



ASX Announcement

24 February 2021

**DataDot Technology Limited – December 2020 - Appendix 4D and Financial Report**

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DataDot Technology Limited attaches the following documents relating to the results for the half year ended 31 December 2020.

- Appendix 4D; and
- Financial Report

These reports have been authorised for release by the Board of Directors of DataDot Technology Limited.

For further details contact the undersigned.

Yours faithfully

A handwritten signature in black ink, appearing to read "Patrick Raper", with a long horizontal stroke underneath.

DataDot Technology Limited  
**Patrick Raper**  
**Company Secretary**  
Email: [praper@datadotid.com](mailto:praper@datadotid.com)

**About DataDot:** DataDot Technology Limited provides world leading asset identification, management, protection and authentication solutions that deliver great value to customers. For more information please visit [www.datadotdna.com](http://www.datadotdna.com).



**DataDot**<sup>®</sup>  
**TECHNOLOGY**

**APPENDIX 4D**  
**Half Year Report**  
**for the half year ended 31 December 2020**

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[www.datadotdna.com](http://www.datadotdna.com)

Reporting period Half year ended 31 December 2020

Previous reporting period Half year ended 31 December 2019

Results for announcement to the market	31 Dec 20	31 Dec 19	Change	Change
	\$	\$	\$	%
Revenue	1,735,973	1,913,237	(177,264)	(9.27)%
Gross Profit	949,480	1,049,936	(100,456)	(9.57)%
Expenses	665,741	1,166,264	(500,523)	(42.92)%
EBITDA	369,971	(112,859)	482,830	427.82%
Profit / (Loss) from ordinary activities after tax attributable to members	256,730	(228,522)	485,252	212.34%
Net Profit / (Loss) attributable to members	256,730	(228,522)	485,252	212.34%
Net tangible asset backing per ordinary share shown in cents	0.0018	0.0000	0.0018	n/a

**Dividends**

No dividends were paid or made payable during the half year ended or since 31 December 2020.

**Commentary**

Please refer to the attached Directors' report which does not form part of the financial report for the half year ended 31 December 2020.

**Other information***Control gained over entities having a material effect*

N/A

*Loss of control over entities having a material effect*

N/A

*Dividend or distribution reinvestment plans*

N/A

*Details of associates and joint venture entities*

N/A

**Audit status**

This report is based on accounts that have been subject to review.

**Attachments**

Additional disclosure requirements can be found in the notes to the attached half year financial report.

Signed By



Ray Carroll - Chairman

24 February 2021



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**Financial Report  
for the half year ended 31 December 2020**

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## Directors' Report

for the half year ended 31 December 2020

Your directors submit their report, together with the financial statements of the consolidated entity ("DataDot") consisting of DataDot Technology Limited and the entities it controlled at the end of or during the half year ended 31 December 2020.

### Directors

The directors of the Company at any time during or since the end of the half-year are as follows:

Mr Ray Carroll (Chairman)

Mr David Lloyd (Chairman of the Audit and Risk Management Committee)

Mr Bradley Kellas (Managing Director)

### Principal activities

The principal activities of DataDot during the half year were to develop, manufacture and distribute customisable asset identification solutions that include:

- i) DataDotID - polymer and metallic microdots containing etched data that is unique to the assets to which the microdots are attached;
- (ii) DataTraceID – a chemical fingerprint added to products to authenticate their identity and provenance; and
- (iii) Vault Asset Registers - databases that record asset identification data and are accessible by law enforcement agencies and insurance investigators.

There has not been any significant change in the nature of these activities during the half year.

### Review of operations

The Group has achieved a first half year profit of \$256.7k compared to a loss of (\$228.5k) for the prior comparable period ("pcp").

The major contribution to this significant improvement in the bottom line result has been a decrease in expenses from \$1,166.3k in the pcp to \$660.8k in the current period. The overall cost base of the company in FY 2021 has been reset to approximately 50% - 60% of FY 2020 levels which in turn were 76% of FY 2019 levels.

