



**APPENDIX 4D**  
**Half Yearly Report**  
**for the half year ended 31 December 2018**

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Reporting period Half year ended 31 December 2018

Previous reporting period Half year ended 31 December 2017

Results for announcement to the market	31 Dec 18	31 Dec 17	Change	Change
	\$	\$	\$	%
Revenue	1,786,595	2,490,443	(703,848)	(28.26)%
Gross Profit	870,909	1,407,848	(536,939)	(38.14)%
Expenses	1,526,134	1,704,670	(178,536)	(10.47)%
EBITDA	(535,639)	(86,253)	(449,386)	(521.01)%
Loss from ordinary activities after tax attributable to members	(658,118)	(307,983)	(350,135)	(113.69)%
Net loss attributable to members	(658,118)	(307,983)	(350,135)	(113.69)%
Net tangible asset backing per ordinary share shown in cents	0.0016	0.0042	(0.0026)	(61.90)%

**Dividends**

No dividends were paid or made payable during the half year ended or since 31 December 2018.

**Commentary**

Please refer to the attached Directors' report which does not form part of the financial report for the half year ended 31 December 2018.

**Other information***Control gained over entities having a material effect*

N/A

*Loss of control over entities having a material effect*

N/A

*Dividend or distribution reinvestment plans*

N/A

*Details of associates and joint venture entities*

N/A

**Audit status**

This report is based on accounts that have been subject to review.

**Attachments**

Additional disclosure requirements can be found in the notes to the attached half year financial report.

Signed By



Gary Flowers - Chairman

22 February 2019



## **Financial Report for the half year ended 31 December 2018**

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Your directors submit their report, together with the financial statements of the consolidated entity ("DataDot") consisting of DataDot Technology Limited and the entities it controlled at the end of or during the half year ended 31 December 2018.

**Directors**

The directors of the Company at any time during or since the end of the half-year are as follows:

Mr G Flowers (Chairman)

Mr S Wilks

Mr T Hield

**Principal activities**

The principal activities of DataDot during the year were:

- (a) to manufacture and distribute high security DataTraceID authentication solutions;
- (b) to develop and distribute customised solutions combining DataDotDNA, DataTraceID and asset registration;
- (c) to manufacture and distribute asset identification solutions that include:
  - (i) DataDotDNA® - polymer and metallic microdots containing etched data that is unique to the assets to which the microdots are attached; and
  - (ii) Asset Registers - databases that record asset identification data and are accessible by law enforcement agencies and insurance investigators.

There has been no significant change in the nature of these activities during the half year.

**Review of operations**

Earnings for first half of 2018/19 have decreased against the prior comparable period (pcp). EBITDA decreased by \$0.45m to a \$0.54m loss (1H2018, \$0.09m loss) and NPAT decreased by \$0.35m to a \$0.66m loss (1H2018 \$0.31m loss). Group revenue has fallen against pcp from \$2.49m to \$1.79m.

The main drivers of this performance were lower DataDotDNA® volumes from our automotive distributors in the USA and Italy. These developments highlight the need for the Company to grow revenue and diversify its revenue and customer base and, in particular, to become less reliant upon a relatively small number of DataDotDNA® automotive customers.

