DataDot®
TECHNOLOGY LTD

Annual Report 2023

Financial Year Ending 30 June 2023

ABN 54 091 908 723

Annual Report 2023

Contents

ABN : 54 091 908 726
8 Ethel Ave
Brookvale, NSW, 2100
P : (02) 8977 4900
www.datadotdna.com

Chairman's Review

Dear Shareholders

I am pleased to present the Company's 2023 Annual Report. I am also pleased to report that despite challenging conditions in the first half year, the group's trading result (excluding royalties) improved appreciably over the second half and returned the Group to profit.

Microdot sales to our wholesale customers in both the U.K. and the United States delivered pleasing growth in the second half of FY 23 and we now expect to see continued growth via these channels in FY 24. Nevertheless, while recognising the importance of these sales channels, including to the automotive sector, the unanticipated loss of a significant part of our automotive related royalties due to the war in Ukraine underscores the Board's commitment to completing the transition from the historical business model to a more diversified revenue base.

This has seen a major focus throughout FY 23 on developing the necessary product offerings, Vault software enhancements, marketing materials and incentive models to support the FY 24 objectives of the Direct Business and Consumer segment. This segment grew by 7.7 % off a modest base in FY 23 and the focus for FY 24 has shifted to securing a range of commercial agreements with insurers, the industrial hire industry and consumer product dealerships.

The key results for the year include:

- A decrease of 24.4% in total revenue (driven by a 74.2% decrease in royalty revenue);
- A 3.2 % increase in total product sales;
- A 3.9% increase in operating expenses; and
- An overall Net Profit before tax of $11,647.

	2020	**2021**	**2022**	**2023**
Revenue	3,774,569	3,896,113	3,561,177	2,693,031
EBITDA	309,385	1,494,733	1,045,785	254,423
Net Profit / (Loss) before tax	29,203	1,234,982	829,163	11,647

The Company remains debt free and has a strong financial base with sufficient working capital to pursue its plans for revenue diversification. While the net assets of the group decreased from $3,977,724 at June 2022 to $3,780,085 at June 2023 (excluding the Deferred Tax Asset), this was primarily due to the share buy-back undertaken during the year. The group has cash, cash equivalents and financial investments totaling $2,867,501. While this reserve will be carefully managed to support growth, the Board will continue to ensure the long-term financial stability of the group.

Notwithstanding the many challenges associated with diversification into a new business model, your directors are committed to driving significant progress towards delivering their vision of creating a sustainable and profitable business. On a personal note, as my retirement from the Board becomes effective at this AGM, I would like to wish my fellow Directors and the Company all the best for the future.

Ray Carroll
Chairman
15 October 2023

Directors

The Directors present their report together with the financial statements of the consolidated entity comprising DataDot Technology Limited and the entities it controlled (the "consolidated entity") for the financial year ended 30 June 2023.

The following persons were directors of DataDot during the financial year and up to the date of this report, unless otherwise stated:

- Ray Carroll
- Brad Kellas
- David Lloyd

Principal activities

The principal activities of DataDot during the year were:

(a) to manufacture and distribute asset identification and digital theft protection solutions that include:

- DataDotDNA® - polymer and metallic microdots; and
- High security DataTraceID® authentication

(b) To develop and provide customised asset protection and recovery solutions including:

- Asset Registers - databases that record asset identification data from the public and commercial organisations.
- VAULT branded asset protection and recovery services, together with a range of bespoke DatadotDNA branded asset identification and related security products.

There has been no significant change in the nature of the Company's activities during the year.

Dividends

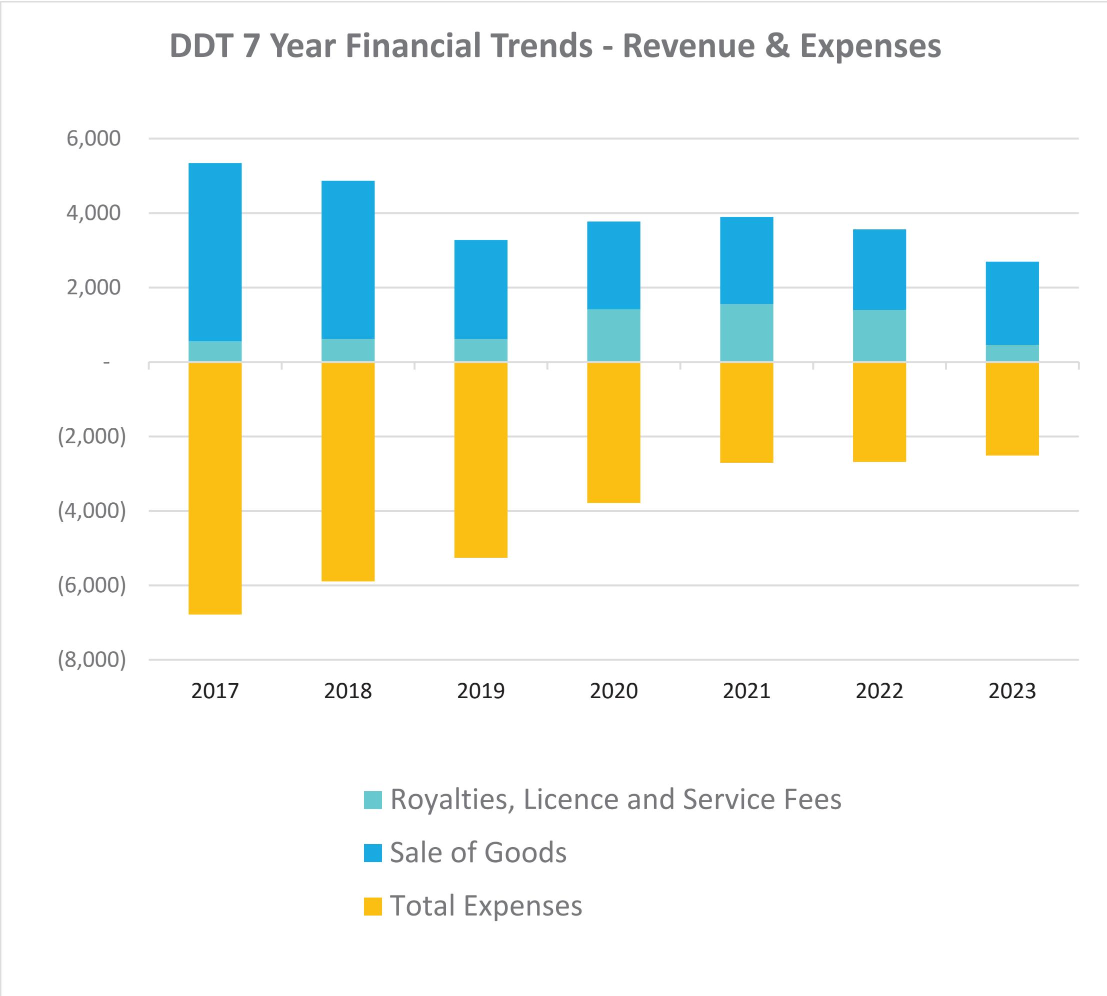
The Directors recommend that no dividend be paid. No dividends have been declared or paid during the period.

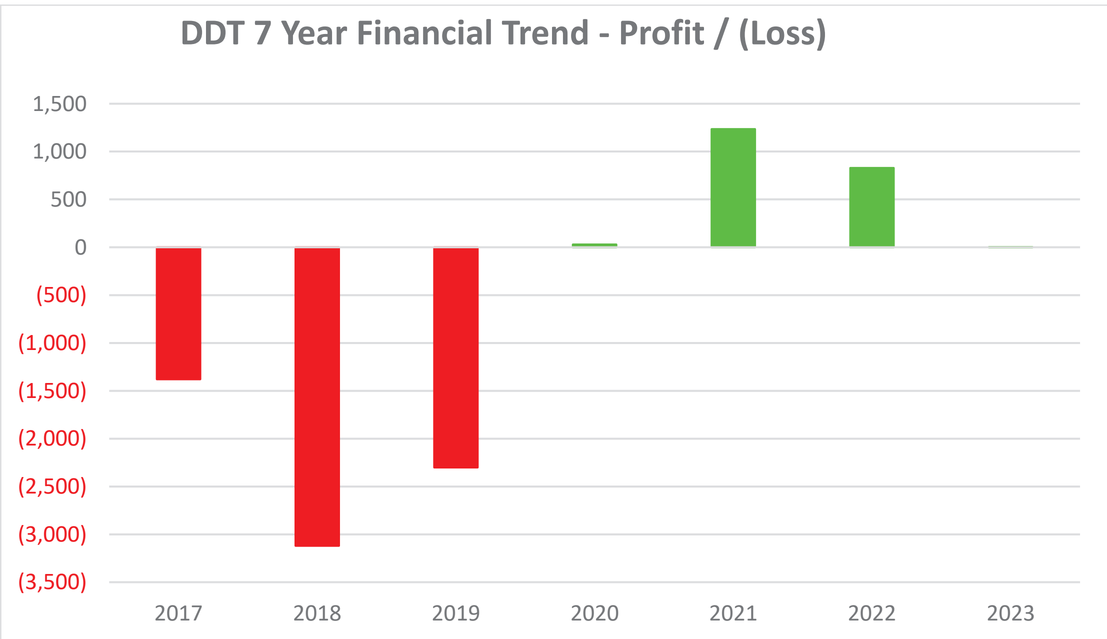
Review of operations

The Group delivered an underlying trading result for the financial year ending 30 June 2023 of a net Profit Before Tax of $11,647. While the underlying trading result is down on the net profit result of $829,163 in FY 22, the end of year result represents a significant positive turnaround in trading from the loss before tax of $190,118 incurred in the first half year.

Due to the required accounting treatment of the Group's historical deferred tax losses, this has resulted in the overall statutory result of a net Loss After Tax for the financial year ending 30 June 2023 of $115,370. This only has an effect on the book carrying value of the Group's Deferred Tax Asset and has no impact on the cash position.

The following charts summarise the major trends in the financial performance of the Group over the past 7 years and the impact on the group's financial performance in the years subsequent to the change of the Board in May 2019:





Revenues and Gross Profit Margins

Total revenue for the Group in FY 2023 was $2,693,031, a decrease of 24.4% from FY 2022.

Total product sales increased by approximately 3.2%. Product sales from the OEM and Distributor segment increased by 2.6%, and total ~~s~~ales from the Direct-to-Business and Consumer segment increased by 7.7%.

Royalties and License Fees from our overseas licensees and distributors form a significant part of the Group's OEM and Distributor business. Royalty revenues were down in FY 2023 by 74.2% compared to FY 22 which has led to the decline in profit from FY 22.

The fall in Royalty revenue is substantially the result of the on-going international sanctions arising from the conflict in Ukraine and the disruption to DataDot South Africa's distributor sales in the Russian Federation which began in the last quarter of FY 22. The excess inventory levels held by key automotive clients in Europe during the last half of FY 22 continued to impact Distributor sales into FY 23 and also contributed to this decline.

Due to the impact of elevated across-the-board inflation levels on costs, the Group experienced a decrease in Gross Margin on its OEM and Distributor sales by 4.0% compared to FY2022.

