

DataDot Technology Limited – December 2021 - Appendix 4D and Financial Report

DataDot Technology Limited attaches the following documents relating to the results for the half year ended 31 December 2022.

- Appendix 4D; and
- Financial Report

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

For further information please contact:

Mr Gordon Ogborne
Company Secretary
DataDot Technology Limited

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DataDot[®]
TECHNOLOGY LTD

APPENDIX 4D
Half Year Report
for the half year ended 31 December 2022

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DataDot Technology Limited

ABN : 54 091 908 726

**Appendix 4D
Half Year Financial Report****Reporting period** **Half year ended 31 December 2022**

Previous reporting period Half year ended 31 December 2021

Results for announcement to the market	31 Dec 22	31 Dec 21	Change	Change
	\$	\$	\$	%
Revenue	1,265,341	1,825,357	(560,016)	-30.68%
Gross Profit	777,239	1,315,967	(538,728)	-40.94%
Expenses	873,291	710,259	163,032	22.95%
EBITDA	(71,951)	613,091	(685,042)	-111.74%
Profit / (Loss) from ordinary activities after tax attributable to members	194	6,295,171	(6,294,976)	-100.00%
Net Profit / (Loss) attributable to members	194	6,295,171	(6,294,976)	-100.00%
Net tangible asset backing per ordinary share shown in cents	0.0030	0.0032	(0.0002)	-6.25%

Dividends

No dividends were paid or made payable during the half year ended or since 31 December 2022.

Commentary

Please refer to the attached Directors' report which does not form part of the financial report for the half year ended 31 December 2022.

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

27th February 2023

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**Financial Report
for the half year ended 31 December 2022**

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Directors' Report

for the half year ended 31 December 2022

Your directors submit their report, together with the financial statements of the consolidated entity ("DataDot") consisting of DataDot Technology Limited ("DTL") and the entities it controlled at the end of or during the half year ended 31 December 2022.

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.

Headline Profit

The Group is reporting a first half-year before tax loss of \$190.1k.

Review of operations

The Group has posted a first half- year loss before tax of \$190.1k from its trading operations. This is a decrease (137%) on the \$508.7k trading profit before tax achieved in the prior comparable period ("pcp"). Total revenue for the half year is down by \$560.1k (30.7% from the pcp) to \$1,265.3k.

The major contribution to this fall in revenue has been the impact on Royalty revenues stemming from the impact from the war in the Ukraine and its flow-on effects on the wider European economy.

- Royalty revenues were \$167.8k, a decrease of \$564.7k (77.1%) from the pcp.
- Product sale revenues were \$1,005.9k, an increase of \$15.4k (1.6%) from the pcp.
- Cost of sales were \$488.1k, a decrease of \$21.4k (4.2%) from the pcp.
- Overheads were \$977.2k, an increase of \$160.2k (19.6%) from the pcp.

The decrease in Royalty revenues accounted for the entirety of the decrease in total revenue over this period. Dot sales were also affected by the slow-down in the European economy, with Dot product sales from Europe decreasing by 21.8%. Notwithstanding this impact from Europe, the Group was able to achieve a small increase in total product sales of 1.6%. These gains were achieved across all product lines: Dot product sales outside of Europe increased by 15.4%, Trace product sales increased by 67.9% and Vault product sales increased by 71.1% from the pcp.

The Group was also able to achieve a lower cost of sales despite higher sales volume which was a result of our continued focus on cost containment.

Overhead expenses for the current period were \$977.2k, compared to \$817.0k in the pcp, with the increase being substantially attributable to increased staff costs as the Group looks to make investments in sales, product development and marketing in order to expand and grow product sales and revenue growth.

Capital Management

As 31 December 2022, the company's cash position and the balance sheet remain strong. Net assets at 31 December 2022 were \$9,678.1k compared to \$9,679.2k at 30 June 2022. Cash and Cash Equivalents at 31 December 2022 were \$2,954.3K compared to \$3,179.5k at 30 June 2022.

On 1 December 2022 a notice was sent to the Australian Stock Exchange and to all affected shareholders advising them that the Company had initiated an Unmarketable Parcel of shares buy-back commencing 30 November 2022. The buy-back ended on 20 January 2023 and the directors are pleased with the results:

- The number of shares purchased by the company as a part of the buy-back totalled 32,916,683 or around 2.65% of the total share capital of the company; and
- The number of shareholders of the company were reduced by 1,273 or around 56% of total shareholders.

Outlook

At the 2022 AGM Directors advised that due to the on-going impacts of the Ukraine conflict on the Company's automotive related royalties and the overall economic outlook in Europe, the half year result would be negative. Given the significant reduction in these royalty receipts over the period the consolidated result, while still negative, is better than might have otherwise been expected. This was due to welcome increases across the board in our non-European sales in conjunction with our lower overall cost of sales.