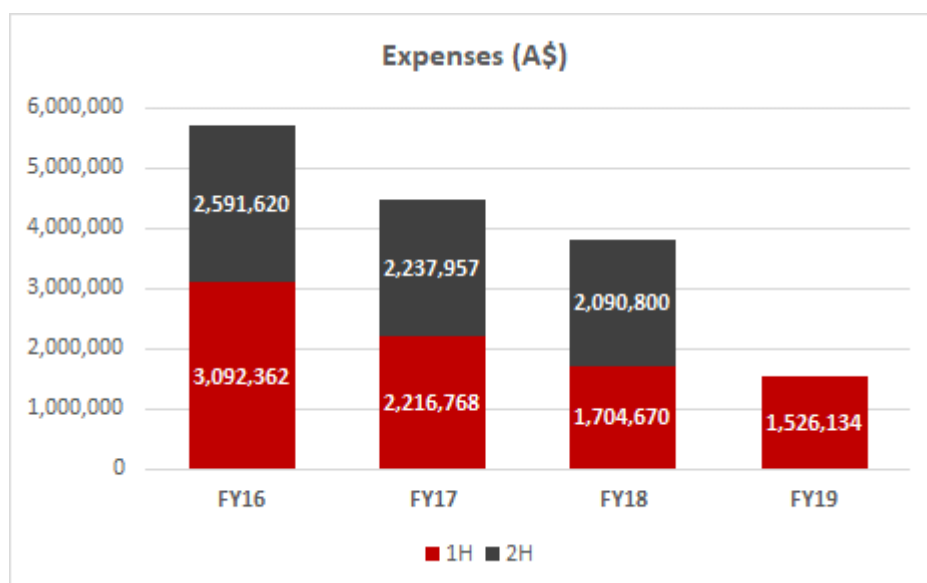
Growing and diversifying our revenue and customers base is the Company's key focus area. Initiatives to address this include:

- International digital and social media campaigns to increase awareness and generate leads for our DataTraceID authentication solutions with a specific focus on the following industry segments: Pharmaceutical/Nutraceutical, Food and Beverages, Medical Devices and Automotive Parts;
- The 2019 iteration of our authentication survey and report that continues the initiative launched in 2018, which builds general awareness of DataTraceID as a leader in authentication solutions;
- International digital social media campaigns to diversify our DataDotDNA® customer base directed at Utilities, Schools, Local Councils and Hire and Rental providers;
- Engagement with government authorities and other stakeholders in India as to the potential introduction of a micro-dot standard for motor vehicles; and
- Exploration of transactions and partnerships that would broaden our customer base, offerings and capabilities.

Operating expenses improved against pcp from \$1.70m to \$1.53m (10% reduction). These improvements were driven by:

- Restructuring of personnel;
- Renegotiating supplier pricing; and
- Rationalising operating expenses.

Further cost efficiency improvements are expected to be realised in 2H FY2019 as a result of our ongoing cost efficiency drive.



### Outlook

The outlook for the Company is positive with:

- a cost base that enables the Company to translate revenue growth into positive earnings results;
- efforts underway to grow awareness, leads and revenues in our DataTraceID business (that build upon recent value proposition improvements and additions);
- efforts underway to diversify our DataDotDNA® customer base; and
- a number of potential transactions and partnerships being explored that would broaden our customer base, offerings and capabilities.

### Events After Reporting Period

Subsequent to the end of the financial period ending 31 December 2018, the company continues discussions with a number of third parties, including one which it is in active negotiations with at the time of signing these accounts. Of course, there can be no certainty that any of these transactions will close, or that agreement can be reached which would be acceptable to shareholders should approval be required.

### Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the half year ended 31 December 2018 has been received and can be found on page 6 of the financial report.

Signed in accordance with a resolution of the Board of Directors, pursuant to section 306(3)(a) of the Corporation Act 2001.

G Flowers  
Chairman  
Sydney  
22 February 2019

## DECLARATION OF INDEPENDENCE BY GILLIAN SHEA TO THE DIRECTORS OF DATADOT TECHNOLOGY LIMITED

As lead auditor for the review of DataDot Technology Limited for the half-year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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