Operating Costs

Despite the high inflation levels being experienced world-wide, and an increase in operating staff levels the total increase in Operating Costs in FY 23 was held at 3.9% compared to FY 2022 and remain well below pre-restructuring levels.

The increase occurred in several key areas. While the Group's overall administration costs were reduced by 25.8% following on from the 17.2% reduction in the previous year, corporate compliance costs were up by 5.2% from FY 2022; primarily as a result of conducting the share buy-back. The largest increases in operational costs occurred as a result of the push by the Board to grow the new business lines; in particular developing the necessary infrastructure, including software enhancements and marketing materials, to support the on-line offering in the Direct-to-Business and Consumer segment. This included the hiring of new sales staff leading to an increase of 12.6% in salaries. Moving forward, the Board will continue to make appropriate investments to aggressively grow the Direct-to-Business and Consumer segment in order to expand its revenue base into these new areas.

Strong debtors control continued throughout FY 2023 and negated the need for any additional bad and doubtful debt provisions.

Capital Management

Maintaining the Group's strong cash position remains a key focus of the Board. The cash, cash equivalents and financial assets available to the Group declined during FY 2023 from $3,179,549 to $2,867,501, however a significant factor in this decline was the Board's decision to initiate a buy-back of unmarketable shares in November 2022. The buy-back resulted in a 56% reduction in the total number of shareholders and 2.65% in total share capital at a cost of approximately $197,500.

The Group is free of debt instruments subject to interest payments, which has made a further positive contribution to the FY 2023 cash position. The Board determined there was no need for any new capital raising activities in FY 2023.

The expenditure on the share buy-back has been the main factor in the decline of the net assets of the Group from $3,977,724 at 30 June 2022 to $3,780,085 at 30 June 2023 (excluding $5,489,215 in deferred tax assets brought to account in relation to unused prior year tax losses of the Australian entities).

The Group's liquidity remains very sound and provides a strong foundation for investment in the businesses' expansion. In doing so, the Board remains cognisant of its responsibility to effectively manage its cash balance to ensure the long-term financial stability of the Group.

Outlook

In the half year update Directors advised that due to the impacts of the Ukraine conflict on the Company's automotive related royalties received from DataDot South Africa (DDSA) the second half year would remain challenging. While the Group's overall trading result (excluding royalties) improved over the second half and returned the Group to profit, the continuing shortfall in royalty revenue has validated the Board's ongoing concern that the Company had historically placed too much reliance on our Distributors' automotive related royalties and product sales.

While still recognising the importance of sales of our core products to the automotive sector on the Company's current revenue base, the Board remains committed to completing the transition from the historical business model to a more diversified revenue base. When fully implemented this transition will take the Company from a product focused manufacturer of passive identification products to that of a multi-service provider that encompasses physical and digital asset identification, provenance, theft deterrence and stolen property recovery; each with their associated services and product related revenue streams.

This commitment is now reflected in a subtle but important change in the way the Company is focusing on its strategic objectives. The Company's traditional business of manufacturing and distributing its DatadotDNA and Trace products is now grouped under OEM and Distribution segments. These segments are primarily concerned with the manufacture and wholesale supply of DatadotDNA and Trace to manufacturers (OEMs) for application to their own products, and to authorised distributors and wholesale customers in overseas markets for on-sale under their own brands. These segments also include royalties and licensing fees associated with these distributorships.

The third grouping is the Direct Business and Consumer segment. This segment includes all activities that have a direct to business and/or consumer focus and includes on-line, retail and dealer sales of the newly developed range of DatadotDNA products kits, Vault branded security products, and Vault facilitated stolen property recovery and insurance sales commissions.

OEM and Distribution Segment

In respect to the OEM and Distribution segment, we do not expect to see any significant change in the current level of royalties over the forward period as the conflict in Ukraine remains unresolved. However, sales to our wholesale customers in both the U.K. and the United States delivered pleasing growth in the second half of FY 23 and we now expect to see continued growth via these channels in FY 24.

The previously flagged potential for expansion of our OEM automotive sales in the U.K. still remains a distinct prospect. While the prospective OEM customer paused negotiations during the second half for internal reasons, these negotiations have resumed, and the board remain cautiously positive. Our other direct automotive sales channel, principally Subaru in Australia, increased sales in FY 23 in line with their increase in vehicle imports due to the easing of supply constraints in the automotive industry and can be expected to remain steady.

Trace product sales to existing customers remained steady over the year. The ongoing work with distributors to engage some potential new Trace customers has continued in order to prove-out the customers' in-house processes, engineering requirements and testing regimes. However, this work has to-date failed to deliver a supply contract. Until one or more of these potential customers commit to proceed, we will not be forecasting any significant growth of Trace-related revenue in the outlook period.

Taken as a whole, a conservative assessment of the forward outlook for the OEM and Distributor segment (in the absence of a return to previous royalty levels) is one of modest revenue growth through expansion of sales by our existing distributor and wholesale customer channels. This modest growth forecast will be significantly enhanced if the potential OEM customer commits to a DatadotDNA program in time for implementation to commence in the outlook period.

Direct Business and Consumer Segment

A major focus of the Board and management throughout FY 23 has been to develop the necessary product offerings, software enhancements, marketing materials and incentive models to support the FY 24 objectives of the Direct Business and Consumer segment.

Historically, the absence of a compelling and marketable rationale for stand-alone property marking has limited the potential of direct to consumer sales. Combining PropertyVAULT registration and recovery services with insurance incentives provides a compelling rationale for dealer, retail and consumer engagement. The development of our generic DatadotDNA product into a diversified product range targeted at a broad cross section of consumer products that can be offered through broker, dealership, retail and on-line channels has given us the ability to make this combined offering far more compelling and commercially viable.

Receipts from the Direct to Business and Consumer segment grew by 7.7 % off a modest base during FY 23 as they were primarily generated by the more mature BikeVAULT portal while the necessary elements of the more diversified product range were being developed. With our infrastructure and marketing plans now in place, the focus for FY 24 has shifted to securing a range of commercial agreements with insurers, the industrial hire industry and consumer product dealerships. Negotiations have commenced with a number of specialty insurers to incorporate insurance-related incentives into our product offerings, including offers to generate significantly greater product sales, advertising and referral revenue streams.

For the higher valued classes of insured property such as marine, caravans, plant and equipment and specialty vehicles, we are proposing formal commission arrangements for the recovery of stolen total loss insured property together with related salvage service charges.

Engagement with Australia's police services is also an important element of the stolen property recovery process. Facilitating timely police action is a critical part of recovering suspect property identified by PropertyVAULT processes. Additionally, police services take possession of thousands of suspect items each year that can't be identified on their internal systems. Protocols for police to routinely check this property against the PropertyVAULT stolen portal has led to significant instances of PropertyVAULT recoveries. To facilitate this interaction, we have engaged a highly respected former police officer to act as our national police liaison officer and will continue our sponsorships of Crime Stoppers and Neighborhood Watch through FY 24.

All of these agreements and activities are targeted at achieving exponential growth throughout FY 24 in pre-registration of personal and commercial property, uploading of total loss stolen property, and public, business and police interaction with the PropertyVAULT portal.

Ongoing investment is required to achieve these aims with a strong focus on marketing to generate the necessary traffic to our on-line portals which will lead to the growth of our commercial revenue streams. Like all on-line businesses, this growth trajectory will take time to build momentum and reach a critical mass. For this reason, our success parameters for FY 24 will include the number and quality of commercial agreements secured and the overall growth metrics of the on-line portal rather than solely focusing on the net financial outcomes of this segment.

Consolidated Outlook

Notwithstanding on-going external challenges, including upward cost pressures from elevated inflation levels on both the Group and its customers, and the normal caveats associated with developing and securing new and prospective revenue opportunities, the Board is confident that the return to profit seen in the second half FY 23 will continue into FY 24. The outlook will be particularly improved if the prospective OEM customer is secured. The Board is committed to pursuing all potential strategic opportunities to grow value for all shareholders and remains optimistic regarding the future growth of the Company.

Significant changes in the state of affairs

Other than as set out in the Review of Operations there have been no significant changes in the state of affairs of the group.

Matters subsequent to the end of the financial year

The war in Ukraine has resulted in a significant disruption to the Group's European related Royalties and with no resolution in sight, it will continue to impact the Group's FY 2024 performance as outlined above.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulations under Australian Commonwealth or State Law.

Director profiles

Mr Raymond Carroll
Chairman – appointed 13 May 2019

Ray was the driving force behind the establishment and success of Australia's National Motor Vehicle Theft Reduction Council (NMVTRC) and served as its Executive Director for over 19 years. He is an internationally recognised authority on developing and implementing strategic solutions to crime issues and holds a Bachelor's Degree in Criminal Justice Administration.
In his former role, Ray devised the world's first comprehensive criteria and performance specification for whole of vehicle marking. His endorsement and advocacy for DataDot's micro-dot identification system nationally and internationally was the catalyst for the acceptance and growth of micro-dot identification in multiple markets across the world.

Ray's appointment brings to the Company an unsurpassed level of experience in fostering collaboration across multiple industry sectors, government agencies and the community sector to achieve desired outcomes. Ray secured and managed over $40 million dollars in direct funding to the NMVTRC and generated over $600 million expenditure by government agencies and motor related industries to implement NMVTRC facilitated reforms. During his tenure, vehicle crime in Australia reduced by over 70% delivering on-going insurance and community savings of more than $400 million per year in vehicle crime related costs.

Mr Bradley Charles Kellas
Managing Director – appointed 13 May 2019

Brad is the founder of Property Vault International Pty Ltd and a decorated former Detective from the Victoria Police with 21 years' experience. For most part of his policing career he specialised in organised crime, corporate fraud, kidnapping, blackmail, extortion, product contamination and large-scale stolen property investigations.

Post his policing career, he used his entrepreneurial, investigative and analytical skills to develop a unique trading strategy capitalising on global market fluctuations and worked full time as a successful proprietary trader for a large investment firm for 5 years.

In 2015, Brad saw the opportunity that social media and a custom-built platform combined with a specialist service could have on countering bike theft and property crime in general. In late 2015, he put his trading career on hold and commenced a fulltime commitment to developing the BikeVAULT website (prelude to PropertyVAULT) coupled to a specialist victim and police service solution. BikeVAULT is now the number one platform and service to counter bike theft in Australia, with recoveries exceeding $1.5 million.

Understanding the integral relationship of both physical and digital identification to combat crime, Brad saw the value proposition of an alignment with DataDot, which subsequently resulted in him becoming the largest shareholder with a 17.05% holding and instigating an EGM in May 2019, which resulted in the change of management and direction of DataDot.

Mr David Lloyd B.Sc. (ANU), Grad Dip Business (UQ), MBA with Distinction (INSEAD)
Non-Executive Director – appointed 13 May 2019

David is an experienced senior executive specialising in strategy, new technologies, business development, ventures and partnerships, whose skills will be essential for successfully turning around the DataDot business by leveraging an alliance with PropertyVAULT.
As a senior executive at Qantas and previously Virgin Blue and Virgin Australia, David has been the architect of several high-profile alliances with other airlines as a well as a joint venture with the Government of Samoa, demonstrating his ability to build valuable commercial relationships. While at Virgin Blue he also designed the Velocity Frequent Flyer program, valued at approximately $1 billion in its partial sale to a private equity partner and which continues to be the most profitable unit of Virgin Australia. Subsequently at Virgin he developed the business cases for fleet orders worth over USD2 billion and the establishment of a new international business.

