

ASX Announcement

9 March 2018

Notice of General Meeting section 249D request

DataDot Technology Limited (“DDT”) advises that, on 7 March 2018, it received a request for Directors to call a General Meeting pursuant to section 249D of the Corporations Act.

The request was signed by persons who, so far as the Directors are aware (based on DDT’s register of members as at 6 March 2018), collectively hold approximately 5.77% of the total number of DDT shares on issue.

In summary, the resolutions that have been requested to be proposed at the General Meeting provide for:

- the removal of Stephe Wilks, Temogen Hield and Gary Flowers as directors (being all the current DDT directors);
- the appointment of three replacement directors;
- the replacement board to assess and restructure the senior management of DDT; and
- the replacement board to assess for implementation a “restructure plan”.

DDT is convening a General Meeting to be held on Tuesday, 17 April 2018 at 10:00am at the BDO Board Room, Level 11, 1 Margaret Street Sydney NSW 2000 to consider these resolutions. A Notice of Meeting (which will be sent to shareholders, together with a proxy form) is attached to this announcement.

The DDT directors have, in the Notice of Meeting, recommended that DDT shareholders vote against all of the resolutions at the General Meeting.

For further details contact:

DataDot Technology Limited
Patrick Raper
Company Secretary
Phone: +61 2 8977 4900
praper@datadotdna.com
www.datadotdna.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.



NOTICE OF MEETING

for a General Meeting of
DATADOT TECHNOLOGY LIMITED
ACN 091 908 726

convened pursuant to section 249D of the Corporations Act and to be held on
Tuesday, 17 April 2018 at 10:00am (Sydney time)

at

**BDO Board Room
Level 11, 1 Margaret Street
Sydney New South Wales 2000**

YOUR DIRECTORS UNANIMOUSLY RECOMMEND
THAT SHAREHOLDERS

VOTE AGAINST

EACH OF THE RESOLUTIONS SET OUT IN THE
NOTICE OF MEETING

Table of contents

Chairman’s Letter	2
Notice of Meeting	5
1.1 Purpose of the meeting.....	5
1.2 Requisitioners’ Statement – section 249P.....	5
1.3 Directors’ Statement	5
1.4 Business of the Meeting	6
1.5 Voting by proxy	6
1.6 Entitlement to vote	7
Attachment A Section 249P Statement from Requisitioners	8
Attachment B ASX Announcement: BT Merger	11

9 March 2018

Dear DataDot shareholders

Receipt of a request to hold a general meeting

DataDot Technology Limited (**DDT**, the **Company** or **DataDot**) received a request for the board of directors of DDT (**Board**) to call a general meeting of shareholders (**General Meeting**) pursuant to section 249D of the *Corporations Act 2001* (Cth) (the **Corporations Act**).

The request was signed by persons (the **Requisitioners**) who, so far as your Directors are aware (based on DDT's register of members as at 6 March 2018), collectively hold approximately 5.77% of the total number of DDT shares on issue.

In summary, the resolutions that the Requisitioners have requested be proposed at the General Meeting provide for:

- the removal of Stephe Wilks, Temogen Hield and Gary Flowers as directors (being all the current DDT directors);
- the appointment of three replacement directors - Mr Jiri Perkous, Mrs Monica Schlesinger and Mr Stephen Hanlon;
- the replacement board to assess and restructure the senior management of DDT; and
- the replacement board to assess for implementation a "Restructure Plan", which involves some form of merger between DDT and The Holoptica Group.

The full terms of the resolutions are set out in full in the Notice of Meeting which appears below.

Directors' statement

Your Directors recommend that shareholders **VOTE AGAINST** all of the proposed resolutions.

Your Directors wish to make the following statement in relation to the resolutions that the Requisitioners have requested be proposed at the General Meeting.

As a general principle, your Directors welcome discourse with shareholders about the Company's future direction and strategy.

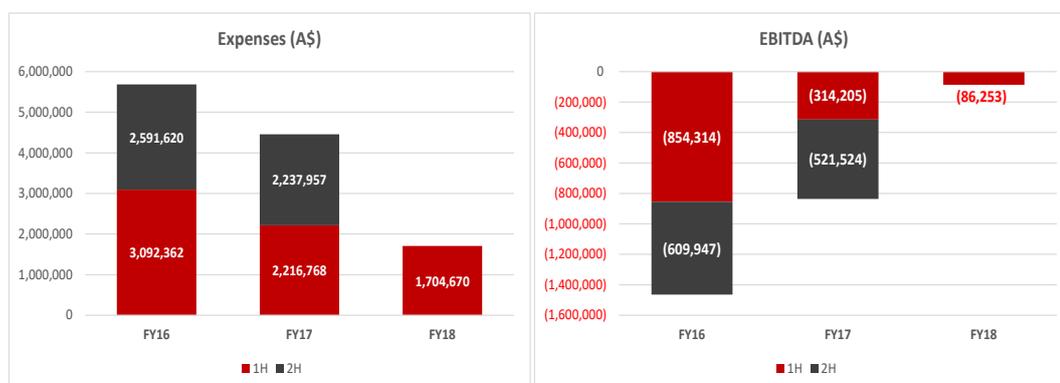
However, it is appropriate that we make the following points to shareholders regarding the resolutions proposed in the Notice of Meeting:

- Mr Perkous is, according to the profile that has been provided to us by the Requisitioners, "currently joint Owner and Director of Holoptica (US and UK)" – a merger with the Holoptica Group is part of the "Restructure Plan" put forward by the Requisitioners, which raises significant potential related party and conflict of interest issues;

- The “Restructure Plan” appears to involve some form of merger between DDT and the Holoptica Group, the precise nature and structure of which are not explained in detail. Several of the shareholders that have initiated this process appear to have connections with the Holoptica Group – details of such connections have not been disclosed;
- As discussed in further detail below, on 16 February 2018, your Directors announced what they consider to be an attractive proposal for DDT to merge with Beston Technologies Pty Ltd (**BT Merger**). DDT shareholders will be given an opportunity to vote on the BT Merger as a condition to its implementation. If the Requisitioners resolutions are passed, that merger opportunity will, presumably, be abandoned in favour of some form of transaction with the Holoptica Group, the precise terms of which are currently unclear;
- Your Directors have held meetings with Mr Perkous, and some other Requisitioners on a number of occasions and invited them to provide a detailed proposal and plan. This invitation has not yielded sufficient information (let alone a definitive proposal) that your Directors could properly evaluate and consider. Even now, having caused the Company to go to the expense of calling the General Meeting, the Requisitioners have failed to clearly articulate any definitive proposal; and
- Electing the 3 persons put forward by the Requisitioners, and removing the 3 current directors, would mean that all directors on the DDT board would have connections with, or be nominated by, the Holoptica Group or persons proposing a transaction with the Holoptica Group. DDT shareholders need to consider the appropriateness, and implications, of this.

Your Directors remind shareholders that:

- Over the last two and a half years the Company has restructured its cost base and, as a result, expenses have decreased significantly and there has been a corresponding improvement in earnings.
 - Expenses have reduced from \$5.7m in FY16 to \$1.7m for the first half of FY18; and
 - As a result EBITDA has improved from a \$1.5m loss in FY16 to an \$86k loss for the first half of FY18



- The DDT directors that the Requisitioners are seeking to remove are experienced board members. Your Directors consider that experience, stability and continuity are crucial at this time for effective management, particularly in light of the BT Merger announced on 16 February 2018 (discussed below).

- On 16 February 2018 we announced that we had executed a Heads of Agreement with Beston Global Food Company Limited (ASX: BFC) to merge with its wholly owned subsidiary Beston Technologies Pty Ltd (**BT**). A copy of that announcement is contained as Attachment B to the Notice of Meeting. We consider this to be a very exciting opportunity for all shareholders and we encourage all shareholders to review the announcement.

Work on the BT Merger is currently underway.

If completed, the business of the merged group (being the group consisting of DDT, BT and Brandlok Brand Protection Solutions Pty Ltd (Brandlok)) would have as part of its strategy going forward, a focus on the expansion of the combined “one trust platform” for consumers and will comprise, the following core technologies and platforms:

- OZIRIS (incorporating Brandlok) – a consumer facing digital technology solution that authenticates and provides full ‘farm to fork’ traceability; see www.oziris.com.au/about-oziris/
- Beston Marketplace & 8ston – e-commerce platforms for the sale of food and beverage products in Australia and China; see www.bestonmarketplace.com.au and www.8ston.com
- a Technology Eco-System (TES) – comprising a central database, customer management, inventory management, fulfilment, reporting and analytics, and a supplier portal
- DDT’s patented DataTraceID covert authentication system that is currently deployed to authenticate pharmaceuticals, food and beverages, gaming chips and fabrics.

The proposed BT Merger terms value BT at \$13.0 million and DDT at \$7.0 million with a combined enterprise value of \$20.0 million.

A capital raising is proposed to be undertaken in conjunction with the BT Merger to raise \$12.0 million to \$15.0 million to be used to grow the merged business.

Further information on the BT Merger will be provided in an Explanatory Memorandum and Independent Expert’s Report to be provided to DDT shareholders and filed with the ASX in the coming months.

Next steps

As mentioned above, your Directors recommend you VOTE AGAINST each of the resolutions proposed at the General Meeting. I strongly encourage you to read this document in its entirety, form your own view on these matters, and exercise your right to vote at the General Meeting.