These savings are sustainable and highlight the benefits of the major restructuring initiatives that were implemented in the first half of FY 2020.

The cost savings have been partially offset by a decline in Group Revenue from \$1,913.2k to \$1,736.0k (9.27%).

This is attributable to a number of factors including a slowdown in US sales activity and international Royalties due, in part, to Covid 19 impacts in those markets. On a more positive note, there has been pleasing growth in UK sales and TraceID.

Revenue generated from the USA market was \$213.1k in H1 of FY 2021 compared to \$312.7k in H1 of FY 2020. This decline however, has been entirely offset by the reduction in the cost base achieved through the closure of the US manufacturing site and supplying product from Australia. This has created a solid basis for higher levels of future profitability in the US business.

The decline in Royalties from \$575.4k in H1 of FY 2020 to \$474.4k is almost entirely attributable to activity in South Africa where the H1 FY 2020 royalty included some initial increase in stock levels to support new programs in Europe while H1 FY 2021 was also impacted by business shutdowns due to Covid 19.

Despite the impacts of Covid 19 in the UK the business achieved revenue growth of 21% from \$495.3k to \$594.4k.

## Directors' Report

for the half year ended 31 December 2020

In H1 of FY 2020, the Director's advised that a number of restructuring initiatives had commenced. In particular these included:

- relocation of the manufacturing facility in Spokane USA to Sydney Australia,
- relocation of the Sydney manufacturing to smaller more efficient premises in Brookvale NSW,
- implementation of up to date and cost effective technologies, systems and processes,
- relocation of the senior management and accounting functions for the UK business to Sydney Australia,
- appointment of new professional distribution partners.

These initiatives have now been fully implemented and the business is operating on a substantially more efficient expense base. This will enable the business to maximise the achievable profit from future revenue growth.

At 31 December 2020, the company's cash position and the balance sheet has been substantially improved through a combination of profitable operations, (two consecutive quarters of positive cash from operations in 1H FY2021), the capital restructure finalised in the second half of FY 2020, and greater attention to the management of debtors and inventories. Net assets at 31 December 2020 were \$2,208.7k compared to \$14.9k at 31 December 2019. Cash and cash equivalents at 31 December 2020 was \$1,631.8k compared to \$625.5k at 31 December 2019.

### Outlook

The outlook for the Company remains positive.

Following the election of the new Board at the EGM in May 2019, the directors' first priority was to secure the financial viability of the company and to create a more sustainable business model to support the growth plan that had been presented to shareholders. Despite the unexpected intervention of the Covid 19 pandemic for 12 of the 21 months since the EGM, the Directors are satisfied that we have achieved our aim of financial sustainability and our focus has now turned to growth through transforming the company from being simply a provider of identification technologies to providing full property management solutions in the anti- theft and counterfeiting markets.

Key to this growth is the integration of not only the PropertyVAULT online property management system with the company's established identification products, but also the establishment of key partnerships with consumer product providers, insurers, security providers and police and crime related agencies.

As Australia and the world emerges from the influences of the current pandemic, the group is in a strong position to pursue these new product and growth opportunities.

### Events After Reporting Period

In late January 2021 the company signed a Distribution Agreement for its bicycling related microdot and Property Vault products with a leading distributor to the cycling retail industry. The initial acceptance has been very encouraging and we are confident that this distribution model can be replicated for other consumer products and will lead to new opportunities for revenue growth in line with our overall growth plan.

### Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the half year ended 31 December 2020 has been received and can be found on page 6 of the financial report.

Signed in accordance with a resolution of the Board of Directors, pursuant to section 306(3)(a) of the Corporation Act 2001.



**Ray Carroll**  
**Chairman**

Sydney  
24 February 2021

The Directors  
DataDot Technology Limited  
8 Ethel Avenue  
BROOKVALE NSW 2086

24 February 2021

Dear Directors

**DataDot Technology Limited**

As lead auditor for the review of DataDot Technology Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of DataDot Technology Limited and the entities it controlled during the period.