Looking forward, we do not expect to see any increase in royalties from DataDot South Africa (DDSA) distributors' existing key European clients for the remainder of FY 23. However, despite these obvious headwinds in the sector, expansion of our direct automotive customer sales in the United Kingdom remains a distinct possibility as previously flagged discussions with a potential OEM customer are on-going and remain positive. We expect our other direct automotive sales channels, principally Subaru in Australia and DataDot Dealer Services in the US to remain relatively constant throughout the remainder of FY 2023.

Pleasingly, Trace product sales to existing customers increased by a significant margin in the first half compared to the pcp. In the meantime, work with distributors on behalf of some potential new Trace customers has continued in order to prove out the customers' in-house processes, engineering requirements and testing regimes. While remaining promising, these new applications still require sign-off by the potential clients before any commencement dates can be confirmed, however there is reason to be optimistic that some of these supply contracts will come to fruition before the end of FY 23.

As detailed at the AGM update, while recognizing the importance of the automotive sector to the Company's current revenue, the Board still firmly believes that the Company's long term prosperity lies in completing the transition of its historical business model from one of simply being a manufacturer of passive identification products to that of a full service provider that encompasses physical and digital asset identification, provenance, theft deterrence and stolen property recovery with their associated service related revenue streams.

The complete re-development of our microdot products into a standardized product range that can be offered at manufacturing, dealership and retail levels for a broad cross section of consumer products has given us the ability to create this far more comprehensive offering. It bundles microdot identification with PropertyVAULT registration and recovery services together with insurance incentives. The first half results have highlighted the importance of

accelerating this diversification and our focus for the remainder of FY 23 is to leverage these bundled offerings into partnerships with insurers and targeted consumer goods dealerships to grow our market penetration and revenue.

Despite the on-going external economy wide challenges over the half year, the Company has been able to preserve its strong cash reserves and remains debt free. The Board's prior and on-going focus on maintaining production efficiencies and cost control has assisted this result. Subject to the normal caveats associated with developing and securing new and prospective revenue opportunities the Company is well placed to be able to continue to pursue its planned trajectory towards revenue diversification and growth in the outlook period.

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 2022 has been received and can be found on page 21 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

27th February 2023

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27 February 2023

The Directors
DataDot Technology Limited
8 Ethel Avenue
BROOKVALE NSW 2086

Dear Directors

DataDot Technology Limited

As lead auditor for the review of DataDot Technology Limited for the half-year ended 31 December 2022, 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 review.

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

Yours sincerely

AMW AUDIT
Chartered Accountants



ANDREW HUNT
Principal

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Consolidated Statement of Profit or Loss

for the half year ended 31 December 2022

	Notes	31 Dec 2022 \$	31 Dec 2021 \$
Revenue			
Sale of goods		1,035,461	1,033,697
Service and licence fees		62,063	59,115
Royalties		167,817	732,545
		<u>1,265,341</u>	<u>1,825,357</u>
Cost of sales		<u>488,102</u>	<u>509,390</u>
Gross Profit		<u>777,239</u>	<u>1,315,967</u>
Other income	2	<u>24,101</u>	<u>7,383</u>
Expenses			
Administrative expenses		781,636	629,583
Marketing expenses		60,942	53,124
Occupancy expenses		24,129	27,370
Travel expenses		6,584	182
		<u>873,291</u>	<u>710,259</u>
EBITDA		<u>(71,951)</u>	<u>613,091</u>
Depreciation, Amortisation and Impairment		110,943	96,947
Finance costs		7,224	7,400
Profit / (loss) before income tax expense		<u>(190,118)</u>	<u>508,744</u>
Income tax (benefit) / expense	6	<u>(190,312)</u>	<u>(5,786,426)</u>
Profit after income tax expense for the period		<u>194</u>	<u>6,295,171</u>
Profit for the period attributable to :-			
Owners of DataDot Technology Limited		<u>194</u>	<u>6,295,171</u>
Basic profit per share (cents per share)		<u>0.00</u>	<u>0.51</u>
Diluted profit per share (cents per share)		<u>0.00</u>	<u>0.51</u>

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 2022

	31 Dec 2022	31 Dec 2021
	\$	\$
Profit after income tax expense for the period	194	6,295,171
Other comprehensive income :-		
Items that may be classified subsequently to profit or loss :-		
Exchange difference on translation of foreign operations	<u>(1,314)</u>	<u>(842)</u>
Total comprehensive income for the period net of tax	<u>(1,119)</u>	<u>6,294,328</u>
Total comprehensive income attributable to :-		
Owners of DataDot Technology Limited	<u>(1,119)</u>	<u>6,294,328</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 2022