If you are unable to attend the General Meeting in person, please complete and return the proxy form so that it is received by the deadline specified on the form.

Yours sincerely



Gary Flowers

Chairman

DATADOT TECHNOLOGY LIMITED

ACN 091 908 726

NOTICE OF MEETING

Notice is given that a General Meeting of members of DataDot Technology Limited (**Company**) is to be held at:

Venue: BDO Boardroom
Level 11
1 Margaret St, Sydney
New South Wales 2000

Date: Tuesday, 17 April 2018

Time: 10.00 a.m. (Sydney time)

1.1 Purpose of the meeting

This meeting has been called by the Directors following the Company's receipt, on 7 March 2018, of a request by certain shareholders of the Company (the **Requisitioners**) pursuant to section 249D of the Corporations Act, to call and arrange to hold a general meeting of the Company for the purposes of considering, and, if thought fit, passing the resolutions set out below under the heading 'Business of the Meeting' (**Requisition**).

1.2 Requisitioners' Statement – section 249P

The Requisitioners have requested, pursuant to section 249P of the Corporations Act, that the statement set out in **Attachment A** of this Notice of Meeting be provided to the members of the Company.

The Company is legally required to circulate this statement to its members, however, the Directors and the Company do not endorse and are not responsible for the contents of the statement or for any inaccurate or misleading statements contained within it, including any statements which are inaccurate or misleading by omission.

1.3 Directors' Statement

This Directors' Statement in response is set under the heading 'Directors' statement' in the **Chairman's Letter** accompanying this Notice of Meeting.

All shareholders should read the Chairman's Letter carefully and in its entirety.

Shareholders who are in doubt regarding any part of the business of the General Meeting should consult their financial or legal adviser for assistance.

1.4 Business of the Meeting

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

- Resolution 1** Removal of Mr. Stephe Wilks as Non-Executive Director, effective from the close of the meeting.
- Resolution 2** Removal of Mr. Temogen Hield as Executive Director, effective from the close of the meeting.
- Resolution 3** Removal of Mr. Gary Flowers as Non-Executive Director, effective from the close of the meeting.
- Resolution 4** Appointment of Mrs. Monica Schlesinger FAIDC, PMP, BEng, MEng as Non-Executive Director, subject to the receipt of a signed consent to act as a director of the Company, effective from the close of the meeting.
- Resolution 5** Appointment of Mr. Stephen Hanlon MMan, MEng, Grad Dip Int Bus, Ass Dip Bus, MAICD as Non-Executive Director, subject to the receipt of a signed consent to act as a director of the Company, effective from the close of the meeting.
- Resolution 6** Appointment of Mr. Jiri Perkous MBA as Non-Executive Director, subject to the receipt of a signed consent to act as a director of the Company, effective from the close of the meeting.
- Resolution 7** The replacement Board of Directors to immediately assess and restructure the Senior Management of the Company.
- Resolution 8** The replacement Board of Directors to fully assess for implementation the Restructure Plan as submitted to shareholders.

Under section 201A (2) of the Corporations Act and clause 6.1(a) of the Company's Constitution, the Company must have at least 3 directors (not counting alternate directors). The Company currently has 3 directors. If at the close of the meeting there would be less than 3 directors, the remaining directors will be responsible for ensuring the appointment of such number of additional directors as is necessary to satisfy the requirement that the Company have at least 3 directors.

1.5 Voting by proxy

Any shareholder of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of that shareholder. A proxy form is provided with this Notice of Meeting.

The proxy does not need to be a shareholder of the Company. A shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the shareholder's votes. Proxies must be:

- (a) lodged at the Company's share registry, Boardroom Pty Limited; or
- (b) faxed at the fax number specified below,

so that they are received by **no later than 10.00 a.m. (Sydney time) on Sunday 15 April 2018.**

Boardroom Pty Limited (hand deliveries – during normal business hours)

Boardroom Pty Limited
Level 12
225 George St
Sydney NSW 2000

Boardroom Pty Limited (postal deliveries)

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

Fax number for lodgement

02 9290 9655

Online

www.votingonline.com.au/DDTegm2018

1.6 Entitlement to vote

In accordance with section 1074E(2)(g)(i) of the Corporations Act and Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Company has determined that for the purposes of the meeting all shares will be taken to be held by the persons who held them as registered shareholders at 7.00 p.m. (Sydney time) on **Monday, 16 April 2018**. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Patrick Raper

DataDot Technology Limited

Company Secretary

9 March 2018

Attachment A

Section 249P Statement from Requisitioners

SECTION 249P STATEMENT TO MEMBERS

Dear fellow Datadot Technologies member,

Extraordinary General Meeting

We are calling an Extraordinary General Meeting (EGM) and proposing substantial changes to Datadot Technology Limited (ASX DDT)

The purpose of the meeting is to put in place measures that will address the systemic losses incurred by the company and give the shareholders the chance to see a turnaround while there is still any hope of retaining some value in their company-

Background

Over the last 14 years the company has shown very poor performance, amassing over \$28 million in financial losses, continuous revenue decreases and approving excessively high corporate and operational expenses.