Yours sincerely



**Andrew Hunt**  
Principal

Liability limited by a scheme approved under Professional Standards Legislation.

For personal use only

## Consolidated Statement of Profit or Loss

for the half year ended 31 December 2020

	Notes	31 Dec 2020 \$	31 Dec 2019 \$
<b>Revenue</b>			
Sale of goods		1,196,922	1,265,689
Service and licence fees		64,699	72,137
Royalties		474,352	575,411
		<b>1,735,973</b>	<b>1,913,237</b>
Cost of sales		786,493	863,301
<b>Gross Profit</b>		<b>949,480</b>	<b>1,049,936</b>
Other income	2	86,232	3,469
<b>Expenses</b>			
Administrative expenses		628,562	857,813
Marketing expenses		3,170	44,150
Occupancy expenses		33,862	162,925
Restructuring Expenses		-	12,066
Travel expenses		147	89,310
		<b>665,741</b>	<b>1,166,264</b>
<b>EBITDA</b>		<b>369,971</b>	<b>(112,859)</b>
Depreciation, Amortisation and Impairment		99,279	58,012
Finance costs		10,532	50,316
<b>Profit / (Loss) before income tax expense</b>		<b>260,160</b>	<b>(221,187)</b>
Income tax expense	6	3,430	7,335
<b>Profit / (Loss) after income tax expense for the period</b>		<b>256,730</b>	<b>(228,522)</b>
<b>Profit / (Loss) for the period attributable to :-</b>			
Owners of DataDot Technology Limited		<b>256,730</b>	<b>(228,522)</b>
Basic profit / (loss) per share (cents per share)		<b>0.02</b>	<b>(0.03)</b>
Diluted profit / (loss) per share (cents per share)		<b>0.02</b>	<b>(0.03)</b>

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.



## Consolidated Statement of Comprehensive Income

for the half year ended 31 December 2020

	31 Dec 2020 \$	31 Dec 2019 \$
Profit / (Loss) after income tax expense for the period	256,730	(228,522)
Other comprehensive income :-		
Items that may be classified subsequently to profit or loss :-		
Exchange difference on translation of foreign operations	862	(24,458)
Total comprehensive income for the period net of tax	<u>257,592</u>	<u>(252,980)</u>
Total comprehensive income attributable to :-		
Owners of DataDot Technology Limited	<u>257,592</u>	<u>(252,980)</u>

*The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.*

## Consolidated Statement of Financial Position

as at 31 December 2020

	Notes	31 Dec 2020 \$	30 Jun 2020 \$
<b>Current Assets</b>			
Cash and cash equivalents	5	1,631,838	1,005,325
Trade and other receivables		597,066	892,492
Inventories		284,841	262,027
Prepayments		84,735	214,394
<b>Total Current Assets</b>		<b>2,598,479</b>	<b>2,374,238</b>
<b>Non Current Assets</b>			
Plant and equipment		475,702	616,487
Investments		2,948	2,948
<b>Total Non Current Assets</b>		<b>478,650</b>	<b>619,435</b>
<b>Total Assets</b>		<b>3,077,129</b>	<b>2,993,673</b>
<b>Current Liabilities</b>			
Trade and other payables		306,055	446,980
Employee benefits		94,309	78,735
Provisions		7,105	7,105
Other current liabilities		66,727	126,973
<b>Total Current Liabilities</b>		<b>474,196</b>	<b>659,793</b>
<b>Non Current Liabilities</b>			
Employee benefits		11,674	10,161
Other non-current liabilities		382,538	411,856
<b>Total Non Current Liabilities</b>		<b>394,212</b>	<b>422,017</b>
<b>Total Liabilities</b>		<b>868,408</b>	<b>1,081,810</b>
<b>Net Assets</b>		<b>2,208,721</b>	<b>1,911,863</b>
<b>Equity</b>			
Issued capital	7	41,596,795	41,557,528
Accumulated losses		(37,384,168)	(37,640,893)
Reserves		(2,003,906)	(2,004,772)
<b>Total Equity</b>		<b>2,208,721</b>	<b>1,911,863</b>