Gillian Shea  
Partner

**BDO East Coast Partnership**

Sydney, 22 February 2019

## Consolidated Statement of Profit or Loss

for the half year ended 31 December 2018

	Notes	31 Dec 2018 \$	31 Dec 2017 \$
<b>Revenue</b>			
Sale of goods		1,436,754	2,223,054
Service and licence fees		152,186	70,803
Royalties		197,655	196,586
		<u>1,786,595</u>	<u>2,490,443</u>
Cost of sales		<u>915,686</u>	<u>1,082,595</u>
<b>Gross Profit</b>		<u>870,909</u>	<u>1,407,848</u>
Other income	2	<u>119,586</u>	<u>210,569</u>
<b>Expenses</b>			
Administrative expenses		1,329,820	1,403,393
Marketing expenses		1,217	86,532
Occupancy expenses		170,577	173,383
Travel expenses		24,520	41,362
		<u>1,526,134</u>	<u>1,704,670</u>
<b>EBITDA</b>		<u>(535,639)</u>	<u>(86,253)</u>
Depreciation, Amortisation and Impairment		112,576	214,870
Finance costs		2,505	-
Share of profits from associated entity		-	-
<b>Loss before income tax expense</b>		<u>(650,720)</u>	<u>(301,123)</u>
Income tax expense	6	<u>7,398</u>	<u>6,860</u>
<b>Loss after income tax expense for the period</b>		<u>(658,118)</u>	<u>(307,983)</u>
<b>Loss for the period attributable to :-</b>			
Owners of DataDot Technology Limited		<u>(658,118)</u>	<u>(307,983)</u>
Basic loss per share (cents per share)		<u>(0.08)</u>	<u>(0.04)</u>
Diluted loss per share (cents per share)		<u>(0.08)</u>	<u>(0.04)</u>

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

## Consolidated Statement of Comprehensive Income

for the half year ended 31 December 2018

	31 Dec 2018	31 Dec 2017
	\$	\$
Loss after income tax expense for the period	(658,118)	(307,983)
Other comprehensive income :-		
Items that may be classified subsequently to profit or loss :-		
Exchange difference on translation of foreign operations	6,576	2,446
Total comprehensive income for the period net of tax	(651,542)	(305,537)
Total comprehensive income attributable to :-		
Owners of DataDot Technology Limited	(651,542)	(305,537)

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

## Consolidated Statement of Financial Position

as at 31 December 2018

	Notes	31 Dec 2018 \$	30 Jun 2018 \$
<b>Current Assets</b>			
Cash and cash equivalents	5	737,758	1,125,253
Trade and other receivables		574,748	775,306
Inventories		640,182	614,469
Grant receivable		100,230	177,047
Total Current Assets		<u>2,052,918</u>	<u>2,692,075</u>
<b>Non-Current Assets</b>			
Plant and equipment		333,591	359,735
Intangibles		327,315	370,437
Investments		120	120
Deferred Tax		14,858	14,683
Total Non-Current Assets		<u>675,884</u>	<u>744,975</u>
<b>Total Assets</b>		<u>2,728,802</u>	<u>3,437,050</u>
<b>Current Liabilities</b>			
Trade and other payables		705,679	794,572
Employee benefits		77,446	102,599
Provisions		59,142	60,000
Other current liabilities		132,977	114,603
Total Current Liabilities		<u>975,244</u>	<u>1,071,774</u>
<b>Non-Current Liabilities</b>			
Employee benefits		9,701	20,385
Other non-current liabilities		117,895	94,436
Total Non-Current Liabilities		<u>127,596</u>	<u>114,821</u>
<b>Total Liabilities</b>		<u>1,102,840</u>	<u>1,186,595</u>
<b>Net Assets</b>		<u>1,625,962</u>	<u>2,250,455</u>
<b>Equity</b>			
Issued capital	7	39,692,526	39,692,526
Accumulated losses		(36,026,897)	(35,368,779)
Reserves		(2,039,667)	(2,073,292)
<b>Total Equity</b>		<u>1,625,962</u>	<u>2,250,455</u>