During those years the Shareholders investment in the company suffered some 20-fold share dilution and up to 100-fold decline in share price from \$0.50 in 2006 down to \$0.005 level during Dec 2017.

The board and the executive have never managed to implement a successful turnaround strategy and the downward trend is reflected in the share price consistently falling over the past 12 years.

The only consistent strategy has been to continuously raise funds to cover the losses to the detriment of shareholders.

Why are we doing this?

Datadot Technology Limited is a mature company with great products and possibilities.

Unfortunately, the Board of Directors does not have the right skill matrix and the various CEOs have demonstrated through previous decisions, a long-term lack of market and product understanding.

The Board's inability to appoint an effective management team has resulted in a failure to set and implement any steps that would turn the company around. This is reflected in current and past Annual Reports outlining in very vague terms the sales, expenses and profit / loss targets for the following year, only to consistently finish the year with very poor results.

The Board of Directors repeatedly failed to realize promised targets and failed to utilize over \$50 million of publicly raised finances for the advancement of the company and shareholders and to account for where and how the funds have been used.

The 2016 /2017 financials have again shown a large financial loss. The latest Annual Report does not indicate to the shareholders any developments for improvement in the company governance, real new and significant sales contracts, changes in corporate culture or any indication that the Board of Directors has any clear and real path for the company's development and profitability.

In stark contrast with the declining results and disappointing share price, the Board of Directors and management salaries have been on a consistent upward trend as reflected in the recent AGM where bonuses and 29 million share options were given as part of remunerations to management and the issue of 40 million shares under a loan scheme to the Board and management.

Announcement by Board of Proposed Merger with Beston Technologies

Shareholders have been presented with a "Merger" proposal which will again dilute existing Datadot shareholders to minor participants while potentially passing control to another entity.

We are asked to trust the Board and Management on the terms of any such Merger and based on past experience, we are not confident in a positive outcome for all shareholders.

On face value there is likely to be a 4 fold decrease in equity for shareholders, with no plan on how this equity will be regained through share value.

The proposed merged entity would seem to not have any significant income or unique technology for the company's markets - yet it is being considered for this merger at \$13M by the DDT board and the BFC board expect to make between \$8M to \$10M from the merger.

The Business Case

Datadot Technology is facing increased competition with no obvious management answers on how to change the course of the company and reverse the downward trend. Change requires activating a plan for the restructure of the company to achieve long term profitability and secure a return on investment for the shareholders.

A proposed Restructure Plan comprises 3 stages:

Transformation

- Appoint a new Board of Directors with proven and successful corporate governance experience, the right matrix skills and strategic acumen
- Appoint new key management team with relevant long-term experience in Microdot, Brand Protection and Anti-Counterfeiting technologies and markets
- Immediately reduce Executive and Corporate costs to a sustainable level

Consolidation

- Initiate a review of the existing processes and operations and create a strategic direction for the organisation with short/medium and long-term outlooks
- Rationalise the existing resources to ensure they produce significantly more value
- Increase the product range by licensing appropriate technologies to develop a true "security solutions capability" for the Australian and international markets
- Identify and implement improvements in the company's procedures, logistics, manufacturing and overall culture
- Implement proven security market relevant marketing and sales strategies and plans

Expansion

- Initiate a full review of the proposed merger between DDT and The Holoptica Group
- Implement an external independent valuation of the merger proposal
- Merge the businesses to become the only company with a full suite of Brand Protection and Anti-counterfeiting technologies to meet client's needs worldwide

For complete details of the Business Case and the Restructure Plan visit:

Website: www.datadotroadtorecovery.today

The Plan: <http://online.flipbuilder.com/anuh/bhwy/#p=1>

At the EGM, we urge all shareholders to vote FOR all of the proposed resolutions

Annexure A

Director Profiles

Mrs. Monica Schlesinger:

FAIDC, PMP, BEng, Meng

Experienced Board Chair and Director on 5 Boards, Monica is a Fellow of the Australian Institute of Company Directors, a Principal at Advisory Boards Group and an expert in Cybersecurity governance. Monica transitioned from an IT architect and Systems integrator, to become a certified Project Management Professional managing \$100'sM in turning companies around.

She has a strong commercial acumen in bringing products and ideas to market and skills in corporate governance and Strategic direction.

Monica has a good grasp of the needs of the counterfeit security industry in creating systems that are immune to copying and can underpin the integrity of trade, personal identity, goods origins and their movement.

