

ASX Announcement

8 August 2018

## Progress Report on Merger Discussions with Beston Technology

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- Further work required to underpin MergeCo's future business model
  - Heads of Agreement terminated, new framework established to complete the required work
  - Both DDT and BFC remain confident that they will complete the transaction in early 2019
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**DataDot Technology Limited** (ASX:DDT) announced on 15 February 2018 that it had entered into a heads of agreement with Beston Global Food Company (**BFC**), to explore the merger of DataDot with Beston Technology (**BT**) (a wholly owned subsidiary of BFC). That proposed merger was subject to a number of provisions including due diligence, preparation of a business plan for the merged group (**MergeCo**), and finalising a capital raise to fund MergeCo.

DataDot and BFC have determined that more work is needed to advance the business case to support the intended capital raising (which is necessary to set up MergeCo for ultimate success). To that end, DDT and BFC have terminated the previous heads of agreement, and agreed a new framework to complete the additional work. A critical element of the additional work will be to conclude supply agreements with key customers, demonstrating the revenue base for MergeCo's software as a service (SaaS) solution.

It remains the parties' intention to bring MergeCo into existence, based on the metrics outlined in the earlier announcement (BT valued at \$13.0 million and DDT at \$7.0 million, with a combined enterprise value of \$20.0 million), and to complete a raising to provide additional capital to the merged business, should the further work prove the MergeCo business model which each of DataDot and Beston believe to be achievable.

The parties anticipate making a final decision on the MergeCo proposal by no later than 28 February 2019, at which time any proposal would be put to shareholders for their consideration.

### For further details contact:

DataDot Technology Limited  
Gary Flowers - Chairman  
Phone: +61 2 8977 4900  
gary.flowers@bower.net.au  
[www.datadotdna.com](http://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](http://www.datadotdna.com).