



30th July 2021

DTI GROUP LTD (ASX:DTI) QUARTERLY BUSINESS ACTIVITY REPORT & APPENDIX 4C

Australian technology provider **DTI Group Ltd** ("DTI") (**ASX: DTI**), releases its **Quarterly Business Activity Report** and **Appendix 4C Cash Flow Report** for the quarter ending **30 June 2021**.

DTI has recorded an improvement in Net Profit, against prior-year comparisons for the June quarter and YTD. Full year revenue was higher than the prior year.

Business Activity

DTI is focused on the quality delivery of the products and services to customers which include:

- Alstom Transport India Ltd
- Metro Train Melbourne
- Brisbane City Council
- Siemens Mobility, Inc

The targeted actions to improve revenue are on track.

DTI has commenced a trial of its new recorder with a Western Australian bus operator. This trial has delivered positive results to-date. Multiple Eastern Australian bus operators have also agreed to trials.

DTI is participating in a trial with an Australian state government agency to allow for the live look-in of camera footage on buses. The agency may mandate this functionality for all public transport operators in the future and DTI's technology is performing well and could be a recommended solution.

Forward Outlook

DTI is focused on successfully delivering the pipeline of contracted opportunities, improving the engagement with existing customers and potential customers, and continuing the development of products which are attractive to target market segments.

Cost management is a key priority and DTI is undertaking initiatives to reduce its operating expenses.

Appendix 5B:

The quarterly cashflow report (4C) for the quarter details expenditure on the abovementioned operations. During the quarter, material expenditure related to operating costs of \$2.98M, staff costs of \$1.78M and administration costs of \$0.56M.

A closing cash equivalent balance of \$0.8M is reported as of 30th June 2021, with net operating cash outflows of \$0.99M, which was in line with Company expectations. The increase in total operating cash outflow for the quarter relative to the prior period is a result of increased expenditure on long lead time items to meet contracted project delivery dates.

In accordance with Listing Rule 4.7C, payments made to related parties and their associates are included in Appendix 4C section 6.1 and these payments are entirely for Directors' fees.

This ASX communication has been approved for release by Mr. Greg Purdy, Chairman.

About DTI Limited

DTI develops and provides world-leading surveillance, video analytics, and passenger information systems technology and services to the worldwide mobile transit industry. Our customers include transit agencies, vehicle operators, vehicle manufacturers, and law enforcement agencies. Products and services include on-board recording equipment, passenger information equipment, fleet management systems, back-end mass storage and retrieval facilities, and end-to-end managed services.

Core technology development and systems design activities are undertaken from the company's headquarters in Perth, Australia.

For further information, please contact:

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Appendix 4C

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

Name of entity

DTI Group Limited

ABN

15 069 791 091

Quarter ended ("current quarter")

30/06/2021

Consolidated statement of cash flows	Current quarter Q4 \$A'000	Year to date 12 (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4634	18466
1.2 Payments for		
(a) research and development	-176	-638
(b) product manufacturing and operating costs	-2984	-12210
(c) advertising and marketing		
(d) leased assets	-71	-209
(e) staff costs	-1778	-5625
(f) administration and corporate costs	-557	-1822
1.3 Dividends received (see note 3)		
1.4 Interest received	0	3
1.5 Interest and other costs of finance paid	-30	-49
1.6 Income taxes paid	-2	-4
1.7 Government grants and tax incentives	75	693
1.8 Other (GST)	-103	-559
1.9 Net cash from / (used in) operating activities	-991	-1954
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	-288	-312
(d) investments		

Consolidated statement of cash flows		Current quarter Q4 \$A'000	Year to date 12 (12 months) \$A'000
2.2	(e) intellectual property (f) other non-current assets Proceeds from disposal of: (a) entities (b) businesses (c) property, plant and equipment (d) investments (e) intellectual property (f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (Release of restricted cash deposit)		380
2.6	Net cash from / (used in) investing activities	-288	68

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings	540	804
3.6	Repayment of borrowings	-632	-843
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	-93	-39

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	*2125	*2701
4.2	Net cash from / (used in) operating activities (item 1.9 above)	-991	-1954

Consolidated statement of cash flows		Current quarter Q4 \$A'000	Year to date 12 (12 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-288	68
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-93	-39
4.5	Effect of movement in exchange rates on cash held	12	-10
4.6	Cash and cash equivalents at end of period	*766	*766

* Restricted cash for bank guarantees excluded

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	*766	*2125
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	*766	*2125

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 – Directors' fees	37
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

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

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (credit card)	225	204
7.4	Total financing facilities	225	204
7.5	Unused financing facilities available at quarter end		21
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>American Express Credit Card facility. Rolling monthly maturity date. Unsecured. 20.49% on overdue balances</p> <p>Refer note 8.6.2</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	-991
8.2	Cash and cash equivalents at quarter end (item 4.6)	766
8.3	Unused finance facilities available at quarter end (item 7.5)	21
8.4	Total available funding (item 8.2 + item 8.3)	787
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.79
<p><i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i></p>		
8.6	<p>If item 8.5 is less than 2 quarters, please provide answers to the following questions:</p> <p>8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?</p> <p>Answer: The next quarter is expected to generate a similar level of net operating cash flow.</p> <p>From Q2 FY22 positive net operating cash flow is forecast to be generated for the quarter through an increase in cash receipts and reduced operating costs.</p> <p>8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?</p> <p>Answer: Yes, DTI has engaged the two major shareholders for short-term loan(s) on a commercial basis to provide the necessary working capital to execute the Company's business plan. These long-term shareholders have previously supported the Company with capital when required and the Company is confident that those shareholders will continue to be supportive.</p>	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Yes, the short-term loan(s) will provide the operating cash required to execute against the business plan. There is a high degree of confidence in the cost reduction strategy and sales pipeline.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30/07/21

Authorised by: the Board of Directors

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.