Mr Stephen Hanlon:

MMan, MEng, Grad Dip Int Bus, Ass Dip Bus, MAICD

Stephen has diverse Corporate Experience in business in Australia and the Asian Region with a background in Security Printing extending back to the '80's. He owns and manages Businesses in a variety of sectors and understands the need for prudent fiscal control.

He currently serves as a Director of Waterpool Coop Ltd. and EatUp! Ltd, amongst others.

Stephen brings knowledge and experience in International Business & Marketing, Corporate Management & Governance, eCommerce and New Business Creation to the Board.

Mr. Jiri Perkous:

MBA

Jiri (George) is an accomplished professional in High Security anti-counterfeiting holographic, micro and nano technologies. George has a degree in Economics, MBA and University level knowledge in Optical Science. Over the last 17 years George achieved expertise in holography and the anti-counterfeiting industry serving as Sales Executive, Product Development Manager and CEO for highly profitable companies such as Optaglio (UK), Lightgate (CZ). He is currently joint Owner and Director of Holoptica (US and UK) as well as Segment Security (US and South Africa). George is focused on innovation, customer service and turning opportunities into profitable returns for the companies he is associated with. A core strength is in innovation of new products and services resulting in patents and trademarks, while maintaining a creative approach to marketing, product presentations and customer engagement. Due to this depth of industry knowledge, George is frequently invited to speak at industry Brand and Document Protection forums and has related industry white papers published in various media.

See complete details and full resumes for all proposed Directors at –

www.datadotroadtorecovery.today/the-team

ASX Announcement

16 February 2018

DDT announces proposed merger with Beston Technologies

- **Heads of Agreement executed for possible merger between DDT and Beston Technologies (BT)**
 - merger subject to, among other things, satisfactory completion of due diligence, negotiation of definitive transaction documents, final board approvals, DDT shareholder approval and completion of a capital raising
 - DDT and BT have agreed to a period of exclusivity until 30 March 2018
 - **Merger would create an Australian-owned and integrated e-commerce traceability and anti-counterfeit software-as-a-service (SaaS) solution across a range of industries**
 - **Proposed merger terms value BT at \$13.0 million and DDT at \$7.0 million with a combined enterprise value of \$20.0 million**
 - **The Board of the merged group would comprise three Directors appointed by Beston Global Food Company (BFC), the current ultimate holding company of BT, and two of the current directors of DDT**
 - **A capital raising is proposed to be undertaken in conjunction with the merger to raise \$12.0 million to \$15.0 million**
 - **At this point there is no assurance that the transaction will proceed to completion as it remains subject to further due diligence investigations and other conditions.**
-

DataDot Technology Limited (ASX: DDT) and Beston Global Food Company Limited (ASX: BFC) are pleased to announce that they have agreed upon a proposal and executed a Heads of Agreement (HoA) to merge BFC's wholly-owned technology company, Beston Technologies Pty Ltd (BT), and DDT. The merger would be effected by the acquisition of all the shares in BT by DDT in exchange for the issue of DDT shares to BFC.

The proposed merger is subject to, among other things, satisfactory completion of due diligence by DDT and BFC, negotiation of definitive transaction agreements, final DDT and BFC Board approvals, DDT shareholder approval and certainty of completion of a capital raising (discussed below).

Under the HoA, DDT and BT have agreed to an exclusivity period until 30 March 2018 (or such later date as they may agree) to complete due diligence and to seek to negotiate the definitive transaction agreements (including a merger implementation agreement).

The merger of the two companies would create an Australian owned and integrated e-commerce traceability and anti-counterfeiting software-as-a-service (SaaS) solution for both consumers and producers across a wide range of industries including food, with a primary focus on protecting the integrity of the supply chain.

The business of the merged group (being the group consisting of DDT and BT) would have as part of its strategy going forward, a focus on the expansion of the combined “one trust platform” for consumers and will comprise, comprising the following core technologies and platforms:

- OZIRIS (incorporating Brandlok) – a consumer facing digital technology solution that authenticates and provides full ‘farm to fork’ traceability; see www.oziris.com.au/about-oziris/
- Beston Marketplace & 8ston – e-commerce platforms for the sale of food and beverage products in Australia and China; see www.bestonmarketplace.com.au and www.8ston.com
- a Technology Eco-System (TES) – comprising a central database, customer management, inventory management, fulfilment, reporting and analytics, and a supplier portal
- DDT’s patented DataTraceID covert authentication system that is currently deployed to authenticate pharmaceuticals, food and beverages, gaming chips and fabrics.

The Chairman of BFC, Dr Roger Sexton AM said that the businesses of BT and DDT were a good strategic fit and the merger of the two companies is expected to bring synergistic benefits that would not otherwise be achievable.

“The economic and financial logic supporting the proposed merger is compelling. The two businesses uniquely complement each other.