More recently while at Qantas, David has mentored businesses in its tech accelerator program, overseen commercial relationships with start-up and scale-up businesses including those in which Qantas has taken equity stakes and warrants, and is working on externally commercialising the Company's own innovations. Previously David has worked internationally as a consultant with the Boston Consulting Group and Arthur Andersen Business Consulting and was a project manager for the Sydney Organising Committee for the Olympic Games. He is an internationally competitive cyclist and member of numerous cycling organisations, bringing a customer viewpoint to the value of both DataDot and PropertyVAULT. David is Chair of the Audit and Risk Committee.

Mr Gordon Ogborne
CFO – appointed 1 June 2022
Company Secretary – appointed 19 July 2022
COO – appointed 20 July 2022

Gordon has over 25 years of experience in accounting, business management and governance roles. He joined DataDot in June 2022 as Group CFO and was appointed as COO and Company Secretary in July 2022. Prior to joining DataDot, he was CFO / COO for Bioaction Pty Limited, CFO for SAF Foods Australia Pty Limited, Executive Manager for Finance, Administration and ITC and Company Secretary of the Flow Systems Group (now Altogether Group) and CFO for ANZ Region for Stratus Computers. During 2004-2012, Gordon was partner in an accounting practice Thomas GLC specialising in compliance and business services and audit.

Directors' interests

The relevant interest of each director in the shares, share rights and options over shares issued by DataDot, as notified by the directors to the Australian Stock Exchange in accordance with the *Corporations Act 2001*, at the date of this report is as follows:

Director	Interest in Ordinary Shares	Interest in Share Rights	Interest in Options	Interest in Convertible Notes
Ray Carroll	-	-	-	-
Bradley Kellas	230,234,530	-	-	-
David Lloyd	14,912,116	-	-	-

Share Rights

Unissued ordinary shares of DataDot Technology Limited under the share rights plan at the date of this report are as follows:

Grant date	Date of expiry	Number unvested
Nil	Nil	Nil

Share Options

Unissued ordinary shares of DataDot Technology Limited under the share options plan at the date of this report are as follows:

Issue Date	Date of Expiry	Number of Share Options
Nil	Nil	Nil

For details of share options and share rights issued to directors and executives as remuneration, refer to the remuneration report.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2023 and the number of meetings attended by each of the directors were:

	Board Meetings		Remuneration and Nomination Committee Meetings		Audit and Risk Management Committee Meetings	
Director	No. eligible to attend	No. attended	No. eligible to attend	No. attended	No. eligible to attend	No. attended
Raymond Carroll	6	6	-	-	2	2
Brad Kellas	6	6	-	-	2	2
David Lloyd	6	6	-	-	2	2

Indemnity and insurance of officers and auditors

No indemnities have been given to any person who is or has been an officer or auditor of the consolidated entity.

During the year DataDot paid insurance premiums in respect of directors’ and officers’ liability insurance contracts. The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors’ and officers’ liability insurance contracts, as such disclosure is prohibited under the terms of the contract.

Proceedings on behalf of the Company

No person has applied to the court under section 237 of the *Corporations Act 2001*, for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company, for all or part of those proceedings.

Non-audit services

There have been no amounts paid or payable to the auditor for non-assurance services provided by the auditor during the financial year. Auditor’s remuneration is outlined in note 6 to the financial statements.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* for the year ended 30 June 2023 is set out on page 20 of the financial report.

The following Remuneration Report forms part of the Directors' Report.

Remuneration Report (audited)

The remuneration report, which has been audited, outlines the key management personnel remuneration arrangements for the consolidated entity in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

Key management personnel

The following key management personnel (hereafter referred to as "KMP") of the consolidated entity throughout the year consisted of the following directors and Executives of DataDot Technology Limited or its subsidiaries:

Directors

Raymond Carroll	Chairman	
Brad Kellas	Managing Director	
David Lloyd	Non-Executive Director	

Executives

David MacKenzie	CFO & Company Secretary	Ceased 19 July 2022
Gordon Ogborne	CFO	Appointed 8 June 2022

Shares and Share Rights and Share Options Held

The number of shares and share rights and share options held by each KMP (or their related party) during the financial year, or at the date that they ceased their role as KMP is as follows:

Shares	**Balance as at 30/6/2022**	**Additions**	**Disposals and Cancellations**	**Balance as at 30/6/2023**
Directors				
Raymond Carroll	-	-	-	-
Brad Kellas	214,995,076	15,239,454	-	230,234,530
David Lloyd	14,912,116	-	-	14,912,116
Executives				
David MacKenzie	-	-	-	-
Gordon Ogborne	-	600,000	-	600,000
Total Shares	**229,907,192**	**15,839,454**	**-**	**245,746,646**

Share Rights	**Balance as at 30/6/2022**	**Additions**	**Taken-up, Disposals and Cancellations**	**Balance as at 30/6/2023**
Directors	-	-	-	-
Executives	-	-	-	-

Share Options	**Balance as at 30/6/2022**	**Additions**	**Disposals or Cancellations**	**Balance as at 30/6/2023**
Directors and Executives	-	-	-	-

Remuneration Report (audited) (continued)

Remuneration policy

Key Management Personnel (KMP) have authority and responsibility for planning, directing and controlling the activities of DataDot. KMP include only the directors of the parent entity, one of whom (Mr Kellas) is the Managing Director / CEO, and the CFO.

Remuneration levels of KMP are determined by the Remuneration and Nomination Committee. The Committee's charter is to review and make recommendations to the Board in relation to:

- Executive remuneration and incentive policy,
- The remuneration of the CEO, executive directors and all direct reports of the CEO,
- Executive incentive plans,
- The remuneration of non-executive directors,
- Retention, performance assessment and termination policies and procedures for non-executive directors, the CEO, executive directors and all direct reports of the CEO,
- Establishment and oversight of employee and executive share plans and share option plans and share loan plans,
- Superannuation arrangements,
- The disclosure of remuneration in DDT's publications, including ASX filings and the Annual Report,
- Board composition, having regard to necessary and desirable competencies,
- Board succession plans, and
- Evaluation of Board performance.

The Committee did not obtain a remuneration recommendation or other advice from a remuneration consultant in FY 2023.

Board policy for determining the composition and value of remuneration for KMP's comprises the following elements:

- Remuneration to contribute to the broader outcome of creating shareholder value,
- Remuneration to be commensurate with individual duties and responsibilities,
- Remuneration to be market competitive in order to attract, retain and motivate people of the highest quality,
- Remuneration to be aligned with DataDot's business strategies and financial targets,
- Executives' remuneration to comprise fixed and variable components,
- Variable components to be tied to the attainment of both short-term and long-term performance targets of individuals and DataDot,
- Variable components of executive remuneration to be between 30% and 50% of the value of total remuneration,
- Variable component payment to be subject to DataDot's financial capacity, and
- This policy to apply uniformly across DataDot.

In relation to **non-executive directors**, the Constitution of DataDot and ASX Listing Rules specify that aggregate remuneration shall be determined from time to time by a general meeting. The latest determination was at the 2004 AGM when shareholders approved a ceiling on aggregate remuneration of $300,000 per annum. The actual amount payable is currently $60,000 p.a. plus SGL at 10.5% for Mr Carroll, the Chairman of the Board, and $25,000 p.a. plus SGL at 10.5% for Mr Lloyd.

Remuneration Report (audited) (continued)
Remuneration policy (continued)

Non-Executive Directors do not receive performance related remuneration and directors' fees cover both main board and committee activities. Directors of Group subsidiary companies do not receive directors' fees. The Managing Director was paid $180,804 plus SGL during FY 2023.

The Company has cancelled all STI and LTI programs in operation on 13 May 2019 and will look to implement a new and more effective STI and LTI program once the Company returns to sustainable profitability.

Relationship between remuneration and consolidated entity performance

The effect of remuneration policy on DataDot's financial performance and on shareholder value is central to the Board's and Remuneration and Nomination Committee's decisions. For this reason, a primary objective of remuneration policy is to tie the remuneration of KMP to financial performance, so ensuring that a significant proportion of the total remuneration of KMP is at-risk, short-term incentive payments (STI) being tied to net profit targets, and long-term incentive payments (LTI) being tied to growth in shareholder value. In this respect, the key factors for consideration are continuing product development and improvement, business and revenue growth, developing and maintaining the appropriate corporate culture, strategic adjustments in consultation with the Board and maintenance of an efficient cost base.

The Company's performance and shareholder wealth for each of the last six years were

	2018	**2019**	**2020**	**2021**	**2022**	**2023**
	$'000	$'000	$'000	$'000	$'000	$'000
Revenue	4,867.2	3,279.6	3,774.6	3,896.1	3,561.2	2,693.0
EBITDA	(422.3)	(1,757.3)	309.4	1,452.9	1,045.8	254.4
Net Profit / (Loss) after tax *	(3,119.9)	(2,301.3)	29.2	1,235.0	829.2*	11.6*
Basic earnings per share (in cents) *	(0.40)	(0.30)	0.003	0.099	0.067*	0.001*
Share price at year end (in cents)	0.50	0.70	0.40	0.60	0.70	0.30

* For a more accurate comparison with prior year results, the value of the Deferred tax assets relating to unused tax losses of $5,701,507 brought to account in FY 2022, its subsequent balance of $5,489,215 in FY 2023 and the income tax expense relating to the movements in the Deferred tax assets have been excluded.

Performance based remuneration

At the date of this report, the remuneration of KMP who are non-executive directors includes only a fixed remuneration component.

No STI or LTI programme for KMP's has been implemented pending the return to sustainable profitability of the Company. Any STI or LTI programme when implemented with shareholder approval, may include performance shares, share options or share rights. No performance shares or share rights or share options are currently on issue to non-executive directors. The grant of director performance shares, or share rights or options would be consistent with the Company's

Remuneration Report (audited) (continued)

long-term incentive remuneration policy, providing Directors with the opportunity to participate in the future growth of the Company through share ownership.

In 2023, no STI's or LTI's have been paid to directors or other KMP's.

Share Rights

- Each share right converts into one fully paid ordinary share in the Company on completion of the vesting conditions, or at discretion of the Board;
- No amounts are paid or payable by the recipient on receipt or exercise of a share right;
- Subject to the recipient's continuous employment, share rights vest in three equal tranches at varying intervals after the date of issue;
- A trading restriction applies for a further 12 months after vesting; and
- Share rights expire 7 years after issue unless extended by the Directors.

Number of **share rights** provided as remuneration in the years ended 30 June 2022 and 30 June 2023:

	Balance as at 30/6/2022	Granted as Remuneration	Vesting of Share Rights	Expiring or Lapsing Share Rights	Balance as at 30/6/2023
Directors	-	-	-	-	-
Executives	-	-	-	-	-
	-	**-**	**-**	**-**	**-**

Shares and share rights issued and cancelled subsequent to the end of the year: Nil

Share Options

- There were no share options on issue at the beginning of the year.
  There were no share options on issue at the end of the year.