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

## Consolidated Statement of Changes in Equity

for the half year ended 31 December 2020

	Attributable to equity holders of the parent					Total equity \$
	Issued capital \$	Accumulated losses \$	Foreign currency translation reserve \$	Employee equity benefit reserve \$	Other reserve \$	
<b>Balance at 1 July 2019</b>	39,692,526	(37,670,096)	(1,730,988)	398,220	(583,454)	106,208
Loss after income tax expense for the period	-	(228,522)	-	-	-	(22,822)
Other comprehensive income for the period, net of tax	-	-	(28,181)	-	-	(28,181)
<b>Total comprehensive income for the period</b>	-	(228,522)	(28,181)	-	-	(256,703)
Convertible Note Reserve	-	-	-	-	103,821	103,821
Transactions with owners in their capacity as owners :-						
Share based payments	-	-	-	2,690	-	2,690
Share Issues	60,078	-	-	-	-	60,078
Share Issue Costs	(1,241)	-	-	-	-	(1,241)
<b>Balance at 31 December 2019</b>	39,751,363	(37,898,618)	(1,759,169)	400,910	(479,633)	14,853
<b>Balance at 1 July 2020</b>	41,557,528	(37,640,893)	(1,729,745)	403,596	(678,623)	1,911,863
Rounding Adjustments	1	(5)	2	2	-	-
Profit after income tax expense for the period	-	256,730	-	-	-	256,730
Other comprehensive income for the period, net of tax	-	-	862	-	-	862
<b>Total comprehensive income for the period</b>	-	256,730	862	-	-	257,592
Share Issue Costs	39,266	-	-	-	-	39,266
<b>Balance at 31 December 2020</b>	41,596,795	(37,384,168)	(1,728,881)	403,598	(678,623)	2,208,721

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

## Consolidated Statement of Cash Flows

for the half year ended 31 December 2020

	Notes	31 Dec 2020 \$	31 Dec 2019 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		2,093,152	2,156,253
Payments to suppliers and employees (inclusive of GST)		(1,591,836)	(2,182,088)
Interest paid		(10,544)	(52,254)
Income tax paid		(3,430)	8,967
Receipt of government grant		119,576	-
<b>Net cash flows (used in) / received from operating activities</b>		<b>606,917</b>	<b>(69,121)</b>
<b>Cash flows from investing activities</b>			
Interest received		301	-
Purchase of plant and equipment		7,861	(160,758)
<b>Net cash flows used in investing activities</b>		<b>8,162</b>	<b>(160,758)</b>
<b>Cash flows from financing activities</b>			
Proceeds from capital raising		40,128	58,840
Proceeds from convertible notes issued		-	600,000
Proceeds from Borrowings		-	1,818
<b>Net cash flows from financing activities</b>		<b>40,128</b>	<b>660,658</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of the financial period		1,005,325	194,752
Effect of exchange rate changes on cash and cash equivalents		(28,454)	-
<b>Cash and cash equivalents at end of period</b>	5	<b>1,632,079</b>	<b>625,532</b>

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

## 1 Summary of significant accounting policies

The financial statements cover DataDot Technology Limited as a consolidated entity consisting of DataDot Technology Limited and its subsidiaries. The financial statements are presented in Australian dollars, which is DataDot Technology's functional and presentation currency.

DataDot Technology Limited is a listed public company limited by shares, incorporated and domiciled in Australia.

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 2021.

### Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

### Going Concern

The financial statements of the company have been prepared on a going concern basis, which indicates continuity of business activities and the realisation of assets and settlement of liabilities in the normal course of business.