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

# Consolidated Statement of Changes in Equity

for the half year ended 31 December 2018

	Attributable to equity holders of the parent					Total equity \$
	Issued capital \$	Accumulated losses \$	Foreign currency translation reserve \$	Employee equity benefit reserve \$	Other reserve \$	
<b>Balance at 1 July 2017</b>	39,664,364	(32,248,869)	(1,789,295)	231,105	(678,623)	5,178,682
Loss after income tax expense for the period	-	(307,983)	-	-	-	(307,983)
Other comprehensive income for the period, net of tax	-	-	2,446	-	-	2,446
Total comprehensive income for the period	-	(307,983)	2,446	-	-	(305,537)
Transactions with owners in their capacity as owners :-						
Share based payments	-	-	-	64,289	-	64,289
Share Issues	30,000	-	-	-	-	30,000
Share Issue Costs	(1,838)	-	-	-	-	(1,838)
<b>Balance at 31 December 2017</b>	39,692,526	(32,556,852)	(1,786,849)	295,394	(678,623)	4,965,596
<b>Balance at 1 July 2018</b>	39,692,526	(35,368,779)	(1,749,866)	355,197	(678,623)	2,250,455
Loss after income tax expense for the period	-	(658,118)	-	-	-	(658,118)
Other comprehensive income for the period, net of tax	-	-	6,576	-	-	6,576
Total comprehensive income for the period	-	(658,118)	6,576	-	-	(651,542)
Transactions with owners in their capacity as owners :-						
Share based payments	-	-	-	27,049	-	27,049
Share Issues	-	-	-	-	-	-
Share Issue Costs	-	-	-	-	-	-
<b>Balance at 31 December 2018</b>	39,692,526	(36,026,897)	(1,743,290)	382,246	(678,623)	1,625,962

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

## Consolidated Statement of Cash Flows

for the half year ended 31 December 2018

	Notes	31 Dec 2018 \$	31 Dec 2017 \$
<b>Cash from operating activities</b>			
Receipts from customers (inclusive of GST)		2,050,964	2,738,092
Payments to suppliers and employees (inclusive of GST)		(2,579,982)	(3,101,761)
Interest paid		(2,505)	-
Income tax paid		(7,573)	(7,582)
Receipt of government grant		192,963	377,920
Net cash flows (used in) / received from operating activities		(346,133)	6,669
<b>Cash flows from investing activities</b>			
Interest received		543	1,132
Purchase of plant and equipment		(38,731)	(10,490)
Payments for development costs and other intangibles		(4,793)	(95,600)
Net cash flows used in investing activities		(42,981)	(104,958)
<b>Net decrease in cash and cash equivalents</b>		(389,114)	(98,289)
Cash and cash equivalents at the beginning of the financial period		1,125,253	1,768,175
Effect of exchange rate changes on cash and cash equivalents		1,619	13,497
<b>Cash and cash equivalents at end of period</b>	5	737,758	1,683,383

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

## 1 Summary of significant accounting policies

The financial statements cover DataDot Technology Limited as a consolidated entity consisting of DataDot Technology Limited and its subsidiaries. The financial statements are presented in Australian dollars, which is DataDot Technology's functional and presentation currency.

DataDot Technology Limited is a listed public company limited by shares, incorporated and domiciled in Australia.

A description of the nature of the consolidated entity'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 22 February 2019.

### Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2018 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

### Going Concern

The financial statements of the company have been prepared on a going concern basis, which indicates continuity of business activities and the realisation of assets and settlement of liabilities in the normal course of business.

During the half-year ended 31 December 2018, the company experienced a decline in revenue of \$703,848 (28%) against the prior corresponding period, incurred an operating loss before tax of \$650,720 (2017: loss of \$301,123), and had net current assets of \$1,077,674 (2017: \$1,620,301) and negative operating cash flows of \$346,133 (2017: positive operating cash flows of \$6 669).

Consistent with the nature of the Company's activities and its ongoing funding of the asset identification and authentication technology development and pursuit of pipeline opportunities, additional funds are likely to be required to continue to support the operations of the Company and its controlled entities.

As a result of these matters, there is a material uncertainty related to events or conditions that may cast significant doubt on whether the Company will continue as a going concern and, therefore, whether it will realise its assets and settle its liabilities and commitments in the normal course of the business and at the amounts stated in the financial report.

At the date of this report, the directors are of the opinion that there are reasonable grounds to expect that the Company will be able to continue as a going concern.

As disclosed at the Company's 2018 AGM, the Board continues to pursue potential corporate transactions that may provide additional funding for the business. Subsequent to the end of the financial period ending 31 December 2018, the company continues discussions with a number of third parties including one which it is in active negotiations with at the time of signing these accounts.

In addition, the Company continues to pursue new revenue opportunities in the ordinary course of business, as well as maintain close scrutiny over costs.