Summary of Director, KMP and Other Executives Equity Remuneration instruments on issue at the date of this report:

	Ordinary Shares	**Ordinary Shares / Loan Scheme**	**Options**	**Share Rights**
Directors	245,146,646	-	-	-
KMPs	600,000	-	-	-
Other Executives	-	-	-	-

Remuneration Report (audited) (continued)

Remuneration details for the year
The following table of benefits and payments, details, in respect to the financial year, the components of remuneration of each KMP.

2023	Short-term benefits		Post-employment benefits		Long-term benefits		Share-based payments	
	Cash, Salary, & fees $	STI $	Non cash $	Super-annua-tion $	Termin-ation $	Long service leave $	Share Options $	Total $
Directors								
R Carroll	60,000	-	-	6,300	-	-	-	66,300
B Kellas	180,804	-	35,900	18,984	-	-	-	235,688
D Lloyd	25,000	-	-	2,625	-	-	-	27,625
Executives								
G Ogborne	144,231	-	-	15,144	-	-	-	159,375
	410,035	-	35,900	43,053	-	-	-	488,988

2022	Short-term benefits		Post-employment benefits		Long-term benefits		Share-based payme nts	
	Cash, Salary, & fees $	STI $	Non-cash $	Super-annua-tion $	Termina-tion $	Long service leave $	Share Options $	Total $
Directors								
R Carroll	60,000	-	-	6,000	-	-	-	66,000
B Kellas	200,913	-	28,827	20,091	-	-	-	249,831
D Lloyd	25,000	-	-	2,500	-	-	-	27,500
Executives								
P Raper	52,219	-	-	4,064	-	-	-	56,283
D MacKenzie	52,038	-	-	5,204	-	-	-	57,242
G Ogborne	5,192	-	-	519	-	-	-	5,711
	395,362	-	28,827	38,379	-	-	-	462,567

Remuneration Report (audited) (continued)

		2022 Performance based remuneration		2023 Performance based remuneration	
		Bonus STI %	Share rights / Options LTI %	Bonus STI %	Share rights / Options LTI %
Directors	Ray Carroll	0.0%	0.0%	0.0%	0.0%
	Brad Kellas	0.0%	0.0%	0.0%	0.0%
	David Lloyd	0.0%	0.0%	0.0%	0.0%
Executives	Gordon Ogborne	0.0%	0.0%	0.0%	0.0%

Key Management Personnel

Details of the performance based and equity-based remuneration for KMP are set out below.

Employment details of KMP

David MacKenzie

Mr MacKenzie commenced as the CFO and Company Secretary on a part time basis on 22 December 2021. His annualised remuneration package based on full time employment was $150,000 excluding Superannuation. Hours required to complete the roles varied from month to month.

On 16 May 2021 Mr MacKenzie gave three (3) months’ notice as required under his contract of his intention to resign from his roles with the company. Mr MacKenzie formally resigned from the position of company secretary on 19 July 2022.

Gordon Ogborne

Mr Ogborne commenced as the CFO on a part time basis on 8 June 2022. His annualised remuneration package based on full-time employment was $150,000 excluding Superannuation. Hours required to complete the roles varied from month to month.

On 19 July 2022 Mr Ogborne was formerly appointed as company secretary on 19 July 2022.

On 20 July 2022 Mr Ogborne was appointed as joint CFO/COO on a full-time basis with the remuneration package remaining the same on a full-time basis.

Executive service contracts

It is the Board's policy to establish executive service contracts with all KMP. Executive Service Contracts will not have fixed terms and will have termination notice periods between one month and three months. Commitments of these amounts are disclosed in Note 20 of the financial accounts.

KMPs have no entitlement to termination payments in the event of removal for misconduct.

This director's report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act 2001*.

On behalf of the Directors

Ray Carroll – Chairman
31 August 2023

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF DATADOT TECHNOLOGY LIMITED

I declare that, to the best of my knowledge and belief, in relation to the audit of DataDot Technology Limited for the financial year ended 30 June 2023 there have been:

- No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

- No contraventions of any applicable code of professional conduct in relation to the audit.

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

AMW Audit
AMW AUDIT
Chartered Accountants

BILLY-JOE THOMAS
Director

Dated at Perth, Western Australia this 28 August 2023

Consolidated Financial Statements
for the year ended 30 June 2023

Contents	**Page**

Consolidated Statement of Profit or Loss

for the year ended 30 June 2023

	Notes	2023 $	2022 $
Revenue			
Sale of goods		**2,230,829**	2,160,992
Service and licence fees		**134,063**	130,807
Royalties		**328,140**	1,269,378
		2,693,031	3,561,177
Cost of sales		**975,138**	1,203,607
Gross Profit		**1,717,894**	2,357,570
Other income	3	**73,360**	166,671
Expenses			
Administrative expenses	4	**1,428,654**	1,321,489
Marketing expenses		**37,252**	82,320
Occupancy expenses		**64,252**	69,010
Travel expenses		**6,671**	5,638
		1,536,830	1,478,457
EBITDA		**254,423**	1,045,785
Depreciation, Amortisation and Impairment		**226,704**	202,246
Finance costs		**16,072**	14,376
Profit before income tax expense		**11,647**	829,163
Income tax (benefit)/expense	5	**127,016**	(5,692,034)
Profit / (Loss) after income tax (benefit)/expense for the year		**(115,370)**	6,521,197
Profit / (Loss) for the year attributable to :			
Owners of DataDot Technology Limited		**(115,370)**	6,521,197
Non controlling interest		-	-
		(115,370)	6,521,197
Basic profit / (loss) per share (cents per share)	8	**(0.009)**	0.524
Diluted profit / (loss) per share (cents per share)	8	**(0.009)**	0.524

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

Consolidated Statement of Comprehensive Income **for the year ended 30 June 2023**

	2023	2022
	$	$
Profit / (Loss) after income tax expense for the year	**(115,370)**	6,521,197
Other comprehensive income		
Items that may be classified subsequently to profit or loss		
Exchange difference on translation of foreign operations	**(161)**	(15,423)
Total comprehensive income for the year, net of tax	**(115,531)**	6,505,774
Total comprehensive profit attributable to		
Owners of DataDot Technology Limited	**(115,531)**	6,505,774

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

Consolidated Statement of Financial Position **for the year ended 30 June 2023**

	Notes	2023 $	2022 $
Current Assets			
Cash and cash equivalents	9	**2,117,501**	3,179,549
Financial assets	10	**750,000**	-
Trade and other receivables	11	**523,409**	487,419
Inventories	12	**452,460**	392,226
Sundry Debtors		**46,351**	146,521
Total Current Assets		**3,889,721**	4,205,715
Non-Current Assets			
Deferred tax	5	**5,489,215**	5,701,507
Plant and equipment	13	**825,380**	426,543
Investments		**2,948**	2,948
Total Non-Current Assets		**6,317,543**	6,130,998
Total Assets		**10,207,264**	10,336,713
Current Liabilities			
Trade and other payables	14	**295,516**	428,154
Employee benefits	15	**98,970**	80,363
Provisions	16	**7,105**	7,105
Other current liabilities	17	**224,286**	123,202
Total Current Liabilities		**625,876**	638,823
Non-Current Liabilities			
Employee benefits	15	**6,595**	5,278
Other non-current liabilities	17	**305,492**	13,381
Total Non-Current Liabilities		**312,087**	18,659
Total Liabilities		**937,963**	657,482
Net Assets		**9,269,300**	9,679,231
Equity			
Issued capital	18	**41,415,295**	41,612,795
Accumulated losses		**(32,428,262)**	(32,312,892)
Reserves	19	**282,268**	379,328
Equity attributed to the owners of DataDot Technology Limited		**9,269,300**	9,679,231
Non-controlling interests		**-**	-
Total Equity		**9,269,300**	9,679,231

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

	Note	Attributable to equity holders of the parent					
		Issued capital $	Accumulated losses $	Foreign currency translation reserve $	Employee equity benefit reserve $	Other reserve $	Total equity $
Restated balance at 30 June 2021		41,596,795	(38,155,467)	7,153	403,598	(678,623)	3,173,456
Profit after income tax expense for the year		-	6,521,197	-	-	-	6,521,197
Other comprehensive income for the year, net of tax		-	-	(15,423)	-	-	(15,423)
Total comprehensive income for the year		-	6,521,197	(15,423)	-	-	6,505,774
Transfer of Other Reserve to Accumulated Losses			(678,623)			678,623	-
Transactions with owners in their capacity as owners :							
Share issues		16,000	-	-	(16,000)	-	-
Share issue costs			-	-	-	-	-
Balance at 30 June 2022		**41,612,795**	**(32,312,892)**	**(8,270)**	**387,598**	**-**	**9,679,231**
Profit / (Loss) after income tax expense for the year		**-**	**(115,370)**	**-**	**-**	**-**	**(115,370)**
Deferred tax Liablity on Employee Share Reserve		**-**	**-**	**-**	**(96,900)**		**(96,900)**
Other comprehensive income for the year, net of tax		**-**	**-**	**(161)**	**-**	**-**	**(161)**
Total comprehensive income for the year		**-**	**(115,370)**	**(161)**	**(96,900)**	**-**	**(212,430)**
Transactions with owners in their capacity as owners :							
Share issues		**-**	**-**	**-**	**-**	**-**	**-**
Share issue costs		**-**	**-**	**-**	**-**	**-**	**-**
Share buy-backs		**(197,500)**	**-**	**-**	**-**	**-**	**(197,500)**
Balance at 30 June 2023		**41,415,295**	**(32,428,262)**	**(8,431)**	**290,699**	**-**	**9,269,300**

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

Consolidated Statement of Cash Flows | **for the year ended 30 June 2023**

	Notes	2023 $	2022 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**2,734,814**	4,395,672
Payments to suppliers and employees (inclusive of GST)		**(2,924,366)**	(3,381,215)
Interest paid		**(16,072)**	(14,376)
Income tax paid		**(11,624)**	(9,473)
Receipt of government grants, JobKeeper & Cashflow Boost		**119,876**	115,941
Net cash received / (used) in operating activities	9	**(97,372)**	**1,106,549**
Cash flows from investing activities			
Interest received		**33,193**	529
Payments for plant and equipment		**(47,185)**	(242,209)
Payments for financial assets		**(750,000)**	-
Net cash flows used in investing activities		**(763,992)**	(241,680)
Cash flows from financing activities			
Proceeds from share issue (net of share issue costs)		**-**	-
Payments for Share Buy-back		**(197,500)**	-
Repayment of borrowings		**-**	-
Net cash provided by financing activities		**(197,500)**	-
Net increase in cash and cash equivalents		**(1,058,864)**	864,869
Cash and cash equivalents at the beginning of the financial year		**3,179,549**	2,328,358
Effects of exchange rate changes on cash and cash equivalents		**(3,184)**	(13,678)
Cash and cash equivalents at the end of the financial year	9	**2,117,501**	3,179,549

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

1 General Information

DataDot Technology Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:
8 Ethel Ave
Brookvale, NSW, 2100
Australia

A description of the nature of DataDot'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 28 August 2023.