During the half-year ended 31 December 2020, the company experienced a decline in revenue of \$177k (9.3%) against the prior corresponding period, incurred an operating profit before tax of \$260,160 (2019: loss of \$228,522), and had net current assets of \$2,124,283 (2019: \$631,161) and positive operating cash flows of \$606,917 (2019: negative operating cash flows of \$69,121).

These performance measures show an improving financial performance and position for the group consistent with the plan agreed by shareholders in May 2019 and the company plan approved by the Directors in August 2020. The benefits from cost reduction strategies and plans already implemented have been substantially realised. Our customers that have the capacity to grow revenue have indicated, notwithstanding the current Covid 19 pandemic, that growth is likely to return in 2H FY 2021 and beyond. There remain untapped revenue growth opportunities from the licence agreement with Property Vault. These positive developments and the continuing pursuit of other pipeline opportunities indicate that, additional external funds are unlikely to be required to continue to support the operations of the Company and its controlled entities.

The Board and management continues to pursue the re-invigoration of relationships in the motor vehicle, crime prevention and anti-counterfeiting industries including with our customers and distributors in South Africa, North America and Europe, and there has been growth from some of these relationships in the six months to December 2020 over the prior period.

As a result of these matters, the material uncertainty related to events or conditions that may have cast some doubt two years ago on whether the Company will continue as a going concern and, therefore, whether it will realise its assets and settle its liabilities and commitments in the normal course of the business and at the amounts stated in the financial report has significantly diminished.

At the date of this report, the directors are of the opinion that there are reasonable grounds to expect that the Company will be able to continue as a going concern.

As such the financial report is prepared on a going concern basis.

## 1 Summary of significant accounting policies (continued)

Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

### Amended Standards Adopted by the Group

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group are:

- AASB 2018-6 Amendments to Australian Accounting Standards - Definition of Material
- AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework
- AASB2020-4 Amendments to Australian Accounting Standards - COVID-19- Related Rent Concessions

AASB 2018-6 and 2019-1 does not have a material impact on the Group's financial statements.

In the current half-year, the Group has applied the below amendment to Australian Accounting Standard issued by the Australian Accounting Standards Board (the Board) that are effective for the Group's annual reporting period that began on 1 July 2020. The adoption has had a material impact on the disclosures and/or amounts reported in these financial statements.

### AASB 2020-4 Amendments to Australian Accounting Standards - COVID-19-Related Rent Concessions

The amendments introduce a practical expedient into AASB 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election does account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying AASB 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change
- Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession would meet this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021)
- There is no substantive change to other terms and conditions of the lease.

### Impact on accounting for changes in lease payments applying the exemption

The Group has applied the practical expedient retrospectively to all rent concessions that meet the conditions in AASB 16.46B, and has not restated prior period figures.

The Group has benefited from a \$10,663 monthly lease payment holiday on its premise at 8 Ethel Avenue Brookvale. The payment holiday reduces payments in the period to 30 June 2021 by \$ 176,130 , and increases in payments in the period to 31 December 2022 by \$ 176,130. The Group has remeasured the lease liability using the revised lease payments and the discount rate originally applied to the lease. The Group continued to recognise interest expense on the lease liability.

## Notes to the Financial Statements

for the half year ended 31 December 2020

### Government Grants

During the half-year, the Group became eligible for certain government support in response to the coronavirus pandemic, as explained in Note 9. The Group's accounting policy for government grants is explained below.

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, wage subsidies received under the JobKeeper scheme are presented as other income in profit or loss. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable

## 2 Other Income

	31 Dec 2020	31 Dec 2019
	\$	\$
Interest income	301	384
Government grant*	119,576	-
Profit /(Loss) on Disposal of Assets	(33,645)	3,085
	<u>86,232</u>	<u>3,469</u>

\* There are no unfulfilled conditions or contingencies attached to the grant.

