u>

Accounting policy for operating expenses

Operating expenses (including general, administrative, selling and marketing expenses) are recognised in profit or loss upon utilisation of the service or at the date of their origin.

Note 7. Finance costs

	31 December 2025 US\$	31 December 2024 US\$
Finance expenses, net	24,612	275,816
Derivative financial instrument costs	1,704,095	997,633
Finance expenses (income) FX	44,628	(251,726)
Finance costs	<u>1,773,335</u>	<u>1,021,723</u>

Note 8. Income tax

The financial accounts for the year ended 31 December 2025 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 30% (2025:30%). The applicable tax rate in Israel is 23% (2024: 23%).

	31 December 2025 US\$	31 December 2024 US\$
(a) Income tax expense	-	-
Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>

(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 expense/(benefit) on operating loss at 30% (2024: 30%)	(2,732,474)	(1,727,532)
Non-deductible items	-	-
Non-deductible expenditure	720,054	653,512
Adjustment for difference in tax rates	337,447	(19,768)
Temporary differences not recognised	1,674,973	1,093,788
Income tax attributable to operating income/(loss)	<u>-</u>	<u>-</u>
Deferred tax assets	-	-
Tax losses	540,379	1,110,528
Other deductions	122,277	30,779
Unrecognised deferred tax asset	<u>662,656</u>	<u>1,141,307</u>
Set-off deferred tax liabilities	<u>-</u>	<u>-</u>
Less deferred tax assets not recognised	<u>(662,656)</u>	<u>(1,141,307)</u>
Net assets	<u>-</u>	<u>-</u>
Deferred tax liabilities	-	-
Set-off deferred tax assets	-	-
Net deferred tax liabilities	<u>-</u>	<u>-</u>
Tax losses	-	-
Unused tax losses for which no deferred tax asset has been recognised	<u>11,565,737</u>	<u>10,408,390</u>

Note 8. Income tax (continued)

Carry forward losses

Potential future income tax benefits attributable to tax losses carried forward have not been brought to account at 31 December 2025, because the Directors do not believe it is appropriate to regard realisation of the future income tax benefits as probable.

Accounting policy for 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 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 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.

Note 9. Related party transactions

Subsidiaries

Interests in subsidiaries are set out in note 30.

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:

Note 9. Related party transactions (continued)

	31 December 2025 US\$	31 December 2024 US\$
Short-term salary, fees and commissions	877,211	1,056,723
Bonus and other	71,871	73,630
Share based payments (Refer Note 25)	369,120	499,635
Total KMP Compensation	<u>1,318,202</u>	<u>1,629,988</u>

b) Other related party transactions

All transactions were made on normal commercial terms and conditions and at market rates. Details of other related party transactions is provided in remuneration report and summarised below:

Entity	Nature of transactions	Key Management Personnel	Total Transactions 2025 US\$	Total Transactions 2024 US\$	Payable Balance 2025 US\$	Payable Balance 2024 US\$
RGO Family Trust – Rent		Doron Eldar	-	9,417	-	2,977
Doron Eldar			-		-	
RGO Family Trust – Investor relations		Doron Eldar	-	27,465	-	8,685
Doron Eldar			-		-	
Kerry Harpaz	Interest paid	Kerry Harpaz	-	6,539	-	-
Mitchell Broad	Interest paid	Mitchell Broad	-	9,808	-	-

On 3 September 2025 and 21 September 2025, the Company entered into unsecured Convertible Loan Agreements with Southern Israel Bridging Fund Two, LP (the Lender), a related party for principal amounts of AUD 200,000 and AUD 150,000, respectively, each with a 24 month term. The loans bear interest at 12.0% per annum, payable quarterly in cash, with principal repayable at maturity unless the Lender elects to convert all or part of the outstanding amounts into fully paid ordinary shares at AUD 0.04 per share prior to or on maturity. In addition, the Lender is entitled to 8.5 options for each AUD 1 advanced, exercisable at AUD 0.055 and expiring 24 months from the date of issue. The loans may be prepaid with the Lender's prior written consent

Note 10. Auditor's remuneration

	31 December 2025 US\$	31 December 2024 US\$
Remuneration of the auditor of the Group for:		
- Auditing and reviewing the financial reports (BDO) - Australia	63,488	59,311
- Auditing and reviewing the financial reports (BDO) - Israel	48,975	44,625
	<u>112,463</u>	<u>103,936</u>
Non-assurance services		
- Tax (BDO) - Australia	-	9,678
- Tax (BDO) - Israel	4,000	4,000
	<u>4,000</u>	<u>13,678</u>

Note 11. Loss per share

	31 December 2025 US\$	31 December 2024 US\$
Loss after income tax attributable to the owners of Dotz Nano Limited	<u>(9,108,245)</u>	<u>(5,758,440)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic loss per share	<u>598,102,778</u>	<u>531,474,957</u>
Weighted average number of ordinary shares used in calculating diluted loss per share	<u>598,102,778</u>	<u>531,474,957</u>
	Cents	Cents
Basic and diluted loss per share	(1.52)	(1.08)

Accounting policy for loss per share

Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to the owners of Dotz Nano Limited, 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 financial year.