Comparatives are consistent with prior years.

Basis of preparation

These general purpose financial statements comprise the consolidated financial statements of DataDot Technology Limited and its controlled entities (hereafter referred to as 'DataDot', 'the consolidated entity', 'the Company' and 'the Group') as at and for the period ended 30 June each year. They have been prepared in accordance with Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board ('AASB'), and comply with other requirements of the law and the Corporations Act 2001 as appropriate for for-profit oriented entities.

These financial statements also comply with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB').

Significant accounting policies applied are provided within these financial statements, where appropriate.

2 Segment Information

Operating Segments
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
Three reportable segments have been identified as follows:

OEMs and Distributors – the manufacture and wholesale supply of DataDotDNA® polymer and metallic microdots to manufacturers (OEMs) for application to their own products, and to authorised distributors and wholesale customers in overseas markets for on-sale under their own brands. Revenues in this segment include royalties and licensing fees associated with these distributorships.

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

Direct Business and Consumer sales – all activities that have a direct to business and/or consumer focus and includes on-line, retail and dealer sales of the newly developed range of DatadotDNA products kits, Vault branded security products, and Vault facilitated stolen property recovery and insurance sales commissions.

Accounting policies and intersegment transactions
The accounting policies used by DataDot in reporting segments internally are the same as those contained in the prior period. Intersegment pricing is determined on an arm's length basis. Intersegment transactions are eliminated on consolidation.

2 Segment Information (continued)

The following tables present the revenue, profit / (loss) after tax, assets and liabilities information regarding operating segments for years ended 30 June 2023 and 30 June 2022.

Segment performance Year ended 30 June 2023	OEM & Distributors DataDot DNA $	DataTraceID $	Direct to Business & Consumer $	Inter-Segment eliminations $	Total $
Revenue from external customers	2,283,225	257,461	152,346	-	2,693,031
Intersegment sales	31,862	262	-	(32,124)	-
Total revenue	2,315,086	257,723	152,346	(32,124)	2,693,031
Gross profit	1,433,737	213,729	70,428	-	1,717,894
EBITDA	257,288	50,576	(53,441)	-	254,423
Depreciation and amortisation	(182,273)	(20,852)	(23,579)	-	(226,704)
Intangibles Impairment	-	-	-	-	-
Finance costs	(16,072)	-	-	-	(16,072)
Profit / (Loss) before income tax	58,942	29,724	(77,019)	-	11,647
Income tax expense / (benefit)	127,016	-	-	-	127,016
Profit / (Loss) after income tax	(68,074)	29,724	(77,019)	-	(115,370)
Segment assets	12,234,959	317,884	209,275	(2,554,854)	10,207,264
Segment liabilities	(909,904)	(2,436,314)	(337,394)	2,745,648	(937,963)

Segment performance Year ended 30 June 2022	DataDotDNA $	DataTraceID $	DDV APPS $	eliminations $	Total $
Revenue from external customers	3,174,466	245,223	141,488	-	3,561,177
Intersegment sales	14,379	1,271	-	(15,650)	-
Total revenue	3,188,845	246,494	141,488	(15,650)	3,561,177
Gross profit	2,163,423	196,591	(2,443)	-	2,357,570
EBITDA	1,017,043	63,208	(34,466)	-	1,045,785
Depreciation and amortisation	(170,569)	(15,045)	(16,633)	-	(202,246)
Finance revenue	-	-	-	-	-
Intangibles Impairment	-	-	-	-	-
Finance costs	(14,376)	-	-	-	(14,376)
Profit / (Loss) before income tax	832,099	48,164	(51,100)	-	829,163
Income tax expense	(5,692,034)	-	-	-	(5,692,034)
Profit / (Loss) after income tax	6,524,133	48,164	(51,100)	-	6,521,197
Segment assets	13,713,412	452,420	196,314	(4,025,432)	10,336,713
Segment liabilities	(989,342)	2,597,998	-	(951,174)	657,482

2 Segment Information (continued)

Geographic segments

DataDot operates facilities in two geographical regions of Australasia and the United Kingdom. Each manufacturing facility distributes the DataDot asset identification system. The tables below show revenues earned in each geographic region.

Major customers

DataDot has a number of customers to which it provides both products and services. In Australasia, one customer accounts for 15% of total revenue (2022 : 8%), in Europe one customer accounts for 14% of total revenue (2022 : 8%) while a second customer accounts for 8% of total revenue (2022: 5%), in the Americas one customer accounts for 20% of total revenue (2022 : 12%) and in DataTraceID one customer accounts for 5% total revenue (2022 : 3%).

Disaggregation of revenue

The Group has disaggregated revenue into various categories in the following table which is intended to:
• depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic date; and
• enable users to understand the relationship with revenue segment information provided in Note 2

	OEM & Distributors DataDot DNA	**DataTraceID**	**Direct to Business & Consumer**	**Total**
Consolidated - 2023	$	$	$	$
Geographical regions				
Australia	403,903	46,862	154,113	604,877
Europe	917,940	178,982	-	1,096,922
Rest of the World	967,446	23,786	-	991,231
	2,289,289	249,630	154,113	2,693,031
Timing of revenue recognition				
Point in time	2,289,289	249,630	154,113	2,693,031
Over time	-	-	-	-
	2,289,289	249,630	154,113	2,693,031

	DataDotDNA	DataTraceID	DDV APPS	Total
Consolidated - 2022	$	$	$	$
Geographical regions				
Australia	311,239	2,568	141,488	455,294
Europe	1,925,802	202,225	-	2,128,027
Rest of the World	937,426	40,430	-	977,856
	3,174,466	245,223	141,488	3,561,177
Timing of revenue recognition				
Point in time	3,174,466	121,071	141,488	3,437,025
Over time	-	124,152	-	124,152
	3,174,466	245,223	-	3,561,177

3 Other Income

		2023	2022
		$	$
Interest revenue		**41,010**	529
Government grants:	Research and development grants *	**38,414**	158,645
Sundry income		**(6,064)**	7,498
		73,360	166,671

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

Accounting treatment

Research and development grant

The research and development grants received from the Australian government are classified as deferred income and released to other income in line with the amortisation of the capitalised or expensed costs to which the grant relates.

The research and development grants receivable from the Australian government are recognised in the statement of financial position as an asset when the grant is reasonably certain.

4 Expenses

The consolidated statement of profit and loss includes the following specific expenses:	2023	2022
Cost of sales	$	$
Inventory	**383,767**	478,759
Stock obsolescence	**8,963**	(21,475)
Administration expenses		
Net loss / (gain) on foreign currency	**(66,213)**	(24,557)
Employee benefits expenses	**830,207**	750,689
Employee share based payment expenses	**-**	-
Superannuation expenses	**92,015**	68,647
Research & development expenses	**1,750**	15,906
Bad debt expense	**0**	(233)
Administrative expenses	**570,896**	511,037
	1,428,654	1,321,489
Occupancy expenses		
Minimum lease payments	**-**	-

5 Income Tax

	2023	2022
	$	$
(a) Major components of tax expenses		
Current income tax expense	**-**	-
Deferred Income Tax	**115,392**	(5,701,507)
Withholding tax	**11,624**	9,473
Income tax expense	**127,016**	(5,692,034)
(b) The prima facie tax on loss before income tax is reconciled to the income tax expense as follows :		
Profit / (Loss) before income tax expense	**11,647**	829,163
Net profit / (loss) before income tax expense at the statutory income tax rate of 25% (2022 25%)	**2,912**	207,291
Income not subject to tax	**(9,388)**	(39,661)
Research and development expenditure added back	**22,077**	68,976
Expenditure not allowable	**6,922**	1,621
Other timing differences	**2,773**	(16,758)
Tax losses deducted - Australian Group	**(78,891)**	-
Tax losses and tax offsets not recognised as deferred tax assets	**12,534**	(216,003)
Foreign tax rate adjustment	**41,062**	(5,465)
Deferred Income Tax	**115,392**	(5,701,507)
Withholding tax	**11,624**	9,473
Aggregate income tax expense	**127,016**	(5,692,034)
(c) Recognised deferred tax assets and liabilities		
Opening balance	**5,701,507**	-
Deferred tax asset credited to income	**(54,337)**	5,693,396
Deferred tax asset credited to equity	**(96,900)**	-
Tax losses used by Australian Group	**(78,891)**	(111,410)
Under-provision of Tax Losses used by Australian Group	**(88,261)**	-
Temporary difference brought into account (Australian Group)	**106,097**	119,521
Closing balance	**5,489,215**	5,701,507

5 Income Tax (continued)

Deferred tax assets and liabilities

Deferred income tax at 30 June relates to the following :	2023 $	2022 $
Deferred tax liabilities		
Deposits & Unearned Income	(6,271)	-
Plant and equipment	(48,066)	-
Employee Share Reserve	(96,900)	-
Gross deferred tax liabilities	(151,237)	-
Deferred tax assets		
Carried Forward Losses	5,493,725	5,693,396
Tax losses used by Australian Group	(78,891)	(111,410)
Provisions	26,391	20,091
Accruals	29,722	25,008
Leases	93,049	-
Doubtful debts and obsolescence	40,301	45,182
Other timing differences	36,155	29,241
Gross deferred tax assets	5,640,452	5,701,507
Net deferred tax assets brought to account	(5,489,215)	(5,701,507)
Net deferred tax assets not brought to account	-	-

Accounting treatment

The potential deferred tax assets arising from unused tax losses and temporary differences have only been recognised where it is probable that the future taxable profit will be available against which tax losses can be utilised. Deferred tax assets currently recognised relates to DataDot Technology Limited, DataDot Technology (Australia) Limited and DataTraceID Pty Limited where future taxable profit is expected. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

There is no deferred tax liabilities in other tax jurisdictions.

Tax consolidation

DataDot Technology Limited and its wholly owned Australian controlled entities implemented the tax consolidated legislation as of 1 July 2003.

The head entity, DataDot Technology Limited and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. As DataDot is in a cumulative tax loss position, DataDot has not applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, DataDot Technology Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group when it is probable that future taxable profit will allow the deferred tax asset to be recovered.

DataDot Technology Limited has not entered into any tax funding agreements with the tax consolidated entities.

6 Auditors' Remuneration

The auditor of DataDot Technology Limited is AMW (Audit) Pty Limited (2022: AMW (Audit) Pty Limited)

	2023 $	2022 $
Amounts paid or payable for audit services by AMW (Audit) Pty Limited (2022: AMW (Audit) Pty Limited):		
An audit or review of the financial statements	75,000	75,000
	75,000	75,000

7 Dividends

No dividends declared or paid during the year. No franking credits are available.

8 Earnings Per Share

	2023	2022
	$	$
Basic earnings / (loss) per share (cents per share)	(0.009)	0.524
Diluted earnings / (loss) per share (cents per share)	(0.009)	0.524
Net profit / (loss) after income tax expense used in calculating profit / (loss) per share	(115,370)	6,521,197
Weighted average number of shares :	No	No
Weighted average number of shares used in calculating basic and diluted earnings per share	1,229,800,966	1,243,562,617
Adjustments for calculation of diluted earnings per share	-	-
Adjusted weighted average number of shares	1,229,800,966	1,251,508,652

Shares and share rights issued subsequent to end of the year :
Nil.