Combined, they would create a leading integrated e-commerce verification and anti-counterfeit software-as-a-service solution for both consumers and producers, in global markets.”

The Chairman of DDT, Mr Gary Flowers said that the merger would be transformative for DDT, taking the company to another level as an anti-counterfeiting technology product supplier and opening potential new opportunities for growth in product tracking and big data commercialisation.

“On every score – products, markets, IP, R&D and potential revenue synergies – the merger is expected to be a win-win for both companies and their shareholders”.

Beston Technologies Pty Ltd

BT is a technology development company based in Adelaide and established in 2015 to connect global consumers with authentic Australian food and beverage products. BT was established by BFC to house a “Technology Eco System” (TES) to overlay with the core products offered by BFC, ultimately providing consumers with ingredient track-and-trace and anti-counterfeit capabilities on BFC products to ensure provenance and authenticity.

BT provides a unique, patented tracing system, OZIRIS, that allows consumers of food and beverage products to track-and-trace their purchases back to the point of origin – from farm to fork. The OZIRIS system is teamed with Brandlok anti-counterfeiting technology to assure customers that the products they purchase are genuine.

BT holds 12 International Patents or Patents Pending on the technologies that have been developed since the listing of BFC on 28 August, 2015. BT is 100% owned by BFC.

The company that owns the Brandlok intellectual property, Brandlok Brand Protection Solutions Pty Ltd, is currently 80% owned by Grape Ensembles Pty Ltd (Grape Ensembles) and 20% owned by DDT. As part of the proposed merger, BFC would exercise its Call Option and nominate DDT as the purchaser of the shares currently held by Grape Ensembles, and Brandlok Brand Protection Solutions Pty Ltd would become a wholly-owned subsidiary of DDT (and part of the merged group).

One of the benefits of taking ownership of Brandlok within the merged group would be that all of the intellectual property associated with the anti-counterfeiting part of the technology used by BT/DDT would then be housed in the merged group and royalties would no longer have to be paid for the use of this technology.

The platform of services offered by BT comprises the following components referred to above:

- OZIRIS (utilising Brandlok)
- Technology Eco-System (TES) – provides central database, customer management, inventory management, fulfilment, reporting and analytics, and a supplier portal.
- Beston Marketplace and 8ston– provides an e-commerce platform for the sale of BFC and other food and beverage products in Australia and China.

Together, this platform of services provides an end-to-end, track-and-trace and anti-counterfeiting capability that:

- enables consumers to shop with peace of mind, knowing that their product purchases are authentic across a range of industries.
- empowers consumers with the ability to understand the nature, source and quality of ingredients and thereby assure themselves as to the provenance and quality of their food and beverage purchases, and
- addresses consumer concerns about food authenticity, nutrition and safety.

The TES system connects all the BT applications, creating a single view for all consumer and product interactions. TES also ensures full integration with the closed-loop supply chain operated by BFC.

The combination of technologies we believe, could see us be amongst the world's first in the fight against the growing problem of food substitution, and associated consumer concerns about food safety. It empowers consumers with the ability to be assured that the food or beverage products they are looking to purchase are not only safe to eat, but also arms them with the ability to understand the nature, source and quality of the ingredients in the product.

Merger Proposal

Under the terms of the merger proposal, BFC would be issued with shares in DDT in exchange for the sale of all the shares in BT to DDT.

The proposed merger values BT at \$13.0 million and DDT at \$7.0 million, representing a merger ratio of 1.86:1.00 and a combined enterprise value of \$20.0 million.

It is proposed that DDT would undertake a capital raising in conjunction with the merger to raise \$12.0 million to \$15.0 million. The final structure of the capital raising will be determined in due course.

After the capital raising, based on a minimum raising of \$12.0 million, BFC the current owner of BT, would hold approximately 41% of the shares in DDT. Accordingly, BFC shareholders will have an indirect economic interest in the merged group through their shareholding in BFC.

As set out below, the merger is conditional on a number of matters, and there is no assurance that the transaction will proceed to completion.

Merger Rationale

The global counterfeit market is growing rapidly, not only in food and beverages but across a range of other industries including pharmaceutical, automotive and finance. Currently, the size of the global counterfeit market is estimated at over USD 1.0 trillion¹ and is predicted to grow by between 14% and 20% over the next five years².

The largest driver of the rapid increase in “fake products” being sold in global markets has been said to be the growth in e-commerce platforms, which have propagated the sale of products online. These e-commerce platforms are experiencing growth rates of 20% CAGR³ which also provides a platform for counterfeiters to sell products through these regulated sales channels.

One of the drivers for the proposed merger is the shared strategic objective of BFC and DDT to capture the global market leadership role, in providing anti-counterfeiting and ingredient verification services to consumers.

