

**ASX Appendix 4C**

DataDot Technology Limited (ASX:DDT) has today released its cash flow report (ASX Appendix 4C) for the quarter ending 30 June 2020.

This cash flow report is unaudited and discloses the inflows and outflows of cash during the quarter ended 30 June 2020 and for the financial year to date.

**Highlights**

The quarter was characterised by the economy wide uncertain business environment arising from the Covid 19 Pandemic. In response to this uncertainty, the Board has implemented a number of strategies and actions to bolster the company's financial position, restructure its capital base and strengthen its balance sheet.

Cash at the end of the quarter was \$1,007.1k, up from \$600.1k at the beginning of the period.

The cash balance reflects the net effect of the private placement, the rights issue, repayment of Convertible Note debt, and payment of creditors to ensure that all current liabilities are compliant with suppliers' trading terms and agreements.

The below table summarises the major movements in cash during the quarter.

<b>Item description</b>	<b>Cash In flow</b>	<b>Cash Out flow</b>	<b>Net Cash In Flow</b>
	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
Private Placement	\$785.5		
Rights Issue (net of Costs)	\$1,020.7		
Repayment of Convertible Notes		\$1,100.0	
Investments and Capital Expenditure		\$2.9	
Net Operating outflows		\$246.2	
<b>Net Movement during the quarter</b>			<b>\$407.0</b>

During the quarter the company finalised most of its previously announced cost reduction measures. Closure of the USA manufacturing facility is now finalised with the departure of all staff and expiration of the property lease. Products distributed in the US market are now manufactured and exported from the Sydney facility.

UK operations have been restructured and are now managed directly by the Managing Director from Australia. Operational support, accounting and administrative functions have also been transitioned to the Sydney office enabling the head count in the UK to be reduced.

Payments to employees and suppliers in the quarter were accelerated to bring previously deferred expenditure up to date. The company continues to enjoy a small number of remaining deferred payment arrangements that were negotiated at the onset of the Covid 19 Pandemic.

The Aggregate amount of \$148.3k paid to related parties in the quarter includes salaries, wages and previously deferred Directors fees, and the final interest payment on the Convertible Notes which were repaid in full.

Due to the economic impacts of Covid 19 across all markets, particularly in the automotive sector, revenue streams have proven more volatile than anticipated. Despite this, the company's customer base is expanding and Directors remain optimistic of the continuation of modest revenue growth in the medium term.

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**For further details contact:**

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**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).

# Appendix 4C

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

DataDot Technology Limited - ASX DDT

ABN

54 091 908 726

Quarter ended ("current quarter")

30-Jun-20

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	666.9	3,437.9
1.2	Payments for	-	-
	a. research and development	166.7	166.7
	b. product manufacturing and operating costs	(540.5)	(1,382.1)
	c. advertising and marketing	(17.1)	(70.3)
	d. leased assets	-	-
	e. staff costs	(282.4)	(1,442.3)
	f. administration and corporate costs	(271.8)	(1,148.3)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(39.9)	(94.2)
1.6	Income taxes paid	(0.7)	5.8
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	72.6	72.6
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(246.2)</b>	<b>(454.2)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	a. entities	-	-
	b. businesses	-	-
	c. property, plant and equipment	(0.2)	(54.9)
	d. investments	-	-
	e. intellectual property	-	-
	f. other non-current assets	-	-
2.2	Proceeds from disposal of:		
	a. entities	-	0
	b. businesses	-	0
	c. property, plant and equipment	-	8.6
	d. investments	(2.8)	(2.8)
	e. intellectual property	-	0
	f. other non-current assets	-	0
2.3	Cash flows from loans to other entities	0.2	0.6
2.4	Dividends received (see note 3)	-	0
2.5	Other (provide details if material)	-	0
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(2.9)</b>	<b>(48.4)</b>

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<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,806.2	1,865.0
3.2	Proceeds from issue of convertible debt securities	(1,150.0)	(550.0)
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>656.2</b>	<b>1,315.0</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash</b>		
4.1	Cash and cash equivalents at beginning of period	600.1	194.7
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(246.2)	(454.2)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2.9)	(48.4)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	656.2	1,315.0
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,007.1</b>	<b>1,007.1</b>

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<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b>	<b>Current quarter</b>	<b>Previous quarter</b>
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>\$A'000</b>	<b>\$A'000</b>
5.1	Bank balances	1,007.1	625.5
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	1,007.1	625.5

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter</b> <b>\$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	148,249
6.2	Aggregate amount of payments to related parties and their associates included in item 2	nil

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

<b>7.</b>	<b>Financing facilities</b>	<b>Total facility amount at quarter end</b> <b>\$A'000</b>	<b>Amount drawn at quarter end</b> <b>\$A'000</b>
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
	<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	0	0
7.2	Credit standby arrangements	0	0
7.3	Other (please specify)	0	0
7.4	<b>Total financing facilities</b>	-	-

7.5	<b>Unused financing facilities available at quarter end</b>	Nil
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7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

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<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (Item 1.9)	(246.2)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	1,007.1
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	1007.1
8.5	<b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>4.1</b>
8.6	<p>If Item 8.5 is less than 2 quarters, please provide answers to the following questions:</p> <p>1.Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?</p> <p>Answer: N/A</p> <p>2.Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?</p> <p>Answer: N/A</p> <p>3.Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?</p> <p>Answer: N/A</p>	

**Compliance statement**

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

**Date:** 31-Jul-20

**Authorised by:** DataDot Technology Limited Board of Directors

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.