Diluted earnings per share

Share rights and options issued to shareholders and related parties are considered to be potential ordinary shares and have been considered in determination of diluted earnings per share. The calculation of diluted earnings per share assumes conversion, exercise or other issue of potential ordinary shares that would have a dilutive effect on earnings per share.

9 Cash and Cash Equivalents

	2023	2022
Reconciliation of cash	$	$
Cash at the end of the financial year shown in the consolidated statement of cash flows is reconciled as follows :		
Cash at bank and on hand	2,117,501	3,179,549
	2,117,501	3,179,549

Cash Flow Information

	2023	2022
Reconciliation of profit after tax to net cash from operations :		
Profit / (Loss) after income tax expense for the year	(115,370)	6,521,197
Add/(less) items classified as investing/financing activities:		
Interest received	(33,193)	(529)
Increase / Decrease in Shares Issued	-	-
Add/(less) non-cash items:		
Depreciation, amortisation and impairment	226,704	202,247
Disposal of plant and equipment	-	-
Revaluation of financial liability	-	-
Share based payments	-	-
Impairment for doubtful accounts	-	-
Changes in assets and liabilities :		
(Increase)/ Decrease in trade and other receivables	(35,990)	482,980
(Increase) / Decrease in deferred tax	115,392	(5,701,507)
(Increase) / Decrease in inventories	(60,233)	(183,968)
(Increase) / Decrease in grant receivable	100,170	(42,454)
Increase / (Decrease) in trade and other payables	(132,638)	18,944
Increase / (Decrease) in current tax liabilities	1,250	1,250
Increase / (Decrease) in other liabilities	(183,387)	(158,080)
Increase / (Decrease) in employee benefits	19,923	(33,531)
Net cash earned / (used) in operating activities	(97,372)	1,106,549

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments with original maturities of three months or less which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

10 Financial Assets

	2023	2022
	$	$
Term Deposits	**750,000**	-

11 Trade and Other Receivables

	2023	2022
	$	$
Trade receivables	**569,806**	544,531
Provision for impairment	**(182,664)**	(170,807)
	387,142	373,724
Prepayments	**136,267**	113,695
Other receivables	**-**	-
	523,409	487,419

Impairment of receivables

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 30 June 2023 is determined as follows, the expected credit losses incorporate forward looking information.

30 June 2023	Current	< 30 days overdue	< 60 days overdue	< 90 days overdue	> 90 days overdue	Total
Expected loss rate (%)	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**91.17%**	**32.06%**
Gross carrying amount ($)	**275,590**	**89,701**	**3,954**	**210**	**200,352**	**569,806**
ECL provision	**-**	**-**	**-**	**-**	**182,664**	**182,664**
30 June 2022						
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	93.67%	31.37%
Gross carrying amount ($)	202,188	138,073	16,615	5,297	182,357	544,531
ECL provision	-	-	-	-	170,807	170,807

Reconciliation of changes in the provision for impairment of receivables is as follows:	2023	2022
	$	$
Balance at beginning of the year (calculated in accordance with AASB 139)	**170,807**	176,901
Amount restated through opening retained earnings on adoption of AASB 9	**-**	-
Opening impairment allowance calculated under AASB 9	**170,807**	176,901
Additional impairment loss recognised	**-**	-
Amounts written off as uncollectible	**-**	-
Movement through provision	**11,857**	(6,094)
Balance at end of the year	**182,664**	170,807

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings or when the trade receivables are over 2 years past due, whichever occurs first.

12 Inventories

	2023	2022
	$	$
Raw materials	**253,411**	199,657
Finished goods	**199,049**	191,235
Goods in transit	-	1,335
	452,460	392,226

Accounting treatment

Inventories including raw materials and finished goods are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows :

Raw materials – purchase cost on either the weighted average cost or on first-in, first-out basis; and

Finished goods – cost of direct materials and labour and a proportion of variable and fixed manufacturing overheads based on normal operating capacity. Costs are assigned on the basis of weighted average costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Inventory is written down through an obsolescence provision if necessary.

13 Plant and Equipment

	2023	2022
	$	$
Plant and equipment - at cost	**2,081,369**	2,036,731
Accumulated depreciation	**(1,768,924)**	(1,712,194)
Total owned plant and equipment	**312,445**	324,537
Plant and equipment under lease	**205,212**	202,982
Accumulated depreciation	**(191,524)**	(180,051)
Total plant and equipment under lease	**13,688**	22,931
Leasehold improvements - at cost	**587,034**	448,035
Accumulated depreciation	**(87,788)**	(368,960)
Total leasehold improvements	**499,246**	79,075
	825,380	426,543

Movements in carrying amounts	Owned Plant and Equipment	Plant and Equipment under lease	Leasehold Improvements	Totals
	$	$	$	$
Balance as at 1 July 2021	118,269	48,875	221,182	388,326
Additions	242,209	-	-	242,209
Disposals	-	-	-	-
Depreciation expense for the year	(35,278)	(25,385)	(140,996)	(201,659)
Exchange adjustments	(663)	(559)	(1,111)	(2,332)
Balance at 30 June 2022	324,537	22,931	79,075	426,543
Additions	**36,536**	-	**586,070**	**622,606**
Disposals	-	-	-	-
Depreciation expense for the year	**(50,210)**	**(9,970)**	**(166,613)**	**(226,792)**
Exchange adjustments	**1,583**	**727**	**713**	**3,023**
Balance at 30 June 2023	**312,445**	**13,688**	**499,246**	**825,380**

Accounting treatment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

Depreciation

Depreciation is calculated over the useful life of the asset using a combination of straight-line basis and diminishing value method. The estimated useful lives of office equipment is over 4 years, plant and equipment over 10 years and leasehold improvements over 10 years.

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Derecognition

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

14 Trade and Other Payables

	2023	2022
	$	$
Trade payables	**69,188**	256,266
Sundry creditors and accruals	**226,328**	171,888
Other taxes payable	-	-
	295,516	428,154

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Accounting treatment

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables.

Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

Cash flows in the Statement of financial position are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

15 Employee Benefits

	2023	2022
Current	**$**	$
Employee benefits	**98,970**	80,363
Non Current		
Employee benefits	**6,595**	5,278

Employee benefits

Aggregate employee benefits provision :-

	2023	2022
Balance at beginning of the year	**85,640**	96,942
Additional provisions	**67,167**	70,499
Amount used	**(47,242)**	(81,801)
Balance at end of the year	**105,565**	85,640

Accounting treatment

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period in which the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

The current provision for all employee benefits includes all unconditional entitlements where employees have completed the required period of service. The amount is presented as current since the consolidated entity does not have unconditional right to defer settlement. However based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued annual and long service leave within the next twelve months.

(i) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in provisions in respect of employees' service up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality Australian corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

16 Provisions

	2023	2022
	$	$
Current		
Other provisions	**7,105**	7,105
	7,105	7,105

Other provisions

A provision of $7,105 (2022 : $7,105) estimating potential amounts payable under an agreement with an Australian motor vehicle distributor where DataDot has agreed to remit the theft excess (to a maximum of $800) payable by automobile owners in the event that vehicles are stolen and remain unrecovered (subject to conditions) is included in Other Provisions.

Accounting treatment

Provisions are recognised when DataDot has a present obligation (legal or constructive) when, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

17 Other Liabilities

	2023	2022
Current	**$**	$
Deferred income	**8,247**	21,247
Revenue received in advance	**16,837**	16,837
Other Current Liabilities	**199,202**	85,118
	224,286	123,202
Non-Current		
Other liabilities	**20**	-
Property and Equipment Leases	**305,472**	13,381
	305,492	13,381

18 Issued capital

	2023	2023	2022	2022
	No	**$**	No	$
Issued capital at beginning of financial period	**1,243,869,466**	**41,612,795**	1,241,869,466	41,596,795
Less Shares Cancelled during the year:				
Unmarketable Parcel Share Buy-back	**(32,916,683)**	**(197,500)**	-	-
Shares issued or under issue during the year :				
Share placement	-	-	2,000,000	16,000
Shares under the Rights Issue	-	-	-	-
Share issue costs	-	-	-	-
Vested share rights issued during the year under the ESRP	-	-	-	-
Issued capital at the end of the financial period	**1,210,952,783**	**41,415,295**	**1,243,869,466**	**41,612,795**

There is no current on-market share buy-back.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital Management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity. The capital risk management policy remains unchanged from 30 June 2022 Annual Report.

Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

19 Reserves

	2023	2022
	$	$
Foreign currency translation reserve	**(8,431)**	(8,270)

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

	2023	2022
Employee equity benefits reserve		
Balance at beginning of financial year	**387,598**	403,598
Movement in share-based payments	**-**	(16,000)
Deferred Tax Liability on Employee Share Reserve	**(96,900)**	-
Employee equity benefits reserve	**290,699**	387,598

The employee equity benefits reserve is used to record the value of share based payments provided to employees, including KMP, as part of their remuneration. Refer to Note 23.

	2023	2022
Other Reserves		
Balance at beginning of financial year	**-**	(678,623)
Transfer to Accumulated Losses	**-**	678,623
	-	-

This reserve is used to record the differences which may arise as a result of transactions with non-controlling interests that do not result in a loss of control. This reserve has been realloacted to accumulated losses in a reserve simplication process during the year.

	2023	2022
Total Reserves	**282,268**	**379,328**

20 Commitments

	2023	2022
	$	$
Operating lease commitments		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	**199,454**	86,850
One to five years	**305,472**	11,991
	504,926	98,841

Refer to note 27 for information on leases for 2023.

Remuneration commitments

Commitments for the payment of salaries and other remuneration under long term employment contracts in existence at the reporting date but not recognised as liabilities.

	2023	2022
Minimum remuneration payments payable:		
Within one year	**119,500**	119,500

21 Contingent Liabilities

Guarantees

DataDot has issued bank guarantees of $34,375 (2022: $34,375). No liability was recognised by DataDot in relation to the bank guarantee as the fair value of the guarantee is immaterial.

Insurance company initiative

Under a sales agreement with an insurance company, DataDot has agreed to remit the insurance policy excess on behalf of insurance policy holders who have applied dots to their vehicles and whose vehicles have been stolen. A provision has been made (refer Note 16 Provisions). The estimate is based on the probability of claims being made. Should these estimates prove incorrect then an adjustment may have to be made to either increase or decrease the amount due and payable.

Theft deterrent system rebate contingencies

Under an agreement with an Australian motor vehicle distributor, DataDot has agreed to remit the theft excess (to a maximum of $800) payable by automobile owners in the event that vehicles are stolen and remain unrecovered (subject to certain conditions). A provision has been made (refer Note 16 Provisions). The estimate is based on the probability of vehicles being stolen and unrecovered and claims being made. Should these estimates prove incorrect then an adjustment may have to be made to either increase or decrease the amount due and payable.