Diluted loss per share

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 shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 12. Cash and cash equivalents

	31 December 2025 US\$	31 December 2024 US\$
Cash at bank	1,096,689	762,632
Restricted cash	<u>-</u>	<u>37,221</u>
Total cash and cash equivalents in the statement of cash flows	<u>1,096,689</u>	<u>799,853</u>

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 13. Cash flow information

Reconciliation of loss after income tax to net cash used in operating activities

	31 December 2025 US\$	31 December 2024 US\$
Loss after income tax expense for the year	(9,108,245)	(5,758,440)
Adjustments for:		
Depreciation	66,060	78,926
Loss on disposal of fixed assets	-	22,542
Impairment of intangibles	3,786,590	-
Share-based payments (benefit)/expense	462,211	488,603
Foreign exchange	78,373	68,134
Amortisation	372,174	106,335
Depreciation charge related to right-of-use assets	251,350	245,090
Finance expense	1,711,805	1,278,236
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(80,628)	159,412
Decrease in prepayments	47,731	37,867
Decrease in inventory	-	7,319
Increase in trade and other payables	202,208	139,330
Increase in other provisions	53,680	12,230
Net cash used in operating activities	<u>(2,156,691)</u>	<u>(3,114,416)</u>

Non-cash investing and financing activities

During the financial year the Company issued 11,500,000 ordinary shares value at US\$638,524 and 2,500,000 options valued at US\$46,862 under the Assets Acquisition Agreement with H2 Blue Tech Ltd.

On 3 September 2025, the Company entered into an unsecured convertible loan agreement with Or Haim Joint Spaces Ltd. for a principal amount of AUD 220,478, which was applied by way of set-off against outstanding rental liabilities. The loan has a term of 24 months and bears interest at 12% per annum. The lender may elect to convert all or part of the outstanding principal and accrued interest into fully paid ordinary shares at a conversion price of AUD 0.04 per share at any time prior to or on the maturity date, subject to applicable regulatory requirements. The Company also issued unlisted options exercisable at AUD 0.055 per share, expiring 24 months from the date of issue. The loan was fully converted on 8 October 2025.

There were no other non-cash investing and financing activities during the year.

Changes in liabilities arising from financing activities

	US\$
Balance at 1 January 2024	2,875,324
Net cash from financing activities	1,194,784
Other changes	<u>(1,131,869)</u>
Balance at 31 December 2024	2,938,239
Net cash from financing activities	2,484,225
Other changes	<u>(2,112,598)</u>
Balance at 31 December 2025	<u>3,309,866</u>

Note 14. Trade and other receivables

	31 December 2025 US\$	31 December 2024 US\$
<i>Current assets</i>		
Other receivables	108,286	27,657

Accounting policy for trade and other receivables

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 27.

Note 15. Plant and equipment

	31 December 2025 US\$	31 December 2024 US\$
<i>Non-current assets</i>		
Plant and equipment - at cost	803,857	761,819
Less: Accumulated depreciation	(597,169)	(531,109)
	206,688	230,710
Opening balance at reporting date	230,710	250,490
Additions	42,038	81,688
Disposal	-	(22,542)
Depreciation	(66,060)	(78,926)
Balance at the end of the year	206,688	230,710

Accounting policy for property, 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 property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	3-10 years
Plant and equipment	3-7 years

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

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

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

Note 16. Right-of-use assets

	31 December 2025 US\$	31 December 2024 US\$
<i>i. AASB 16 related amounts recognised in the statement of financial position</i>		
Office space - right-of-use	613,731	224,667

Note 16. Right-of-use assets (continued)

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.

ii. Lease liabilities included in the statement of financial position

Current	330,470	239,528
Non-current	296,574	-
Total lease liabilities	627,044	239,528

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

Depreciation charge related to right-of-use assets	251,350	245,090
Interest expense on lease liabilities (under finance cost)	11,181	12,873
	262,531	257,963

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

Cash outflows in financing activities	281,644	243,901
Cash outflows in operating activities	11,182	12,873
	292,826	256,774

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 (A\$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.

Accounting policy for leases

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

Group as a lessee

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

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

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

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

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

Note 16. Right-of-use assets (continued)

Right-of-use asset

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Right-of-use assets that meet the definition of investment property are measured at fair value where the consolidated entity has adopted a fair value measurement basis for investment property assets.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 17. Other assets

	31 December 2025 US\$	31 December 2024 US\$
<i>Current assets</i>		
Prepayments	46,567	94,298

Note 18. Intangible assets

	31 December 2025 US\$	31 December 2024 US\$
<i>Non-current assets</i>		
Intangible assets - at cost, net of amortisation	-	4,158,765

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Total US\$
Balance at 1 January 2024	4,265,100
Amortisation expense	(106,335)
Balance at 31 December 2024	4,158,765
Amortisation expense	(372,174)
Impairment of assets	(3,786,591)
Balance at 31 December 2025	-

