

ASX Announcement

28 June 2019

## Redeemable Convertible Note Issue

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- **Board approved total amount to be raised = \$1,000,000**
  - **Commitments of \$650,000 secured to date**
  - **Maturity Date = 2 years from issue date**
  - **Interest Rate = 8% per annum**
  - **Ordinary share issue price on conversion = \$0.012**
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DataDot Technology Limited (ASX:DDT) is pleased to announce that it has received commitments from a number of sophisticated and professional investors for an aggregate of \$550,000 in financing by way of a redeemable convertible note facility (**Facility**).

The redeemable convertible notes issued pursuant to the Facility will be convertible to ordinary shares on or before the maturity date which is two years after issue, at a conversion price of \$0.012. Conversion is subject to shareholder approval where the note is issued to a Director or an associate of the Director.

The key terms of the Facility are attached.

The funds will be used as working capital to allow the Company to continue to drive the recovery of revenue.

DataDot Chairman Ray Carroll commented:

*"On behalf of the Company, I would like to thank the investors for providing access to funds and to thank our existing shareholders for their continued support. This funding is key for the Company to grow and improve its business operations in accordance with the Recovery Plan set out in the Explanatory Memorandum put to the shareholders meeting in May 2019. The Board and I look forward to further progressing DataDot's existing and new opportunities."*

### For further details contact:

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# Redeemable Convertible Note Terms

## Parties

**DataDot Technology Limited ("Company")**  
ABN 54 091 908 726

**AND**

**The Noteholder**

## REDEEMABLE CONVERTIBLE NOTE TERMS

### 1. INTERPRETATION

#### 1.1 Definitions

In those Terms:

**Act** means the FATA, the Corporations Act and any other applicable law;

**Associate** has the same meaning as in Part 1.2 Division 2 of the Corporations Act;

**Business Day** means Monday to Friday inclusive except public holidays;

**Conversion Date** means the date 2 Business Days after the date on which a Noteholder delivers a Conversion Notice to the Issuer in accordance with Clause 7.3 or the Maturity Date;

**Conversion Notice** means a notice in the form set out in Schedule 2;

**Corporations Act** means the Corporations Act of all jurisdictions of Australia;

**FATA** means the Foreign Acquisitions and Takeovers Act 1975 (Cth);

**Foreign person** has the same meaning as in the FATA;

**Interest** means the interest payable to a Noteholder under Clause 5.1;

**Interest Payment Date** in respect of a Note means the end of each Interest Period, the Conversion Date or the Maturity Date for that Note;

**Interest Period** means a period referred to in Clause 5.2;

**Interest Rate** means 8% per annum;

**Issue Date** means the date of issue of a Note;

**Issue Price** means \$0.012 per Ordinary Share, subject to adjustment in accordance with Clause 9;

**Issuer** means Datadot Technology Limited (ACN 091 908 726);

**Maturity Date** means the date which is two (2) years from the Issue Date;

**Noteholder** means the persons entered on the Register as the holder of a Note;

**Note** means an unsecured, redeemable, convertible note issued by the Issuer on terms and conditions identical to these Terms and evidenced by a Note Certificate;

**Note Certificate** means a certificate issued by the Issuer in accordance with these Terms evidencing that the person named in it is the holder of the number of Notes shown in it;

**Options** means options to acquire Ordinary Shares;

**Ordinary Share** means an ordinary share in the capital of the Issuer;

**Principal Sum** means the total amount paid up on the issue of each Note, being the face value of each Note;

**Redemption Notice** has the meaning given in Clause 6.1(a);

**Register** means the register of persons who hold Notes kept in accordance with Clause 12;

**Related Body Corporate** has the meaning given in the Corporations Act;

**Subsidiary** has the meaning given in section 46 of the Corporations Act;

**Terms** means these terms and conditions; and

**Winding Up** means:

- (a) an order being made that the Issuer should be wound up;
- (b) a liquidator or administrator being appointed in respect of the Issuer;
- (c) a provisional liquidator being appointed in respect of the Issuer and the provisional liquidator being ordered or required to admit all debts to proof or pay all debts capable of being admitted to proof proportionately;

- (d) the Issuer entering into or resolving to enter into a scheme of arrangement, deed of company arrangement, or composition or assignment for the benefit of all or any class of its creditors; or
- (e) the Issuer being otherwise wound up or otherwise dissolved or liquidated,

other than for the purposes of or as part of a solvent reconstruction of the capital of the Issuer and a reference to commencement of the Winding Up means the earlier of the happening of any of these events, the presentation of a petition for the commencement of Winding Up of the Issuer or the date of the creditors' or shareholders' meeting at which the relevant resolution for a winding up or approving any scheme, arrangement, composition or assignment was passed.