## 3 Expenses

The consolidated statement of profit or loss includes the following specific expenses :-

<i>Cost of sales</i>		
Stock obsolescence	<u>79,157</u>	17,136
<i>Administrative expenses</i>		
Net gain / (loss) on foreign currency	(19,452)	(5,016)
Employee benefits	330,579	500,597
Employee share based expenses	-	2,688
Superannuation expenses	23,257	40,258
Depreciation	25,956	38,461
Amortisation	73,323	19,528
	<u>433,663</u>	<u>596,516</u>
<i>Occupancy expenses</i>		
Outgoings / Minimum lease payments	<u>33,862</u>	<u>107,199</u>
<i>Finance costs</i>		
Convertible Notes and Bank loans and overdrafts	-	49,056
Finance charges payable under finance leases and hire purchase contracts	10,532	-
	<u>10,532</u>	<u>49,056</u>

## Notes to the Financial Statements

for the half year ended 31 December 2020

### 4 Fair values of financial instruments

Unless otherwise stated, carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables assume 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 instruments.

### 5 Cash and cash equivalents

	31 Dec 2020	30-Jun-20
<i>Reconciliation of cash</i>	\$	\$
Cash at the end of the financial period shown in the consolidated statement of cash flows is reconciled as follows		
Cash at bank and on hand	1,631,838	1,005,325
Bank overdraft	-	-
Balance as per statement of cash flows	<u>1,631,838</u>	<u>1,005,325</u>

### 6 Income Tax

	31 Dec 2020	31 Dec 2019
Major components of tax expense	\$	\$
Current income tax expense	-	-
Withholding Tax	3,430	7,335
Income tax expense	<u>3,430</u>	<u>7,335</u>

### 7 Equity - Contributed equity

	31 Dec 2020	30-Jun-20	31 Dec 2020	30-Jun-20
	Shares	Shares	\$	\$
Ordinary shares	<u>1,241,869,466</u>	<u>1,260,709,351</u>	<u>41,596,795</u>	41,557,528
	Date	No of Shares	\$	
Balance 1 July 2020	1-Jul-20	1,260,709,351	41,557,528	
Cancellation of Employee Share and Loan Scheme Shares	26-Nov-20	(12,094,809)	-	
Cancellation of Employee Share and Loan Scheme Shares	26-Nov-20	(12,094,809)	-	
Issue of Shares	26-Nov-20	5,349,733	39,267	
		1,241,869,466	41,596,795	
Share Issue transactions costs			-	
<b>Balance 31 December 2020</b>		<u>1,241,869,466</u>	<u>41,596,795</u>	



## 8 Segment Information

### Segment descriptions

DataDot has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

Management has reviewed the segments and determined the group is organised into business units based on their product and services and accordingly has two reportable segments. Discrete financial information about each of these operating businesses is reported to the executive management team on at least a monthly basis.

### Products and services by segment

Two reportable segments have been identified as follows:

**DataDotID** polymer and metallic microdots containing etched data that is unique to the assets to which the microdots are attached plus other anti theft products.

**DataTraceID** – a high speed, high security, machine readable system for authenticating materials, products and assets.

### Accounting policies and intersegment transactions

The accounting policies used by DataDot in reporting segments internally is the same as those contained in the prior period with the exception of the new policies adopted as disclosed in Note 1. The adoption of these policies did not have a material impact on segment reporting. Intersegment pricing is determined on an arm's length basis. Intersegment transactions are eliminated on consolidation.

The following tables present the revenue, profit/(loss) before tax, assets and liabilities information regarding operating segments for half years ended 31 December 2019 and 31 December 2018.