¹ Total global value of counterfeit market (including its impact on the sale of authentic goods) estimated at \$1.7 trillion
<https://www.voanews.com/a/global-trend-in-counterfeiting-and-piracy/3783360.html>

<https://cdn.iccwbo.org/content/uploads/sites/3/2017/02/ICC-BASCAP-Frontier-report-2016.pdf>

² The report "Anti-Counterfeit Packaging Market by Technology (Coding & Printing, RFID, Hologram, Security labels, Packaging Design), Usage Feature (Track & Trace, Tamper Evidence, Overt, Covert, Forensic Markers), End-use Sector, and Region - Global Forecast to 2021", The anti-counterfeit packaging market size is projected to grow from USD 107.26 Billion in 2016 to reach USD 206.57 Billion by 2021 with a CAGR of 14%. <http://www.marketsandmarkets.com/PressReleases/anti-counterfeit-market.asp>

³ <https://www.emarketer.com/Article/Worldwide-Retail-Ecommerce-Sales-Will-Reach-1915-Trillion-This-Year/1014369>

This service currently exists at two ends of the supply chain – the “front end” operated by DDT and the “back end” operated by BT using DataTracelD as the anti-counterfeiting element.

The merger of DDT and BT will bring these two ends of the supply chain together to deliver the first Australian-owned and integrated e-commerce traceability and anti-counterfeit SaaS solution to consumers with a strategic focus, amongst others, on “food trust”.

Both companies have developed complementary intellectual property in solving the counterfeiting of products. Since 2015 they have collaborated, along with associated company, Brandlok Brand Protection Solutions Pty Ltd, to deliver an e-commerce platform that provides supply chain verification and anti-counterfeit protection for products sold both online and offline. The platform is used by BFC and has application across a number of sectors, in addition to food.

The challenges posed by the growing global counterfeit market are serious and growing problems – but they also represent opportunities. CSIRO, along with the Federal Government, has recognised in a number of reports in recent months that a traceability and verification system provides an opportunity to leverage Australia’s clean, green reputation when taking our food and beverage products to the rest of the world⁴⁵.

The merger of DDT and BT would provide an opportunity for the technologies and capabilities embodied in the TES platform developed by BT using DDT technology, to be expanded into a wide range of markets and countries (in particular, into the USA and Europe). The merged business would have the capabilities of delivering a solution for e-commerce, traceability (supply chain authenticity) and anti-counterfeit hardware.

The Chairman of BFC, Dr Roger Sexton AM noted that the merger is expected to provide significant benefits for both DDT and BFC shareholders:

“The ability to take the technology owned by both companies into a wide range of industries, in addition to food and beverage, would provide all shareholders with the opportunity to participate in the future growth and upside from taking an Australian anti-counterfeiting and traceability platform to global consumers and producers”, he said

Benefits for BFC and DDT Shareholders

The merged business would provide a complete “customer brand protection and traceability platform” to major e-commerce providers, large multinational offline providers in the primary market segment of food and beverage with a geographic focus on Australia, China and the United States.

⁴ <https://www.marketingmag.com.au/hubs-c/chinese-middle-class-rising-desire-clean-green-australian-products/>

⁵ <https://www.csiro.au/en/News/News-releases/2017/Mapping-out-Australias-food-future>

Existing pharmaceutical and automotive customers of DDT would also have access to the OZIRIS platform to leverage the existing DDT customer base.

The combined businesses of BFC and DDT would have a broader product mix and a greater financial and operational scale than either entity is likely to achieve if operating alone.

The Boards of BFC and DDT see the following potential benefits for BFC and DDT shareholders:

- **“One trust” platform:** The merger is expected to create a ‘global trust platform’ integrating e-commerce, traceability and anticounterfeit solution for both online and offline markets.
- **Business Model:** Transform the existing business model of DDT to a SaaS platform with the potential to provide an annuity like revenue stream.
- **Intellectual Property:** 100% ownership of its intellectual property, which includes: consumer engagement, e-commerce, traceability software platform combined with anticounterfeit reader hardware and virtual reality platforms.
- **BT Revenue Synergies:** BT platform would be offered to existing DDT customers across the non-food space.
- **DDT Revenue Synergies:** DDT DataTracelD technology would be offered to a wider range of customers through OZIRIS and Brandlok.
- **Global major market sector access:** Customer access across the major market sectors of food, pharmaceutical, finance, and automotive.
- **Global reach:** Provides global coverage through the combination of existing operating entities in Australia, China, ASEAN, USA, UK and Europe.