Note 18. Intangible assets (continued)

Background

The Company entered into initial transaction with H2 Blue Tech Ltd on 19 March 2023 to acquire its innovative Carbon Dioxide (CO₂) capture technology. The agreement was further amended on 3 August 2023 and 30 January 2024 ("Asset Purchase Agreement"). The terms of the original transactions were as follows:

Dotz acquired H2 Blue's assets and technology for upfront consideration of 19,500,000 Shares and 8,000,000 Options in Dotz as well as US\$450,000 in cash plus additional deferred consideration of up to a further 24,300,000 Shares and 25,000,000 Options in Dotz and US \$1,630,000 in cash, which may be payable for achievement of certain performance milestones.

Under the Asset Purchase Agreement the consideration comprised of the following:

- Cash consideration of \$450,000 and associated costs of \$141,731, paid upon closing.
- Issue of consideration ordinary shares (15,700,000 at A\$0.19) valued at \$1,931,761 (refer to Note 21)
- Payable upfront payment balance of \$300,000. On February 5, 2024, the company signed a second amendment to the Asset Purchase Agreement, according to which the Company will issue 3,800,000 Ordinary shares in lieu of cash upfront payment of \$300,000.
- Issue of consideration options (8,000,000 @ exercise price of A\$0.80) valued at \$159,598 using Black and Scholes option valuation (refer to Note 22)

Payable upfront payment balance of \$300,000. On February 5, 2024, the company signed a second amendment to the Asset Purchase Agreement, according to which the Company will issue 3,800,000 Ordinary shares in lieu of cash upfront payment of \$300,000.

- Non-cash consideration being settled by issuance of shares and option measured as of the acquisition date valued at \$1,282,010.
- The achievement of the milestones was assessed to have a probability of between 30-50% in the following years. This judgement was based on the early stage development and uncertainty with regards to the time the key milestones will be achieved.

On January 15, 2025, the Company and H2B signed a third amendment to the Asset Purchase Agreement and general release. Under this third amendment and following the achievement of certain milestones, the Company issued H2B 11.5 million shares, of which 2.5 million shares are subject to voluntary escrow until 15 January 2026 and 2.5 million unlisted options, become fully vested and exercisable on 15 January 2026 at price per ordinary share of A\$0.165, and expired 24 months thereafter.

In addition, each of the parties has discharged and extinguished all obligations and liabilities toward the other in connection with the Asset Purchase Agreement. No further securities are required to be issued under the Asset Purchase Agreement and no further payments are required to be made.

Accounting policy for intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Note 18. Intangible assets (continued)

Initial classification

Given the asset technology readiness level at the date of the acquisition it was not yet available for use. As such, the asset, was initially classified as having an indefinite useful life upon acquisition. The Group tested whether carrying value of intangible assets not yet ready for use have suffered any impairment on an annual basis in accordance with AASB 136.

Revised classification

Following substantial development advancements made during 2024 and completion of development milestones and in light of the asset's operational status and the evolving nature of the technology industry, the initial classification of an indefinite useful life no longer applies. Hence, the Group reclassified the asset to having finite useful life and estimated a useful life of 10 years, which reflects the period during which the Group believed that the asset is expected to generate economic benefits. As a result, the asset was amortized over its estimated useful life. The amortization method was straight-line based on the company's accounting policies.

Impairment

During the fourth quarter of 2025, as a result of a comprehensive accumulation of technical and market data points, the company took a decision to abandon the licensed asset. The decision to terminate the license agreement constitute a clear external indicator of impairment. Following termination, technology rights revert to Rice University and Dotz can't generate any future value from it. As technology is no longer expected to generate future economic benefits or achieve commercial viability, its "Value in Use" is determined to be zero.

Note 19. Trade and other payables

	31 December 2025 US\$	31 December 2024 US\$
<i>Current liabilities</i>		
Trade payables	494,408	431,657
Accruals	559,221	560,330
	<u>1,053,629</u>	<u>991,987</u>

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

All amounts are short-term. The carrying values are considered to approximate fair value. For risk exposure refer to Note 27.

Note 20. Financial liability

	31 December 2025 US\$	31 December 2024 US\$
<i>Current liabilities</i>		
Financial liability - Mercer (i)	2,985,889	2,938,239
<i>Non-current liabilities</i>		
Financial liability (ii)	323,977	-
Net carrying amount of financial instruments	<u>3,309,866</u>	<u>2,938,239</u>

Note 20. Financial liability (continued)

	31 December 2025 US\$	31 December 2024 US\$
Opening balance	2,938,239	1,871,513
Less repayment of Lind liability		(1,871,513)
Financial liability at inception	312,432	2,833,627
Less: transaction costs	(44,755)	(564,150)
Finance cost (accretion of debt)	598,351	1,040,019
Partial settlement of financial liability	(1,135,191)	(228,755)
Foreign exchange impact	316,813	(142,502)
Financial liability at closing date	<u>2,985,889</u>	<u>2,938,239</u>