	Notes	31 Dec 2022 \$	30 Jun 2022 \$
Current Assets			
Cash and cash equivalents	5	2,954,368	3,179,549
Trade and other receivables		352,809	373,724
Inventories		445,215	392,226
Prepayments		105,745	113,695
Sundry Debtors		146,521	146,521
Total Current Assets		4,004,657	4,205,715
Non-Current Assets			
Deferred Tax Assets	6	5,897,689	5,701,507
Plant and equipment		782,902	426,543
Investments		2,948	2,948
Total Non-Current Assets		6,683,538	6,130,998
Total Assets		10,688,195	10,336,713
Current Liabilities			
Trade and other payables		413,629	428,154
Employee benefits		91,781	80,363
Provisions		7,105	7,105
Other current liabilities		188,462	123,206
Total Current Liabilities		700,976	638,828
Non-Current Liabilities			
Employee benefits		5,930	5,278
Other non-current liabilities		303,177	13,377
Total Non-Current Liabilities		309,107	18,655
Total Liabilities		1,010,084	657,482
Net Assets		9,678,112	9,679,231
Equity			
Issued capital	7	41,612,795	41,612,795
Accumulated losses		(32,312,698)	(32,312,892)
Reserves		378,015	379,328
Total Equity		9,678,112	9,679,231

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 2022

	Attributable to equity holders of the parent					Total equity \$
	Issued capital \$	Accumulated losses \$	Foreign currency translation reserve \$	Employee equity benefit reserve \$	Other reserve \$	
Balance at 1 July 2021	41,596,795	(36,405,916)	(1,742,398)	403,598	(678,623)	3,173,456
Profit after income tax expense for the period	-	6,295,171	-	-	-	6,295,171
Other comprehensive income for the period, net of tax	-	-	(842)	(15,889)	-	(16,731)
Total comprehensive income for the period	-	6,295,171	(842)	(15,889)	-	6,278,439
Share Issue Costs	16,000	-	-	-	-	16,000
Balance at 31 December 2021	41,612,795	(30,110,745)	(1,743,240)	387,709	(678,623)	9,467,896
Balance at 1 July 2022	41,612,795	(32,312,892)	(8,270)	387,598	-	9,679,231
Profit after income tax expense for the period	-	194	-	-	-	194
Other comprehensive income for the period, net of tax	-	-	(1,314)	-	-	(1,314)
Total comprehensive income for the period	-	194	(1,314)	-	-	(1,119)
Share Issue Costs	-	-	-	-	-	-
Balance at 31 December 2022	41,612,795	(32,312,698)	(9,583)	387,598	-	9,678,112

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 2022

	Notes	31 Dec 2022 \$	31 Dec 2021 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,416,033	2,067,868
Payments to suppliers and employees (inclusive of GST)		(1,628,926)	(1,656,912)
Interest paid		(7,224)	(7,928)
Income tax paid		(5,870)	(4,521)
Receipt of government grant		-	-
Net cash flows (used in) / received from operating activities		(225,987)	398,507
Cash flows from investing activities			
Interest received		10,497	265
Purchase of plant and equipment		(9,914)	(56,763)
Net cash flows used in investing activities		583	(56,498)
Cash flows from financing activities			
Proceeds from capital raising		-	(731)
Proceeds from convertible notes issued		-	-
Proceeds from Borrowings		-	(63)
Net cash flows from financing activities		-	(794)
Net increase / (decrease) in cash and cash equivalents		(225,404)	341,214
Cash and cash equivalents at the beginning of the financial period		3,179,549	2,328,358
Effect of exchange rate changes on cash and cash equivalents		223	21,491
Cash and cash equivalents at end of period	5	2,954,368	2,691,063

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 2023.

Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 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 2022 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.

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.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

2 Other Income

	31 Dec 2022	31 Dec 2021
	\$	\$
Interest income	10,497	265
Government grant*	-	-
Profit /(Loss) on Disposal of Assets	-	-
Insurance recovery revenues	-	4,032
Equipment loan income	6,171	3,085
Sundry Income	7,433	-
	24,101	7,383

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

Notes to the Financial Statements

for the half year ended 31 December 2022

3 Expenses

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

Cost of sales

Stock obsolescence	11,858	(1,102)
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Administrative expenses

Net gain / (loss) on foreign currency	(12,868)	9,105
Employee benefits	442,500	322,710
Employee share based expenses	-	1,250
Superannuation expenses	51,162	32,253
Depreciation	31,608	21,580
Amortisation	79,335	75,367
	<u>591,737</u>	<u>462,264</u>

Occupancy expenses

Outgoings / Minimum lease payments	24,129	27,370
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Finance costs

Convertible Notes and Bank loans and overdrafts	-	-
Finance charges payable under finance leases and hire purchase contracts	7,224	7,400
	<u>7,224</u>	<u>7,400</u>

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 2022	30 Jun 2022
<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	2,954,368	3,179,549
Bank overdraft	-	-
Balance as per statement of cash flows	<u>2,954,368</u>	<u>3,179,549</u>