Benefits to Existing BFC Shareholders

The Board of BFC has identified the following potential benefits for BFC shareholders:

- Assists BT to achieve critical mass through a combination of two complementary businesses with no product duplication.
- Places BT at “arm’s length” from BFC and enables it to be a “Big Data” provider based on consumers which use products made by other food companies and potential users of the technology.
- Provides scale and capital to better position BT to offer its technologies to global markets.
- Assists BT to enter into industries and geographic consumer markets, other than food and beverages, and thereby realise its full potential.

- Removes BFC from any obligations to meet the costs of funding the next stage of growth of the technology.
- Provides the opportunity for BFC to realise a return on its investment to date into BT. If the transaction proceeds to completion BFC anticipates it will book a profit on its investment on BT (a substantial portion of the expenditures incurred over the past two years in developing the technologies have been expensed). However, the actual amount of the profit will be subject to several factors at completion, including any applicable adjustments required under accounting standards.

Benefits to Existing DDT Shareholders

The Board of DDT has identified the following potential benefits for DDT shareholders:

- Revitalisation of the existing suite of products, including enhancement and extension of DataTrace applications;
- An enlarged suite of proprietary IP, including BT's unique OZIRIS technology platform, 12 international patents and several patents pending;
- An expanded product range and customer base across a wider range of industry sectors, both in Australia and internationally;
- Potential to transform DDT into a "big data" company by realising the commercial value of consumer purchasing and usage data harvested by OZIRIS technology.
- Deeper penetration of key Asian markets by leveraging existing BFC relationships and harmonising DDT's and BT's existing Asian operations

Governance and Management

The Board of the merged group is expected to comprise three Directors appointed by BFC and two Directors appointed by DDT. The existing Non-Executive Directors on the Board of DDT, Mr Gary Flowers and Mr Stephe Wilks would remain as the DDT appointed Directors. The current Chairman of BFC, Dr Roger Sexton AM, would be Chairman of the merged group.

The current Chief Executive of DDT, Mr Temogen Hield, would be the CEO of merged group.

Capital Raising

The purpose of the capital raising is to:

- Fund the implementation of the business plan for the merged group, which would be to primarily to grow its revenue base in Australia and China and take the technology embodied in OZIRIS and the TES (in combination with the DataTraceID technology) into the USA and Europe, and



- Exercise a call option held by BFC over shares in Brandlok Brand Protection Solutions Pty Ltd and take ownership of that company within the merged group.

After the capital raising, based on a raising of \$12.0 million, it is currently expected that BFC, the current owner of BT, would hold approximately 41% of the shares in DDT. Accordingly, BFC shareholders will have an indirect economic interest in the merged group through their shareholding in BFC.

As set out below, the merger is conditional on a number of matters, and there is no assurance that the transaction will proceed.

Timing

BFC and DDT are currently undertaking due diligence and, subject to the satisfactory completion of due diligence and final DDT and BFC Board approvals, propose to enter into definitive transaction agreements (including a merger implementation agreement) to proceed with the merger.

If the merger proceeds, it is expected to be implemented by the end of June 2018.

No assurance that the merger will proceed

As mentioned above, the merger is conditional on a number of matters, including satisfactory completion of due diligence and board approvals. Accordingly, shareholders are cautioned that there is no assurance that the transaction will proceed to completion.

Further Information

Further information on the transaction will be provided in an Explanatory Memorandum to be provided to DDT shareholders and filed with the ASX.

For further details contact:

DataDot Technology Limited
Temogen Hield, CEO
Phone: +61 2 8977 4900
thield@datadotdna.com
www.datadotdna.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.



All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:00am AEST on Sunday 15 April 2018.**

🖥 TO VOTE ONLINE

- STEP 1:** VISIT www.votingonline.com.au/DDTegm2018
- STEP 2:** Enter your Postcode OR Country of Residence (if outside Australia)
- STEP 3:** Enter your Voting Access Code (VAC):

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:00am AEST on Sunday, 15 April 2018.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 🖥 **Online** www.votingonline.com.au/DDTegm2018
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **DataDot Technology Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting** (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Extraordinary General Meeting of the Company to be held at the **BDO Boardroom, Level 11, 1 Margaret Street, Sydney NSW 2000 on Tuesday, 17 April 2018 at 10:00am AEST** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Meeting intends to vote undirected proxies against each of the items of business.

STEP 2 VOTING DIRECTIONS
 * If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Removal of Mr. Stephe Wilks as Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Removal of Mr. Temogen Hield as Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Removal of Mr. Gary Flowers as Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Appointment of Mrs. Monica Sachlesinger FAIDC, PMP, BEng, Meng as Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Appointment of Mr. Stephan Hanlon MMan, MEng, Grad Dip Int Bus, Ass Dip Bus, MAICD as Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Appointment of Mr. Jiri Perkous MBA as Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	The replacement Board of Directors to immediately assess and restructure the Senior Management of the company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	The replacement Board of Directors to fully assess for implementation the Restructure Plan as submitted to shareholders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS
 This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2018