Tax related contingencies - transfer pricing

DataDot has offshore operations in the United Kingdom and has recently closed its operations in United States but retains the business which it services out of Australia. There are intra Group transactions, which include DataDot and its subsidiaries. These transactions are on an arm's length basis and are conducted at normal market prices and on normal commercial terms.

22 Subsidiaries and Associated Entities

	Principal place of business / Country of Incorporation	Ownership interest % 2023	2022
Ultimate parent entity			
DataDot Technology Limited	Australia		
Wholly-owned subsidiaries			
DataDot Technology (Australia) Pty Limited	Australia	**100**	100
DataDot Technology USA Inc.	USA	**100**	100
DataTraceID (USA) Inc	USA	**100**	100
DataDot Technology (UK) Limited	UK	**100**	100
DataTraceID Europe Limited	UK	**100**	100
DataTraceID Pty Limited	Australia	**100**	100
Associated entities			
Brandlok Brand Protection Solutions Pty Limited	Australia	**20**	20

23 Key Management Personnel Disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	2023	2022
Remuneration of key management personnel :	**$**	$
Short term employee benefits	**410,035**	395,363
Post employment benefits	**78,953**	38,379
	488,988	433,742

24 Related Party Transactions

Parent entity
DataDot Technology Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in Note 21.

Associated entities
Nil

Key management personnel
Disclosures relating to remuneration for key management personnel are set out in Note 23 and the remuneration report in the directors' report.

Other transactions during the year are:	**2023**	2022
Interest Paid by the company on Convertible Notes	**-**	-
Rent received on premises leased by the group	**-**	-
Reimbursement of expenses incurred in the normal course of business	**36,056**	51,707
Payment by the Group of Vault Licence Fees	**-**	26,723
Amounts owing from / (to) Directors and Director Related entities at balance date: (since received)	**1,387**	11,396
Amounts owing to Property Vault International Pty Ltd (since paid)	**-**	-

25 Financial Risk Management

DataDot's principal financial instruments comprise finance leases and cash and short-term deposits. The main purpose of these financial instruments is to raise finance for DataDot's operations. DataDot has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. It is, and has been throughout the period under review, DataDot's policy that no trading in financial instruments shall be undertaken. The main risks arising from DataDot's financial instruments are cash flow interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Risk Exposures and Responses

The main risks DataDot is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk and foreign currency risk.

Interest Rate Risk
The group is not subject to any interest rate risk. Convertible notes previously issued at a fixed interest rate have been redeemed.

25 Financial Risk Management (continued)

Foreign exchange risk

As a result of significant investment in wholly-owned controlled entities in the United States and the United Kingdom, DataDot's statement of financial position can be affected significantly by movements in the exchange rates. DataDot does not seek to hedge this exposure.

DataDot also has transactional currency exposures. Such exposure arises from sales or purchases by an operating unit in currencies other than the unit's functional currency. As each of the individual entities within the Group primarily transact in their own respective currency, foreign currency risk is deemed to be minimal.

DataDot does require its operating units to use forward currency contracts to eliminate the currency exposures on any individual transactions in excess of $100,000 for which payment is anticipated more than one month after DataDot has entered into a firm commitment for a sale or purchase. There has been no such transaction during the year. It is DataDot's policy not to enter into forward contracts until a firm commitment is in place and to negotiate the terms of the hedge derivatives to exactly match the terms of the hedged item to maximise hedge effectiveness.

The effect of volatility of foreign exchange rates within expected reasonable possible movements would not be material.

Price risk

DataDot's exposure to commodity price risk is minimal.

Credit risk

DataDot trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it DataDot's policy to securitise its trade and other receivables.

It is DataDot's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that DataDot's exposure to bad debts is not significant. There has been no change to credit risk since initial recognition.

Liquidity risk

Liquidity risk arises from the financial liabilities of DataDot and DataDot's subsequent ability to meet their obligations to repay their financial liabilities as and when they fall due.

DataDot's objective is to maintain a balance between continuity of funding and flexibility through the use of loans, convertible notes, finance leases and hire purchase contracts. DataDot manages liquidity risk by monitoring cash flow and maturity profiles of financial assets and liabilities.

Maturity analysis of financial assets and liabilities based on management's expectations

The risk implied from the values shown in the tables below, reflects a balanced view of cash inflows and outflows. Leasing obligations, trade payables and other financial liabilities mainly originate from the financing of assets used in our ongoing operations such as plant and equipment and investments in working capital (e.g. inventories and trade receivables). These assets are considered in DataDot's overall liquidity risk.

Consolidated entity 30 June 2023	**Within 1 Year**
	$
Financial Assets	
Cash and cash equivalents	**2,117,501**
Trade and other receivables	**387,142**
Grant and term deposit interest receivables	**46,351**
	2,550,995
Financial Liabilities	
Trade and other payables	**295,516**
Net maturity	**2,255,479**

Consolidated entity 30 June 2022	Within 1 Year
	$
Financial Assets	
Cash and cash equivalents	3,179,549
Trade and other receivables	373,724
Grant receivable	146,521
	3,699,793
Financial Liabilities	
Trade and other payables	428,154
Net maturity	3,271,639

25 **Financial Risk Management (continued)**

Remaining contractual maturities

The tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2023	average %	1 year or less $	years $	contractual $
Non-derivatives				
Non-interest bearing				
Trade and other payables	-	**295,516**	-	**295,516**
Interest-bearing - fixed rate				
Convertible notes payable		-	-	-
Total non-derivatives		**295,516**	-	**295,516**

Consolidated - 2022	average %	1 year or less $	years $	contractual $
Non-derivatives				
Non-interest bearing				
Trade and other payables	-	428,154	-	428,154
Interest-bearing - fixed rate				
Convertible notes payable		-	-	-
Total non-derivatives		409,210	-	409,210

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair values.

26 **Option and Share Based Payments**

	2023 **$**	2022 $
Expenses arising from share based payments to Key Management Personnel :		
	-	-
	-	-
Total expense arising from options and share based payments during the period	-	-

No shares were issued under the Share Loan Scheme during the current financial year or the previous financial year.

Movements in share rights for the financial year	**2023** **No**	**2023** **Avg issue $**	2022 No	2022 Avg issue $
Balance at the beginning of the period	-	-	2,000,000	0.0300
Rights granted	-	-	-	-
Shares issued	-	-	(2,000,000)	0.0080
Rights expired/cancelled	-	-	-	-
Balance at the end of the period	-		-	

Movements in share options for the financial year	**2023** **No**	**2023** **Avg issue $**	2022 No	2022 Avg issue $
Balance at the beginning of the period	-	-	-	-
Options issued	-	-	-	-
Options expired	-	-	-	-
Balance at the end of the period	-		-	

Share rights are granted by the Board, under the DataDot Technology Executive Share Rights Plan, on such terms and conditions as the Board determines, to eligible employees. A grant of share rights does not confer any right or interest in shares until all terms and conditions have been satisfied. They confer no voting rights. At pre-determined vesting intervals, subject to grantees satisfying the terms and conditions of grant, including continuous employment, each share right provides an entitlement to the issue of one ordinary share in the Company.

26 Option and Share Based Payments (continued)

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
10/10/2016	1/07/2019	$0.016	$0.027	83.03%	NIL	2.158%	$0.0061
26/11/2016	26/11/2019	$0.016	$0.050	79.80%	NIL	2.158%	$0.004

No options were issued in FY22 and FY23 and all Options previously issued have now expired.

Accounting treatment
Share based payment transactions - when applicable

Equity settled transactions:
No new Share Based Payments have been provided by DataDot during the year.
DataDot had a share-based payments scheme whereby the company provided benefits to its employees (including KMP) in the form of share-based payments, whereby employees render services in exchange for rights over shares (equity-settled transactions).

The Executive Share Rights Plan (ESRP) (when operative) provides benefits to senior executives of DataDot.

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted.

For share options granted during any year, the cost of equity-settled transactions are measured at fair value on the grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

For shares issued under the share loan scheme during any year, the cost of equity-settled transactions are measured at fair value on the grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the scheme, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the scheme, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the statement of comprehensive income is the product of:

(i) The grant date fair value of the award.
(ii) The current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover
(iii) The expired portion of the vesting period.

The charge to the statement of profit or loss for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to equity.

Until an award has vested, any amounts recorded are contingent and will be adjusted if fewer awards vest than were originally anticipated. Any award subject to a market condition is considered to vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had expired on the date of cancellation. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (see Note 8).

27 Leases

Company as a lessee

The Group have leases over a range of assets including land and buildings and equipment.

Information relating to the leases in place and associated balances and transactions are provided below.

Terms and conditions of leases

The initial term of the building leases for the corporate office, factory and warehouse in Brookvale expires in December 2025. They have 3 year option extension at the discretion of the Group. The rentals are subject to a fixed increase of 3% for the initial term of the lease.

The term on the UK office, factory and warehouse lease commenced in June 2023 and expires in June 2028 with an option to break the lease at the end of 3 years (June 2026). The rentals are fixed and there is no option in the lease to extend.

The equipment leases are for various items of plant and equipment. 5 year terms commenced in July 2019 and December 2019 respectively. The lease payments are fixed.

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
2023	$	$	$	$	$
Lease liabilities	**220,061**	**335,351**	**-**	**555,413**	**504,926**

Extension options

A number of the building leases contain extension options which allow the Group to extend the lease term by up to twice the original non-cancellable period of the lease.

The Group includes options in the leases to provide flexibility and certainty to the Group operations and reduce costs of moving premises and the extension options are at the Group's discretion.

At commencement date and each subsequent reporting date, the Group assesses where it is reasonably certain that the extension options will be exercised.

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Group is a lessee are shown below:

	2023
	$
Interest expense on lease liabilities	**16,072**
Expenses relating to leases of low-value assets	**-**
Amortisation of right-of-use assets	**174,016**
	190,088
Statement of Cash Flows	
Total cash outflow for leases	**193,932**

Accounting treatment

For current year

At inception of a contract, the Group assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:
- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Group has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

27 Leases (continued)

Lessee Accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Group recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Group believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Group's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Group's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Group elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Group recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

28 Parent Entity Information

The following information has been extracted from the books and records of the parent, DataDot Technology Limited and has been prepared in accordance with Accounting Standards.

Statement of financial position	2023	2022
	$	$
Current assets	**2,866,247**	3,122,664
Non-current assets	**5,648,146**	6,432,491
Total assets	**8,514,393**	9,555,155
Current liabilities	**241,274**	327,447
Non-current liabilities	**3,250,712**	4,123,632
Total liabilities	**3,491,986**	4,451,079
Equity		
Issued capital	**41,415,295**	41,612,795
Accumulated losses	**(36,320,769)**	(36,638,120)
Reserves	**141,901**	141,901
Total equity	**5,236,427**	5,116,576
Statement of profit or loss and other comprehensive income		
Profit / (Loss) after income tax	**317,350**	1,046,287
Total comprehensive income	**317,350**	1,046,287

Parent Entity Commitments and Guarantees

DataDot has issued a bank guarantee of $34,375 (2022: $34,375). No liability was recognised by DataDot in relation to the bank guarantee as the fair value of the guarantee is immaterial.