## **1.2 Interpretation**

- (a) A reference to a Clause, or Schedule is a reference to a clause, or schedule of these Terms unless the contrary intention is indicated.
- (b) If any action falls due for performance on a day other than a Business Day, it need not be done until the next Business Day.
- (c) A reference to a statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute.

## **2. ACKNOWLEDGMENT**

### **2.1 Acknowledgment**

The Issuer acknowledges that it is indebted to the Noteholder to the extent of the Principal Sum.

## **3. TITLE**

### **3.1 Note Certificate**

The Issuer must deliver a Note Certificate to a Noteholder when a Note is issued.

### **3.2 Title**

Title to any Note passes when it is registered in the name of the transferee in the Register.

### **3.3 Recognition**

Except as ordered by a court of competent jurisdiction or as required by law, the Issuer:

- (a) may treat the registered holder of any Note as the absolute owner (notwithstanding any notice of ownership or writing on the Note or any notice of previous loss or theft or of any trust or any other interest) and is not bound to take notice of or to admit the execution of any trust, whether express, implied or constructive or any other right, title or interest of any other person, to which any Note may be subject;
- (b) is not required to obtain any proof of ownership and is not required to verify the identity of the registered holder; and
- (c) is not required to recognise or give effect to any legal or equitable interest in any Note not entered on the Register notwithstanding that the Issuer may have actual or constructive notice thereof.

## **4. STATUS AS CREDITORS**

### **4.1 Status**

- (a) A Note confers rights in the Noteholder as a creditor of the Issuer and does not confer on a Noteholder any right to attend or vote at general meetings of the Issuer.
- (b) Each Noteholder by accepting an issue or transfer of a Note:
  - (i) agrees to be bound by these Terms; and
  - (ii) acknowledges that it is a creditor of the Issuer and, except as specifically provided in these Terms, the Notes do not confer rights as a member of the Issuer.

### **4.2 No Variation**

These Terms may only be varied with the consent of all Noteholders and the Issuer.

### **4.3 Status**

- (a) The debt created by these Terms is and will be regarded for all purposes as a specialty debt.
- (b) The property in the Notes in respect of which any Note Certificate is issued will for all purposes be regarded as situated at the place where the Register on which such Notes are for the time being entered is situate and not elsewhere.

## **5. INTEREST**

### **5.1 Interest**

- (a) The Issuer must pay to a Noteholder Interest at the Interest Rate on the Principal Sum from the Issue Date to redemption or conversion of that Note in accordance with Clauses 6 or 7.
- (b) Interest is to be calculated from and including the first day of each Interest Period to and including the last day of that Interest Period.
- (c) Interest accrues from day to day, is payable on each Interest Payment Date and is to be calculated on actual days elapsed on a 365 day year.
- (d) Interest paid under this Clause 5.1 is an unsecured debt obligation of the Issuer (whether or not paid out of profits of the Issuer).

### **5.2 Interest Period**

- (a) The first Interest Period commences on the Issue Date and ends on the last day of the sixth month after the Issue Date.
- (b) Each successive Interest Period commences on the first day of the succeeding six month period and, subject to Clause 5.2(c), ends on the last day of that six month period.
- (c) The final Interest Period ends on conversion of that Note in accordance with Clause 6 or Clause 7.

### **5.3 Withholdings**

Interest must be paid without deduction or withholding for or on account of Australian taxes unless that withholding or deduction is required by law.