As such the financial report is prepared on a going concern basis.

Should the directors consider the current actions are failing to gain traction, alternative measures would be pursued which would include:

- Raising additional funds through the issue of equity or convertible financial instruments or similar;
- The Company continually curtails its ongoing operating costs. This could include reducing headcount or the amounts to be paid to management and Directors for the next financial year; and
- Restructure of the business through other merger or sale opportunities.

The Directors believe that the Company will be successful in managing the above matters and accordingly, they have prepared the financial report on a going concern basis. At this time the directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial statements at 31 December 2018.

Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

**1 Summary of significant accounting policies (continued)****New and Amended Standards Adopted by the Group**

The Group has considered the implications of new or amended Accounting Standards which have become applicable for the current financial reporting period. The Group has changed its accounting policies as a result of adopting the following standards:

AASB 9 : Financial Instruments , and

AASB 15 : Revenue from Contracts with Customers.

**AASB 9: Financial Instruments**

The Group classifies its financial assets and liabilities, which comprise cash and cash equivalents, receivables, other financial assets (term deposits) and accounts payable, into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

*Amortised cost*

These assets arise principally from the provision of goods and services to customers (eg trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within AASB 9 using the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the consolidated statement of comprehensive income (operating profit).

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

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

*Financial Liabilities*

Trade and other payables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method. They represent liabilities for goods and services provided to DataDot prior to the end of the financial year that are unpaid and arise when DataDot becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

**1 Summary of significant accounting policies (continued)****AASB 15: Revenue from Contracts with Customers**

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer. The following specific recognition criteria must also be met before revenue is recognised:

*Sale of Goods*

Revenue is recognised when control of the products has transferred to the customer. For such transactions, this is when the products are delivered to the customers or when the products leave the warehouse depending on the contractual agreement. Revenue from these sales is based on the price stipulated in the contract. Revenue is only recognised to the extent that there is a high probability that a significant reversal of revenue will not occur.

A receivable will be recognised when the goods are delivered or left the warehouse. The group's right to consideration is deemed unconditional at this time as only the passage of time is required before payment of that consideration is due. There is no significant financing component because sales are made within a credit term of 30 to 45 days.

*License fee income*

Revenue is recognised when DataDot has an unconditional entitlement to the fee and occurs when performance obligations are met over a period of time as stipulated by the licence agreement.

*Royalty income*

Revenue is recognised when the performance obligations are met at a point in time being when the underlying goods are sold.

**Standards issued but not yet Applied by the Group**

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. These include AASB 16 Leases and AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle amongst others. DataDot has not elected to early adopt these standards.

**AASB 16 : Leases**

AASB 16 will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of \$648,205. The Group is currently assessing to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit, financial position and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low value leases and some commitments may relate to arrangements that will not qualify as leases under AASB 16 .

The Standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. The Group will adopt the Standard for its reporting period commencing 1 July 2019.

## Notes to the Financial Statements

for the half year ended 31 December 2018

### 2 Other Income

	31 Dec 2018	31 Dec 2017
	\$	\$
Interest income	543	1,132
Government grant: Research and development grant *	115,958	184,640
Sundry income	3,085	24,797
	<u>119,586</u>	<u>210,569</u>

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

### 3 Expenses

The consolidated statement of profit or loss includes the following specific expenses :-

<i>Cost of sales</i>		
Stock obsolescence	<u>22,200</u>	<u>(4,944)</u>
<i>Administrative expenses</i>		
Net gain / (loss) on foreign currency	3,477	(15,866)
Employee benefits	790,036	789,445
Employee share based expenses	27,049	64,289
Superannuation expenses	65,436	67,802
Depreciation	65,493	67,731
Amortisation	47,083	147,139
	<u>998,574</u>	<u>1,120,540</u>

### 4 Fair values of financial instruments

Unless otherwise stated, carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables assume to approximate their fair values due to their short term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