Remuneration commitments	2023	2022
Commitments for the payment of salaries and other remuneration under long term employment contracts in existence at the	$	$
Minimum remuneration payments payable:		
Within one year	**119,500**	119,500

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Capital commitments

The parent entity had no capital commitments for plant and equipment as at 30 June 2023 and 30 June 2022.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity as disclosed throughout the report.

29 Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the operations of the Group, the results of it's operations or the state of affairs in future financial years.

30 Summary of other significant accounting policies

(a) Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 28.

(b) Principles of consolidation

Interests in associates and joint ventures are equity accounted and are not part of the Consolidated Group.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by DataDot and cease to be consolidated from the date on which control is transferred from DataDot.

Profits / Losses are attributed to the non-controlling interest even if that results in a deficit balance.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest results in an adjustment between the carrying amounts of the controlling interest and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and the consideration paid or received is recognised as a separate reserve within equity attributable to owners of DataDot Technology Limited.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

(c) Foreign currency translation

Functional and presentation currency
Both the functional and presentation currency of DataDot Technology Limited and its Australian subsidiaries is Australian dollars ($). Each entity in DataDot determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The functional currencies of the overseas subsidiaries are:

Name of overseas subsidiaries	*Functional currency*
DataDot Technology USA Inc	United States Dollar (US$)
DataDot Technology (UK) Ltd	Great Britain Pound (£)

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at balance date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Translation of Group Companies functional currency to presentation currency

The results of the overseas subsidiaries are translated into Australian dollars (presentation currency) as at the date of each transaction. Assets and liabilities are translated at exchange rates prevailing at reporting date.

As at the reporting date the assets and liabilities of these subsidiaries are translated into the presentation currency of DataDot Technology Limited at the rate of exchange ruling at the statement of financial position date and their statements of comprehensive income are translated at the average exchange rate for the year.

Exchange variations resulting from the translation are recognised in the foreign currency translation reserve in equity. These variations are recognised in the statement of comprehensive income in the period.

30 Summary of other significant accounting policies (continued)

(d) Revenue recognition

The Group has accounts for revenue in accordance with AASB 15 "Revenue from contracts with customers". The core principle of the standard is that the Group will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

(i) Sale of goods

Sale of goods revenue is recognised at a point in time when the Group have met all of their performance obligations including delivery. There is limited judgement in identifying the point control passes; once the goods have left the warehouse or are delivered, depending on the type of good. The group will have a present right to payment and retains none of the significant risk and rewards of the goods.

(ii) Rendering of services

Revenue from the rendering of a service is recognised on an over time basis based on stage of completion of the contract.

(iii) Royalties

Revenue is recognised at a point in time when the underlying goods are sold. Fixed rate manufacturing royalties are recognised over the period of the underlying agreement.

(iv) Licence fee

Licence fees are recognised over time in line with the invoice period. Performance obligations are satisfied over time. This is a faithful depiction of the transfer of services, as customers simultaneously receive and consume services provided over the invoiced period.

(v) Interest income

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(e) Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.
A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets
Financial assets, other than those designated and effective as hedging instruments, are classified into one of the following categories:
• amortised cost
• fair value through profit or loss (FVTPL), or
• fair value through other comprehensive income (FVOCI).
In the periods presented the Group does not have any financial assets categorised as FVOCI.

The classification is determined by both:
• the entity's business model for managing the financial asset, and
• the contractual cash flow characteristics of the financial asset.

All revenue and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):
• they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and
• the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.
After initial recognition, these are measured at amortised cost using the effective interest method.
Discounting is omitted where the effect of discounting is immaterial.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

(e) Financial instruments (cont'd)

Impairment of financial assets
Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables
Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group have determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables and convertible notes.

(f) Adoption of new accounting standards

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

(g) Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Impairment of non-financial assets
DataDot assesses impairment of all assets at each reporting date by evaluating conditions specific to DataDot and to the particular asset that may lead to impairment. These include product and manufacturing performance, technology, economic and political environments and future product expectations. If an impairment trigger exists the recoverable amount of the asset is determined. Given the current uncertain economic environment management considered that the indicators of impairment were significant enough and as such these assets have been tested for impairment in this financial period.

Capitalised development costs

Development costs are only capitalised by DataDot when it can be demonstrated that the technical feasibility of completing the intangible asset is valid so that the asset will be available for use or sale.

(g) Critical accounting estimates and judgements (cont'd)

Taxation

DataDot's accounting policy for taxation requires management's judgement as to the types of arrangements considered to be a tax on income in contrast to an operating cost. Judgement is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the statement of financial position. Deferred tax assets, including those arising from unrecouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, operating costs, restoration costs, capital expenditure, dividends and other capital management transactions. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the statement of financial position and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the statement of profit or loss.

Share-based payment transactions

DataDot measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

Estimation of useful lives of assets

The estimation of the useful lives of property, plant and equipment and finite intangible assets has been based on historical experience as well as lease terms (for leased equipment). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful life are made when considered necessary.

Employee benefits provision

As discussed in Note 15, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimate of attrition rates and pay increases through promotion and inflation have been taken into account.

Directors' Declaration

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 30 June 2023 and of its performance for the financial 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
31 August 2023

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

Opinion

We have audited the financial report of DataDot Technology Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of DataDot Technology Limited, is in accordance with the Corporations Act 2001, including:

(a) giving a true and fair view of the company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

AMW Audit | 1300 284 330 | info@amwaudit.com.au | Registered Auditor Number 314299

Revenue Recognition

Key audit matter	How the matter was addressed in our audit
Refer to Note 2 of the financial report and Note 30 for accounting policy. Revenue is a key driver to the Group for the year ended 30 June 2023 the Group recognised $2,693,031 (2022: $3,561,177). The Group's management focuses on revenue as a key driver by which the performance of the Group is measured. This is a key audit matter due to the differing revenue streams and total balance of the revenue.	Our audit procedures included, amongst others; • Assessing the Group's accounting policy for revenue to ensure it has been correctly formulated in accordance with the Australian Accounting Standards, with particular focus on the adoption of AASB 15; • Performing analytical procedures to understand movements and trends in revenue for comparisons against expectations; • Checking a sample of revenue transactions to evaluate whether they were appropriately recorded as revenue ensuring the amounts recorded agreed to supporting evidence; and • Performing cut-off testing to ensure that revenue transactions around year end have been recorded in the correct reporting period.

Other information

The directors are responsible for the other information. The other information comprises the information contained in the Group's Financial Report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Annual Report, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Datadot Technology Limited, for the year ended 30 June 2023, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

AMW Audit

AMW AUDIT

Chartered Accountants

BILLY-JOE THOMAS

Director

Dated at Perth, Western Australia this 31 August 2023

DataDot Technology Limited - ABN 54 091 908 726

Shareholder Information

ASX Additional Information

Additional information required by the ASX Listing Rule 4.10 and not disclosed elsewhere in this report is set out below. This information is effective as at 15 October 2023.

Corporate Governance Statement

The corporate governance statement is located on the Company's website at the following URL http://www.datadotdna.com/au/investors/corporate_governance/

Statement of Issued Shares

The total number of shareholders is 1,053. There are 1,210,952,783 ordinary fully paid shares listed on the Australian Securities Exchange. The twenty largest shareholders hold 69.58% of issued capital.

Substantial shareholders

The number of substantial shareholders and their associates are set out below:

Shareholders	Number of shares
Brad Kellas	250,236,143
Appwam Pty Ltd	150,000,001
DMX Capital Partners Limited	112,384,127
Patrix Holdings Pty Ltd	98,231,662

Voting rights

Ordinary Shares - On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

On-Market Buyback

There is no current on-market buyback.

Distribution of equity security holders

Holding	Holders	Share Rights
1 - 99,999	257	0
100,000 - 500,000	593	0
500,001 - 1,000,000	96	0
1,000,001 - 10,000,000	90	0
10,000,001 and over	17	0
Total	**1,053**	**0**

The number of shareholders holding less than a marketable parcel of ordinary shares is 257.

Securities exchange

The Company is listed on the Australian Securities Exchange.

Unquoted equity securities

There are no unquoted Equity Securities

Voluntary escrow

There are no shares under escrow.

Shareholder Information - continued

Twenty Largest Shareholders	Number Held	% of Issued Shares
MR BRADLEY CHARLES KELLAS	250,236,143	20.664%
APPWAM PTY LTD	150,000,001	12.387%
DMX CAPITAL PARTNERS LTD	112,384,127	9.281%
PATRIX HOLDINGS PTY LTD	98,231,662	8.112%
HAMISH EDWARD ELLIOT BROWN	53,549,561	4.422%
MR COLLIN HWANG	31,544,716	2.605%
MR NORMAN COLBURN MAYNE <N C MAYNE FAMILY FUND A/C>	16,000,000	1.321%
MR SANTO CARLINI & MRS ISABELLA CARLINI	16,000,000	1.321%
MR DAVID ROGER LLOYD	14,912,116	1.231%
MR GERALD LEO BASHFORD	12,180,683	1.006%
HENTA PTY LTD <MCDONOGH FAMILY A/C>	12,000,000	0.991%
SI EQUITIES PTY LTD	11,093,299	0.916%
MRS NUN SOL JANG	10,668,547	0.881%
CITICORP NOMINEES PTY LIMITED	10,122,486	0.836%
MR GEOFFREY GEORGE	8,634,398	0.713%
PJ & DL BURGESS PTY LTD <BURGESS SUPER FUND A/C>	8,000,000	0.661%
KEYLOAD PTY LTD <FT PHYSIO CENTRE S/F A/C>	7,500,000	0.619%
JAMES MCCALLUM	6,666,666	0.551%
MR WEI MING ZHANG	6,500,000	0.537%
DAMNN INVESTMENTS PTY LTD	6,300,161	0.520%
Total Securities of Top 20 Holdings	**842,524,566**	**69.575%**
Total of Securities	**1,210,952,783**	

Corporate Information – 2023

DataDot Technology Limited - ABN 54 091 908 726

Offices
Australia & registered office:
8 Ethel Ave, Brookvale, NSW, 2100, Australia
Phone: 61 2 8977 4900
Email: info@datadotdna.com

United Kingdom:
Unit 4, Twickenham Road,
Union Park Industrial Estate,
Norwich, Norfolk, NR6 6NG, UK Phone: +44 0 1603 407171

Directors & Officers
Mr Ray Carroll - Chair
Mr David Lloyd - Independent Non-Executive Director
Mr Patrick Raper - Independent Non-Executive Director
Mr Brad Kellas - Managing Director
Mr Gordon Ogborne - Company Secretary

Auditors
AMW Audit Group,
Level 7, 91 Phillip Street
Parramatta NSW 2150

Bankers
Commonwealth Bank of Australia
Ground Floor, Tower 1, 201 Sussex Street,
Sydney, NSW, Australia, 2000

Share Register
Boardroom Pty Limited
Level 8, 210 George Street, Sydney NSW 2000
Phone: +61 2 9290 9600;

Website www.datadotdna.com

Providing world leading asset identification, authentication and digital protection solutions

DataDot Technology Ltd | ACN 091 908 726

8 Ethel Avenue Brookvale NSW 2100 | T +61 2 8977 4900 | E info@DataDotDNA.com | W www.DataDotDNA.com