## **6. REDEMPTION**

### **6.1 Redemption by Noteholder**

- (a) The Noteholder may elect to redeem on the Maturity Date any Notes which have not been converted in accordance with Clause 7.1(a) by serving on the Issuer at least 60 days prior to the Maturity Date written notification ('Redemption Notice') of their intention to do so specifying the Note/s to be redeemed and the amount payable on redemption of those Notes on the Maturity Date.
- (b) Upon receipt of a Redemption Notice served in accordance with Clause 6.1(a), the Issuer will, on the Maturity Date, pay to the Noteholder an amount equal to the aggregate of the Principal Sum and all accrued but unpaid Interest on each Note referred to in the Redemption Notice that remains on issue on the Maturity Date.

### **6.2 Redemption by Issuer**

- (a) The Issuer may elect to redeem at any point up to the Maturity Date any Notes which remain on issue by serving on the Noteholder at least 60 days prior to the proposed redemption date written notification ('Redemption Notice') of their intention to do so specifying the Note/s to be redeemed and the amount payable on redemption of those Notes on the redemption date.
- (b) Upon receipt of a Redemption Notice served in accordance with Clause 6.2 (a), the Issuer will, on the redemption date, pay to the Noteholder an amount equal to the aggregate of the Principal Sum and all accrued but unpaid Interest on each Note referred to in the Redemption Notice that remains on issue on the redemption date.

### **6.3 Winding Up Redemption**

- (a) On a Winding Up, all Notes must be redeemed by the Issuer.
- (b) The amount payable under Clause 6.2(a) will be the Principal Sum together with all accrued but unpaid Interest in respect of each Note up to the date of payment.



- (c) Each Noteholder agrees that on a Winding Up its rights in respect of redemption of its Notes are rights as a creditor of the Issuer which may be proved in the Winding Up.
- (d) The Issuer acknowledges that on a Winding Up the rights of the Noteholder in respect of redemption of its Notes shall take priority over any outstanding loans made to the Issuer by the directors of the Issuer.

## **7. CONVERSION**

### **7.1 Conversion date**

- (a) A Noteholder may convert any Notes to Ordinary Shares at any time up to the Maturity Date by serving on the Issuer a Conversion Notice, if such conversion would not be in breach of Clause 7.2.
- (b) On the Maturity Date, all Notes which are not the subject of a Redemption Notice served under Clause 6.1(a) and are not the subject of a Conversion Notice served under Clause 7.1(a) shall automatically convert to Ordinary Shares.

### **7.2 Restrictions on conversion**

- (a) A Noteholder must not convert any Note and no purported conversion has any effect if doing so would be in breach of or would cause the Issuer, the Noteholder or any shareholder of the Issuer to be in breach of the Law.
- (b) Each Noteholder acknowledges that no conversion rights in respect of a Note held by that Noteholder come into being prior to satisfaction of the condition precedent set out in Clause 7.2(a).

### **7.3 Notice of conversion**

A Noteholder may only require the Issuer to convert a Note in accordance with Clause 7.1(a) by delivering to the Issuer a properly executed irrevocable Conversion Notice.

### **7.4 Conversion**

- (a) On the Conversion Date, the Issuer must:
  - (i) redeem for the Principal Sum together with all accrued but unpaid Interest the Notes referred to in the Conversion

Notice and represented by Note Certificates delivered to the Issuer;

- (ii) subject to Clause 7.4(c) and Clauses 9 and 10, issue to a Noteholder the number of fully paid Ordinary Shares determined by the following formula:

$$S = \frac{PS}{IP}$$

Where:

S is the number of Ordinary Shares to be issued to that Noteholder;

PS is the Principal Sum advanced by that Noteholder in respect of those Notes;

IP is the Issue Price;

- (iii) on behalf of the Noteholder apply the proceeds of conversion as follows:
  - (A) first, in payment of the Issue Price; and
  - (B) payment of the balance (including Interest) in cash to the Noteholder (if any).
- (b) If not previously delivered to the Issuer, on the Conversion Date the Noteholder must deliver to the Issuer the Note Certificates for the Notes to be converted and notify to whom share certificates or statements of shareholding for the Ordinary Shares to be issued on conversion are to be sent.
- (c) If on conversion the aggregate number of Ordinary Shares to which a Noteholder is entitled includes a fraction of an Ordinary Share, that fraction must be disregarded and the Noteholder has no further claim or right to that fraction of an Ordinary Share.
- (d) Subject to the Issuer's constitution and the Act, the Issuer must within 15 Business Days of the relevant Conversion Date dispatch, free of charge, to the person nominated under Clause 7.4(b) or, if no person is so nominated, the Noteholder, a statement of shareholding for the Ordinary Shares issued on conversion.