	31 December 2025 US\$	31 December 2024 US\$
Financial liability at inception	710,593	-
Finance cost	2,104	-
Partial settlement of financial liability	(398,559)	-
Foreign exchange impact	9,839	-
Financial liability at closing date	<u>323,977</u>	<u>-</u>

(i) Financial Liability - Mercer

On 5 February 2024, the Company and Mercer Street Global Opportunity Fund, LLC (Mercer) entered into a convertible securities agreement (Convertible Securities Agreement). Under the Convertible Securities Agreement the Company will issue to Mercer (or its nominees) up to 13,200,000 convertible notes with a face value of A\$1 (Convertible Notes) in consideration for investment of up to A\$12,000,000. Upon issuance of convertible notes, the Company will issue to Mercer Initial Commencement Shares, options at \$0.35 per share with a 36-month maturity pro-rata with each investment amount.

The key terms of the Convertible Securities Agreement are detailed below:

- The maturity date of Convertible notes is 18 months from date of issuance. The company is in discussion to extend the maturity date of 552,730 convertible securities that matured on 5 February 2026.
- Mercer may (at its absolute discretion) convert the Convertible Notes at any time prior to the date which is 18 months from their date of issue, by giving the Company a conversion notice.
- Conversion price: if the conversion notice is given on or before the date that is three months after the first closing, conversion price will be 120% of the VWAP during the preceding ten (10) trading days. if the conversion notice is given after the date that is three months following the first closing, conversion price will be the lesser of 90% of the two lowest daily VWAPs during the preceding twenty (20) trading days on which shares were traded in the ordinary course of business or a minimum conversion price of A\$0.09.
- The Company may elect in writing to repurchase all of the Convertible Notes on issue at a 1.03 times premium, subject to compliance with the law and ASX Listing Rule

The funding facility provided by Mercer is a hybrid instrument which includes a combination of 'debt' financial liability that represents the contractual cashflows and a derivative financial liability that represents the conversion feature. The conversion feature is an embedded derivative liability which is required to be recognised at fair value through profit or loss.

Note 20. Financial liability (continued)

Investment by Mercer:

On 5 February 2024, the Company issued Mercer 2,200,000 Convertible Notes, 2,857,143 Options and 475,889 Initial Commencement Shares, in consideration for A\$2 million investment;

On 19 March 2024, the Company issued Mercer 3,300,000 Convertible Notes, 4,285,714 Options and 475,889 Initial Commencement Shares, in consideration for A\$2 million investment;;

On 27 November 2024, the Company and Mercer executed a deed of variation in respect to the Convertible Securities Agreement, for which the Company obtained shareholders' approval on 9 January 2025. According to the variation deed Mercer invested additional A\$2 million in consideration for convertible notes, options at \$0.175 per share with a 36-month maturity and commencement shares for nil consideration as follow:

- On 27 November 2024, the Company issued Mercer 1,650,000 Convertible Notes, 4,285,714 Option sand 666,244 Initial Commencement Shares in consideration for A\$1.5 million investment;
- On 5 February 2025, the Company issued Mercer 550,000 Convertible Notes and 1,428,571 Options in consideration for A\$0.5 million investment (See note 31).

Convertible Note Conversions

As of 31 December 2025, the following convertible notes were converted:

- On 6 January 2025, the Company converted AU\$259,422 into 3,496,259 ordinary shares at a price of \$0.074 per share, as per the Convertible Securities Agreement.
- On 31 January 2025, the Company converted AU\$172,270 into 2,300,000 ordinary shares at a price of \$0.075 per shares, as per the Convertible Securities Agreement.
- On 29 April 2025, the Company converted AU\$250,000 into 4,570,384 ordinary shares at a price of \$0.055 per share, as per the Convertible Securities Agreement.
- On 8 August 2025, the Company converted AU\$200,000 into 5,000,000 ordinary shares at a price of \$0.04 per share, as per the Convertible Securities Agreement.
- On 3 September 2025, the Company converted AU\$500,000 into 12,500,000 ordinary shares at a price of \$0.04 per share, as per the Convertible Securities Agreement.
- On 23 September 2025, the Company converted AU\$700,000 into 5,000,000 ordinary shares at a price of \$0.04 per share, as per the Convertible Securities Agreement.
- On 30 October 2025, the Company converted AU\$300,000 into 5,000,000 ordinary shares at a price of \$0.05 per share, as per the Convertible Securities Agreement.

(ii) Financial Liability – Other

During the reporting period the Company entered into short term loan agreements with various parties totalling to AU\$1,200,000 (US\$783,820) The loan term is for 24 months with an annual interest rate of 12% of the principal loan amount to be paid on quarterly basis. The Company issued 8.5 options for every A\$1 advanced under each loan, with exercise price of A\$0.055, expiring on the second anniversary on which they were issued. The loans are unsecured and the lenders have a right to convert into securities of the Company at any time prior to or on the maturity date at a fixed conversion price of A\$0.04.