## Notes to the Financial Statements

for the half year ended 31 December 2020

### 8 Segment Information (continued)

#### Segment Performance

##### Period ended 31 December 2020

	DataDot	DataTraceID	Eliminations	Total
	\$	\$	\$	\$
Revenue from external customers	1,574,204	161,770	-	1,735,973
Intersegment revenue	6,679	93	(6,773)	-
<b>Total revenue</b>	<b>1,580,883</b>	<b>161,863</b>	<b>(6,773)</b>	<b>1,735,973</b>
Gross profit	899,511	49,969	-	949,480
Depreciation and amortisation	(99,279)	-	-	(99,279)
Finance revenue	301	-	-	301
Finance costs	10,532	-	-	10,532
Income tax expense	3,430	-	-	3,430
<b>Net (loss) / profit after income tax</b>	<b>218,051</b>	<b>38,678</b>	<b>-</b>	<b>256,729.70</b>
Segment assets	3,000,411	76,718	-	3,077,129
Segment liabilities	837,970	30,438	-	868,408

##### Period ended 31 December 2019

	DataDot	DataTraceID	Eliminations	Total
	\$	\$	\$	\$
Revenue from external customers	1,788,249	124,988	-	1,913,237
Intersegment revenue	79,895	1,575	(81,470)	0
<b>Total revenue</b>	<b>1,868,143</b>	<b>126,564</b>	<b>(81,470)</b>	<b>1,913,237</b>
Gross profit	1,727,926	100,552	(778,542)	1,049,936
Depreciation, amortisation and disposals	(53,103)	(4,909)	-	(58,012)
Finance revenue	383	-	-	383
Finance costs	(50,316)	-	-	(50,316)
<b>Net profit / (loss) after income tax</b>	<b>(66,479)</b>	<b>(162,043)</b>	<b>-</b>	<b>(228,522)</b>
Segment assets	3,321,703	511,945	(1,691,938)	2,141,709
Segment liabilities	1,147,917	1,740,960	(762,020)	2,126,856

### 9 Government grants and government assistance

The Group has benefited from the following significant government support packages as a result of COVID-19 during the

#### Support received - JobKeeper Scheme (Australia)

Due to the impact of COVID-19 on the Group's turnover, government subsidies of \$126,000 (2019:Nil) were received under the Australian Federal Government's jobkeeper scheme. The Group became eligible for the scheme from its inception in March 2020 to 30 September 2020. The Group were not eligible for the extended jobkeeper to 28 March 2021.

The amounts were paid to employees in line with government's objectives of helping businesses to continue paying employees to keep them in their jobs so that businesses can re-start when business conditions improve.

The amounts received have been recognised as other income in the statement of profit or loss.

#### Support received - Cash flow boost Australia

Due to the impact of COVID-19, temporary government grant of \$100,000 (2019:Nil) were received under the Australian Federal Government's cash flow boost. \$50,000 were received for the period from March to June 2020 and the remaining \$50,000 were received from July to September 2020.

The temporary cash flow boosts were provided to support small and medium size businesses during the economic downturn associated with COVID-19.

The amounts received have been recognised as other income in the statement of profit or loss.

### 10 Events after the reporting period

On 1 February 2021 the company signed a Distribution Agreement with a Sydney based company to distribute the company's anti-theft products to bike shops in Australia. Sales from this arrangement will commence in 2HY of FY 2021.

Subsequent to the Half Year end on 31 December 2020 and up to the date of this report there have been no other material events.

## Directors' Declaration

for the half year ended 31 December 2020

In the directors' opinion:

- the attached financial statements and notes thereto 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 thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the financial half year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

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



**Ray Carroll - Chairman**  
**24th February 2021**  
**Sydney**

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# Independent Auditor's Review Report to the Members of DataDot Technology Limited

## Conclusion

We have reviewed the half-year financial report of DataDot Technology Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

## Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

## Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

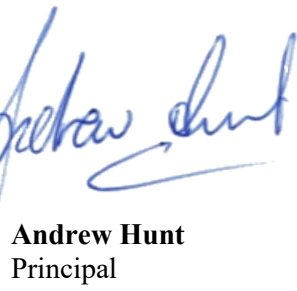
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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit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

### **Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



**Andrew Hunt**  
Principal

Parramatta, 24 February 2021



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