Notes to the Financial Statements

for the half year ended 31 December 2022

		31 Dec 2022	31-Dec-21
		\$	\$
6	Income Tax		
	(a) Major components of tax expenses		
	Current income tax expense	6(b) -	-
	Deferred tax	6(c) (196,182)	(5,790,948)
	Withholding tax	6(b) 5,870	4,521
	Income tax expense	<u>(190,312)</u>	<u>(5,786,427)</u>
	(b) The prima facie tax on loss before income tax is reconciled to the income tax		
	Profit / (Loss) before income tax expense	(190,118)	508,744
	Net profit / (loss) before income tax expense at the statutory income tax rate of 25% (2021: 26%)	(47,529)	127,186
	Foreign tax rate adjustment	(6,926)	(13,278)
	Income not subject to tax	-	-
	Research and development expenditure added back	-	-
	Expenditure not allowable	199	1,002
	Other timing differences	13,051	4,431
	Tax losses and tax offsets not recognised as deferred tax assets	(25,464)	(119,342)
	Temporary timing differences	(129,512)	-
	Withholding tax	5,870	4,521
	Aggregate income tax expense	<u>(190,312)</u>	<u>4,521</u>
	(c) Recognised deferred tax assets and liabilities	31 Dec 2022	30-Jun-22
	Opening balance	5,701,507	5,693,396
	Temporary differences brought to account (Australian Group)	129,512	119,521
	Unused tax losses brought to account (Australian Group)	66,670	-
	Tax losses and temporary differences utilised during period	-	(111,410)
	Closing balance	<u>5,897,689</u>	<u>5,701,507</u>

7	Equity - Contributed equity	31-Dec-22	30-Jun-22	31-Dec-22	30-Jun-22
		Shares	Shares	\$	\$
	Ordinary shares	<u>1,243,869,466</u>	<u>1,243,869,466</u>	<u>41,612,795</u>	<u>41,612,795</u>
		Date	No of Shares	\$	
	Balance 1 July 2022	1-Jul-22	1,243,869,466	41,612,795	
	Issue of Shares		-	-	
			1,243,869,466	41,612,795	
	Share Issue transactions costs		-	-	
	Balance 31 December 2022		<u>1,243,869,466</u>	<u>41,612,795</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 2022 and 31 December 2021.

Notes to the Financial Statements

for the half year ended 31 December 2022

8 Segment Information (continued)

Segment Performance	DataDot	DataTracelD	Vault	Eliminations	Total
Period ended 31 December 2022	\$	\$	\$	\$	\$
Revenue from external customers	1,033,482	140,238	79,037	-	1,252,756
Intersegment revenue	12,585	178	-	(12,763)	-
Total revenue	1,046,067	140,416	79,037	(12,763)	1,252,756
Gross profit	633,933	109,553	33,753	-	777,239
Depreciation and amortisation	(93,071)	(9,674)	(8,199)	-	110,943
Finance revenue	-	-	-	-	10,497
Finance costs	(7,224)	-	-	-	7,224
Income tax expense / (benefit)	(190,312)	-	-	-	(190,312)
Net (loss) / profit after income tax	(60,980)	81,424	(20,249)	-	194
Segment assets	12,611,358	280,800	196,314	(2,400,277)	10,688,195
Segment liabilities	1,090,654	2,319,706	-	(2,400,277)	1,010,084
Period ended 31 December 2021	\$	\$	\$	\$	\$
Revenue from external customers	1,574,204	161,770	-	-	1,735,973
Intersegment revenue	6,679	93	-	(6,773)	0
Total revenue	1,580,883	161,863	-	(6,773)	1,735,973
Gross profit	899,511	49,969	-	-	949,480
Depreciation, amortisation and disposals	(99,279)	-	-	-	(99,279)
Finance revenue	301	-	-	-	301
Finance costs	10,532	-	-	-	10,532
Net profit / (loss) after income tax	218,051	38,678	-	-	256,730
Segment assets	3,000,411	76,718	-	-	3,077,129
Segment liabilities	837,970	30,438	-	-	868,408

9 Events after the reporting period

On 1 December 2022 a notice was sent to the Australian Stock Exchange and to all affected shareholders advising them that the Company had initiated an Unmarketable Parcel of shares buy-back commencing 30 November 2022. The buy-back ended on 20 January 2023 with the following results:

- The number of shares purchased by the company as a part of the buy-back totalled 32,916,683 or around 2.65% of the total share capital of the company; and
- The number of shareholders of the company were reduced by 1,273 or around 56% of total shareholders.

Directors' Declaration

for the half year ended 31 December 2022

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 2022 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
27th February 2023
Sydney

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 2022, 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 2022 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 2022 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.

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

Dated: 27 February 2023