On 8 October 2025, 16,811,950 ordinary shares were issued to settle A\$672,478 unsecured loans conversion.

Accounting policy for borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

The component of the financial liability that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

Note 20. Financial liability (continued)

The funding arrangement with Mercer is a hybrid financial instrument which includes a combination of debt financial liability, a derivative financial liability that represents the conversion feature to convert the debt instrument into a variable number of equity instruments and a derivative equity component representing the options issued.

On initial recognition, the embedded derivatives are recognised at fair value and the debt host liability is initially recognised based on the residual value from deducting the fair value of the embedded derivatives from the amount of consideration received from issuing the instruments.

The debt component is subsequently recognised as a financial liability at amortised cost, net of transaction costs. The difference between the fair value of the debt component on initial recognition and the redemption amount, is recognised in profit or loss over the period of the instrument using the effective interest method.

The derivative liability is subsequently measured at fair value through profit or loss, with all gains or losses in relation to the movement of fair value being recognised in the profit or loss.

Transaction costs are apportioned to the debt liability, the embedded derivative and equity component in proportion to the allocation proceeds. The transaction costs attributed to the conversion feature are expensed immediately and the transaction costs attributed to the debt and equity components are offset against these components.

Financial liabilities are removed when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished and the consideration paid is recognised in profit or loss as other income or finance costs.

The Company accounts for convertible loan as compound financial instruments, containing both a liability and an equity component.

In accordance with the residual value method, the financial liability component is initially recognized at the fair value of a similar liability that does not have an associated equity conversion feature. This fair value is determined by discounting the future stream of contractual cash flows (interest and principal) at the market rate of interest prevailing at the time of issuance for non-convertible debt with similar credit status and terms.

The conversion feature is classified as equity as it satisfies the "fixed-for-fixed" criterion (the instrument will be settled by the Company delivering a fixed number of its own shares for a fixed amount of cash). The equity component is assigned the residual amount, calculated as the difference between the total proceeds of the convertible note and the fair value assigned to the liability component.

Directly attributable transaction costs are allocated to the liability and equity components in proportion to the allocation of the gross proceeds.

After initial recognition, the financial liability component is measured at amortized cost using the effective interest method. The periodic accretion of the discount to the face value of the note is recognized as finance costs in the Statement of Profit or Loss. The equity component (recognized within "Convertible Note Reserve" or "Other Equity") is not remeasured.

Upon conversion of the instrument into common shares, the carrying amount of the liability component at the date of conversion, together with the original equity component, is transferred to Share Capital and Share Premium. No gain or loss is recognized upon conversion.

If the Company redeems or repurchases the instrument, the consideration paid (including transaction costs) is allocated to the liability and equity components at the date of the transaction.

Note 21. Derivative financial instrument

	31 December 2025 US\$	31 December 2024 US\$
<i>Current liabilities</i>		
Embedded derivative - financial liability at fair value through P&L	<u>402,396</u>	<u>900,653</u>

Note 21. Derivative financial instrument (continued)

	31 December 2025 US\$	31 December 2024 US\$
Opening balance	900,653	-
Embedded derivate liability at inception	134,023	1,395,867
Partial settlement of embedded derivative	(409,788)	(194,206)
Fair value movement on embedded derivative	(222,492)	(301,008)
Closing balance	<u>402,396</u>	<u>900,653</u>

Refer to note 20 for further information.

Note 22. Liability for unissued shares

	31 December 2025 US\$	31 December 2024 US\$
<i>Current liabilities</i>		
Liability for unissued shares	-	37,221

Note 23. Issued capital

(a) Share Capital

	31 December 2025 Shares	31 December 2024 Shares	31 December 2025 US\$	31 December 2024 US\$
Ordinary shares - fully paid	<u>693,099,090</u>	<u>547,340,977</u>	<u>49,331,420</u>	<u>43,702,146</u>

(b) Reconciliation of Share Capital

Opening balance at 1 January 2024	513,884,881	40,701,153
Consideration from Lind Partners for initial shares	-	435,710
Shares issued under the placement	19,660,000	1,320,227
Shares issued under share option plan	1,049,982	64,845
Shares issued on convertible loans	8,946,114	788,993
Shares issued to H2 Blue Tech Limited	3,800,000	421,364
Less: capital raising costs	-	(30,146)
Closing balance at 31 December 2024	547,340,977	43,702,146

(b) Reconciliation of Share Capital

Opening balance at 1 January 2025	547,340,977	43,702,146
Shares issued under the placement	63,118,572	2,033,805
Shares issued on convertible loans	51,902,591	2,254,597
Shares issued to H2 Blue Tech Limited	11,500,000	628,299
Shares issued on unsecured loans	16,811,950	928,384
Shares issued under option plan	425,000	23,272
Shares issued to lead manager	2,000,000	54,434
Capital raising costs	-	(293,518)
Closing balance at 31 December 2025	693,099,090	49,331,419

Note 23. Issued capital (continued)

(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

The were no performance shares on issue as at 31 December 2025 (31 December 2024: Nil).