### 5 Cash and cash equivalents

	31 Dec 2018	31 Dec 2017
<i>Reconciliation of cash</i>	\$	\$
Cash at the end of the financial period shown in the consolidated statement of cash flows is reconciled as follows		
Cash at bank and on hand	<u>737,758</u>	<u>1,683,383</u>
Balance as per statement of cash flows	<u>737,758</u>	<u>1,683,383</u>

### 6 Income Tax

	31 Dec 2018	31 Dec 2017
Major components of tax expense	\$	\$
Withholding Tax	7,398	6,860
Income tax expense	<u>7,398</u>	<u>6,860</u>

## Notes to the Financial Statements

for the half year ended 31 December 2018

### 7 Equity - Contributed equity

	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
	Shares	Shares	\$	\$
Ordinary shares	<b>810,606,351</b>	810,606,351	<b>39,692,526</b>	39,692,526
	Date	No of Shares	\$	
Balance 1 July 2017	01-07-18	810,606,351	39,692,526	
<b>Balance 31 December 2017</b>	<b>31-12-18</b>	<b>810,606,351</b>	<b>39,692,526</b>	

### 8 Segment Information

#### 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

Two reportable segments have been identified as follows:

**DataDotDNA®** - polymer and metallic microdots containing etched data that is unique to the assets to which the microdots are attached.

**DataTraceDNA®** – a high speed, high security, machine readable system for authenticating materials, products, and assets and IntelliSeed™ by AgTechnix is a frontier patent pending technology, supporting global agriculture and protecting investments in intellectual property across a diverse spectrum of agricultural activities, including seed and plant genetics.

#### Accounting policies and intersegment transactions

The accounting policies used by DataDot in reporting segments internally is the same as those contained in the prior period with the exception of the new policies adopted as disclosed in Note 1. The adoption of these policies did not have a material impact on segment reporting. Intersegment pricing is determined on an arm's length basis. Intersegment transactions are eliminated on consolidation.

The following tables present the revenue, profit/(loss) before tax, assets and liabilities information regarding operating segments for half years ended 31 December 2018 and 31 December 2017.

## Notes to the Financial Statements

for the half year ended 31 December 2018

### 8 Segment Information (continued)

#### Segment performance

##### Period ended 31 December 2018

	DataDot \$	DataTraceDNA \$	Eliminations \$	Total \$
Revenue from external customers	1,424,447	362,148	-	1,786,595
Intersegment revenue	154,122	7,887	(162,009)	-
Total revenue	1,578,569	370,035	(162,009)	1,786,595
Depreciation, amortisation and disposals	(103,178)	(9,398)	-	(112,576)
Finance revenue	543	-	-	543
Finance costs	(2,505)	-	-	(2,505)
Net (loss) / profit after income tax	(706,236)	48,118	-	(658,118)
Segment assets	4,723,983	399,834	(2,395,015)	2,728,802
Segment liabilities	1,425,393	2,172,715	(2,495,268)	1,102,840

##### Period ended 31 December 2017

	DataDot \$	DataTraceDNA \$	Eliminations \$	Total \$
Revenue from external customers	2,180,742	309,701	-	2,490,443
Intersegment revenue	208,824	7,171	(215,995)	-
Total revenue	2,389,566	316,872	(215,995)	2,490,443
Depreciation, amortisation and disposals	(104,043)	(110,827)	-	(214,870)
Finance revenue	1,132	-	-	1,132
Finance costs	-	-	-	-
Net loss after income tax	(222,479)	(85,504)	-	(307,983)
Segment assets	6,852,067	736,122	(1,136,352)	6,451,837
Segment liabilities	1,485,139	2,402,162	(2,401,060)	1,486,241

## Directors' Declaration

for the half year ended 31 December 2018

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australia Accounting Standard AASB 134 "Interim Financial Reporting", the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'G. Flowers', with a stylized flourish at the end.

Gary Flowers  
Chairman  
Sydney, 22 February 2019

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of DataDot Technology Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of DataDot Technology Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2018 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

#### Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

#### Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2018 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134



*Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO East Coast Partnership

BDO

A handwritten signature in black ink, appearing to read 'Gillian Shea', with a stylized flourish at the end.

Gillian Shea  
Partner

Sydney, 22 February 2019