Accounting policy for issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 24. Reserves

(a) Reserves

	31 December 2025 US\$	31 December 2024 US\$
(a) Foreign currency reserve	(332,465)	(28,167)
(b) Options and equity reserve	9,668,367	9,672,786
(c) Performance rights reserve	-	15,289
	<u>9,335,902</u>	<u>9,659,908</u>

(a) Foreign currency translation reserve

	US\$	US\$
Opening balance	(28,167)	46,653
Difference arising on translation	(304,298)	(74,820)
Balance at the end of the year	<u>(332,465)</u>	<u>(28,167)</u>

(b) Options and equity reserve

Opening balance at 1 January 2024	69,379,894	8,885,736
Options issued to Mercer	11,428,571	309,410
Options issued attaching to the Placement	19,660,000	-
Options issued to Directors	9,000,000	55,380
Options issued to CEO	1,467,750	16,035
Options issued to executives and employees	2,205,625	41,477
Vesting of exercise related to options	-	364,748
Closing balance at 31 December 2024	<u>113,141,840</u>	<u>9,672,786</u>

Note 24. Reserves (continued)

Opening balance at 1 January 2025	113,141,840	9,672,786
Options issued as attaching under Placement	53,535,258	-
Options issued to H2B Tech	2,500,000	47,079
Options issued as attaching to Unsecured Loan	7,246,063	-
Options issued to Mercer	1,428,571	31,336
Options issued to executive and employees	770,000	12,216
Options issued to Joint Lead Manager	12,000,000	118,184
Cancellation of options	(10,991,250)	-
Vesting of ESOP options	-	442,012
Conversion options	-	30,140
Movement on settlement of contingent options and shares	-	(685,386)

Closing balance at 31 December 2025	179,630,482	9,668,367
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(c) Performance rights reserve

Performance rights issued to CEO	2,000,000	15,289
Closing balance at 31 December 2024	2,000,000	15,289

Opening balance at 1 January 2025	2,000,000	15,289
Cancellation of performance rights	(2,000,000)	(15,289)

Closing balance at 31 December 2025	-	-
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Accounting policy for reserves

Foreign currency reserve

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

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Note 25. Share-based payments

The following new share-based payment arrangements existed at 31 December 2025:

The Company recognised the following share based payment arrangements at 31 December 2025:

- The Company granted 12,000,000 options to Lead Manager with exercise price of A\$0.10 and expiry date of 30 May 2028. During the year ended 31 December 2025 a total of \$118,184 was recognised as share based payment as capital raising costs in equity.
- The Company granted 770,000 options to employees with exercise price of A\$0.10 and expiring 5 years from grant date. During the year ended 31 December 2025 a total of \$25,121 was recognised as share based payment.
- The Company granted 425,000 shares to employees. During the year ended 31 December 2025 a total of \$23,142 was recognised as share based payment.

Note 25. Share-based payments (continued)

Options

Set out below are summaries of options granted during the year:

	Number of options 31 December 2025	Weighted average exercise price 31 December 2025	Number of options 2024	Weighted average exercise price 2024
Outstanding at the beginning of the financial year	27,943,375	US\$0.311	16,107,500	US\$0.350
Granted	770,000	US\$0.100	12,673,375	US\$0.180
Forfeited	-	US\$0.000	(837,500)	US\$0.120
Outstanding at the end of the financial year	<u>28,713,375</u>	US\$0.305	<u>27,943,375</u>	US\$0.311

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.66 years (2024: 3.34 years).

The weighted average fair value of options granted during the year was A\$0.051 (2024: A\$0.058)

For the year ending 31 December 2025 a share-based payment expense of (US\$462,211) (31 December 2024: US\$488,602) was recognised in profit and loss in line with option vesting periods.

The terms of options granted during the year ended 31 December 2025 are summarised below:

Share based compensation comprises of the following:	31 December 2025 US\$	31 December 2024 US\$
SBP expense for options under employee share option plan	438,939	340,552
SBP expense for shares under employee share option plan	23,272	64,845
SBP expense for rights under employee share option plan	-	15,289
SBP expense for external advisors/ vesting of prior year options	118,184	67,916
SBP issued for asset acquisition	47,079	421,365
Total	<u>627,473</u>	<u>909,967</u>

The options were valued using the Black and Scholes valuation methodology. The terms of options granted during the year ended 31 December 2025 are summarised below:

Grant date	Expiry Date	Spot price	Exercise price	Expected volatility	Number of options	Risk-free rate	Fair value at grant date (AU\$)	Fair value at grant date (US\$)	Maximum value yet to vest (US\$)
30/05/2025	30/05/2028	AU\$0.048	AU\$0.100	75%	12,000,000	3.32%	AU\$186,854	US\$118,184	US\$Nil
01/03/2025	01/03/2030	AU\$0.085	AU\$0.100	75%	770,000	3.32%	AU\$39,214	US\$25,121	US\$12,295

Ordinary Shares

During the reporting period, the Company granted 425,000 ordinary shares as short term incentives to KMP. The value of these shares was determined based on market price at issue date and totalled to AU\$36,125/US\$23,142.

Accounting policy for share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Note 25. Share-based payments (continued)

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

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.

Note 26. Operating segments

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 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 27. Financial instruments

Financial risk management policies

The Group's financial instruments consist mainly of deposits with banks, other debtors and accounts payable and financial liabilities. 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

The Group's exposure to material interest rate risk is on movements in financial liability, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates as shown below:

	Floating Interest Rate US\$	Fixed Interest Rate (12%) US\$	Other- interest bearing US\$	31 December 2025 Total US\$	Floating Interest Rate US\$	Fixed Interest Rate (6%) US\$	Other interest bearing US\$	2024 Total US\$
Financial Liabilities								
Financial liability	-	(323,977)	(2,985,889)	(3,309,866)	-	-	(2,938,239)	(2,938,239)

Weighted average interest rate 31 December 2025 12% and 31 December 2024 Nil%

(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.

Note 27. Financial instruments (continued)

	31 December 2025 US\$	31 December 2024 US\$
Cash and cash equivalents - AA Rated	955,992	623,492
Cash and cash equivalents - BBB Rated	140,697	176,361
	<u>1,096,689</u>	<u>799,853</u>

(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 access to credit standby facility with Mercer (refer to note 20). 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.

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	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\$
2025							
Financial liabilities at amortised costs	1,624,825	1,361,064	323,977	-	-	-	3,309,866
Trade and other payables	1,053,631	-	-	-	-	-	1,053,631
Lease liabilities	166,495	163,975	296,574	-	-	-	627,044
Total non-derivatives	<u>2,844,951</u>	<u>1,525,039</u>	<u>620,551</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,990,541</u>

	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\$
2024							
Financial liabilities at amortised cost	-	-	(2,938,239)	-	-	-	(2,938,239)
Trade and other payables	(991,985)	-	-	-	-	-	(991,985)
Lease liabilities	(126,949)	(126,949)	-	-	-	-	(253,898)
Total non-derivatives	<u>(1,118,934)</u>	<u>(126,949)</u>	<u>(2,938,239)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,184,122)</u>

(d) Currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency.

Note 27. Financial instruments (continued)

	2025		2024	
	Foreign Currency	USD Equivalent	Foreign Currency	USD Equivalent
Cash and cash equivalents				
Australian Dollar	1,552,375	1,086,279	1,225,230	760,194
New Israeli Shekels	179,018	56,118	144,636	39,659

Note 28. Fair value measurement

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
2025				
<i>Liabilities</i>				
Financial liability	-	3,309,866	-	3,309,866
Derivative financial instrument	-	-	402,396	402,396
Total liabilities	-	3,309,866	402,396	3,712,262
2024				
<i>Liabilities</i>				
Financial liability	-	2,938,239	-	2,938,239
Derivative financial instrument	-	-	900,653	900,653
Total liabilities	-	2,938,239	900,653	3,838,892

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 and level 3

Unquoted investments have been valued using a discounted cash flow model.

Derivative financial instruments have been valued using quoted market rates. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.

Accounting policy for fair value measurement

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Note 28. Fair value measurement (continued)

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 29. Parent entity information

	31 December 2025 US\$	31 December 2024 US\$
Assets		
Current assets	1,067,812	650,564
Total assets	1,067,812	650,564
Liabilities		
Current liabilities	4,134,754	334,215
Non-current liabilities	-	3,838,892
Total liabilities	4,134,754	4,173,107
Shareholders' equity		
Issued capital	364,612,503	358,983,230
Reserves	9,188,180	9,512,188
Accumulated losses	(376,867,626)	(372,017,960)
Shareholders equity	(3,066,943)	(3,522,542)
(b) Statement of profit or loss and other comprehensive income		
Loss for the year	(4,849,666)	(5,571,540)
Total comprehensive loss	<u>(4,849,666)</u>	<u>(5,571,540)</u>

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 31 December 2025 and 31 December 2024.

Contingent liabilities

The parent entity did not have contingent liabilities at 31 December 2025 (31 December 2024: Nil)

Capital commitments

The parent entity had no capital commitments as at 31 December 2025 and 31 December 2024.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the consolidated entity.

Note 30. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 December 2025 %	31 December 2024 %
Dotz Nano Ltd	Israel	100.00%	100.00%

Note 31. Events after the reporting period

The Company granted 6,000,000 options to consultant with exercise price of A\$0.055 and expiring 2 years from grant date.

No matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.



Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Dotz Nano Ltd	Limited Liability	Israel	100.00%	Israel

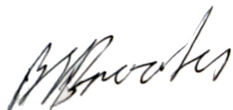
In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the financial year ended on that date;
- subject to matters noted in Note 2 'Going Concern', there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Bernie Brookes AM
Chairman

24 February 2026

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 subsidiary (the Group), which comprises the consolidated statement of financial position as at 31 December 2025, 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 material accounting policy information, the consolidated entity disclosure statement 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 2025 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 2 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 Financial Liability

Key audit matter	How the matter was addressed in our audit
During the financial year, Dotz Nano Limited ("Company") held convertible funding facility agreements with multiple investors. Refer Note 20 for further details. The agreements are hybrid instruments which include a combination of a debt financial liability that represents the contractual cashflows and a derivative financial liability that represents the conversion feature. The conversion feature is an embedded derivative liability which is required to be recognised at fair value through profit or loss. We have identified the accounting and valuation of the convertible notes as a key audit matter due to the complexity and judgements involved in determining the conversion features which can have a significant effect on the classification of the components of these instruments together with complexities as to the initial and subsequent measurement of the identified components.	Our audit procedures regarding this matter included, but were not limited to: • Reviewing the convertible note agreements, subscription notices and other correspondence to understand the key terms and conditions of the arrangements; • Assessing whether management's determination of the classification of the components contained within the convertible note agreements was in accordance with the accounting standards; • Reviewing management's independent expert's valuation of the instruments, including assessing the valuation methodology used; • Assessing the qualifications, competence and objectivity of management's expert; • Reviewing management's accounting treatment for the initial recognition and subsequent measurement of the components of the convertible instruments; • Agreeing partial settlements throughout the year to shares issued and share prices as reported on the ASX; and • Assessing the adequacy of the related disclosures within Note 20 of 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 2025 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:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of 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/media/bwvjcgre/ar1_2024.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 18 to 23 of the directors' report for the year ended 31 December 2025.

In our opinion, the Remuneration Report of Dotz Nano Limited, for the year ended 31 December 2025, 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 Pty Ltd

A handwritten signature in black ink, appearing to read 'Neil Smith', is written over a small, stylized BDO logo.

Neil Smith

Director

Perth, 24 February 2026

The shareholder information set out below was applicable as at 21 February 2026
As at 21 February 2026 there were 782 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 Names	Holding	%IC
CITICORP NOMINEES PTY LIMITED	216,177,834	31.19%
BNP PARIBAS NOMS PTY LTD	141,017,376	20.35%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	133,227,912	19.22%
MARZAMENO LTD	21,689,882	3.13%
DR ZVI GRAUBARD	13,789,735	1.99%
HAC COMMODITIES PTE LTD	10,952,382	1.58%
AVOCADO VENTURES INC	10,270,548	1.48%
SOUTHERN ISRAEL BRIDGING FUND TWO LP	9,650,464	1.39%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	8,566,827	1.24%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	7,920,152	1.14%
SOUTHERN ISRAEL BRIDGING FUND LP	7,114,816	1.03%
BNP PARIBAS NOMINEES PTY LTD <UOBKH R'MIERS>	5,730,788	0.83%
BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	5,566,833	0.80%
ORCA CAPITAL AG	5,548,623	0.80%
C/M CAPITAL MASTER FUND LP	5,357,143	0.77%
OR HAIM JOINT SPACES LTD	5,348,939	0.77%
IBI TRUST MANAGEMENT <ARIEL MALIK A/C>	4,406,173	0.64%
MR NATANEL HARPAZ	3,712,708	0.54%
MR DEREK ROBERT MCCOMBER & MRS SUSAN MCCOMBER <MCCOMBER FAMILY S/F A/C>	3,380,952	0.49%
MR YOAD REITER	3,341,703	0.48%

SUBSTANTIAL HOLDERS

Name	No Shares Held	% of Issued Capital
CITICORP NOMINEES PTY LIMITED	216,177,834	31.19%
BNP PARIBAS NOMS PTY LTD	141,017,376	20.35%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	133,227,912	19.22%

DISTRIBUTION OF EQUITY SECURITIES

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	135	11,554	0.00%
above 1,000 up to and including 5,000	153	444,236	0.06%
above 5,000 up to and including 10,000	119	982,417	0.14%
above 10,000 up to and including 100,000	255	8,798,654	1.27%
above 100,000	120	682,862,229	98.52%

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	-	-	-
above 1,000 up to and including 5,000	8	40,000	0.02%
above 5,000 up to and including 10,000	18	155,840	0.08%
above 10,000 up to and including 100,000	25	946,172	0.51%
above 100,000	68	184,488,470	99.38%

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	-	-	-
above 1,000 up to and including 5,000	-	-	-
above 5,000 up to and including 10,000	-	-	-
above 10,000 up to and including 100,000	-	-	-
above 100,000	2	4,968,307	100.00%

RESTRICTED SECURITIES

There are no restricted securities

UNMARKETABLE PARCELS

Based on a share price per security of \$0.035, there were 446 Shareholders holding less than a marketable parcel totaling 1,912,859 fully paid ordinary shares, amounting to 0.28% of issued capital.

SHARE BUYBACK

There is no current on-market share buy-back.