- (e) Ordinary Shares issued under this Clause 7 rank equally and form one class with the Ordinary Shares on issue on the Conversion Date.

### **7.5 Release of Issuer**

If the Issuer complies with Clause 7.4, then its obligation to repay the Principal Sum of the converted Notes ceases as from the Conversion Date.

## **8. CANCELLATION**

On redemption or conversion of any Notes, the relevant Note Certificate will be automatically cancelled and, if less than the total number of Notes is redeemed or converted, a new Note Certificate will be issued for the balance. The Register will be amended accordingly.

## **9. RECONSTRUCTIONS AND ALTERATIONS OF CAPITAL**

### **9.1 Consolidation**

Subject to Clause 9.6, in a consolidation of capital of the Issuer, the number of Ordinary Shares to be issued on conversion under Clause 7.4 must be consolidated in the same ratio as the ordinary capital and the Issue Price must be amended in inverse proportion to that ratio.

### **9.2 Subdivision**

Subject to Clause 9.6, in a subdivision of capital of the Issuer, the number of Ordinary Shares to be issued on conversion under Clause 7.4 must be subdivided in the same ratio as the ordinary capital and the Issue Price must be amended in inverse proportion to that ratio.

### **9.3 Return of Capital**

Subject to Clause 9.6, in a return of capital by payment or other distribution to holders of Ordinary Shares, the number of Ordinary Shares to be issued on conversion under Clause 7.4 must remain the same and the Issue Price must be reduced by the same amount as the amount returned in relation to each Ordinary Share.

### **9.4 Cancellation of Capital**

Subject to Clause 9.6, in a reduction of capital by a cancellation of capital that is lost or not represented by available assets where no securities are cancelled, the number of Ordinary Shares to be issued on conversion under Clause 7.4 and the Issue Price must remain unaltered.

## **9.5 Pro Rata Cancellation**

Subject to Clause 9.6, in a pro rata cancellation of capital of the Issuer, the number of Ordinary Shares to be issued on conversion under Clause 7.4 must be reduced in the same ratio as the ordinary capital of the Issuer and the Issue Price for each Ordinary Share must be amended in inverse proportion to that ratio.

## **9.6 Other Reconstruction or Alteration**

Notwithstanding the express provisions of Clauses 9.1-9.5, in any reconstruction or alteration of capital, the number of Ordinary Shares to be issued on conversion under Clause 7.4 or the Issue Price or both must be reorganised so that a Noteholder will not receive a benefit that holders of Ordinary Shares do not receive. This Clause 9.6 does not prevent a rounding up of the number of Ordinary Shares to be received on conversion if the rounding up is approved at a meeting of holders of Ordinary Shares which approves the reorganisation.

# **10. NEW ISSUES AND RECONSTRUCTIONS**

## **10.1 Options and Rights**

If the Issuer grants any options, rights or placements to all holders of Ordinary Shares entitling them to subscribe for or purchase any securities, the Noteholder cannot receive the benefit of any option, right or placement in respect of a Note without exercising its conversion rights under Clause 7.4.

## **10.2 Participation in Bonus Issues**

If the Issuer capitalises any amount of profits, reserves, share premium account or capital redemption reserve fund and applies that amount in paying up in full the nominal value of any Ordinary Shares to be issued to holders of Ordinary Shares, the total number of Ordinary Shares to be issued to a Noteholder on conversion under Clause 7.4 will be increased by the number of Ordinary Shares which the Noteholder would have received if the Noteholder had exercised its conversion rights under Clause 7 prior to the date for determination of the entitlements of holders of Ordinary Shares to that bonus issue and the aggregate Issue Price for all the Ordinary Shares to which the Noteholder is entitled will remain the same.

## **11. TRANSFER**

### **11.1 Transfer**

The Noteholder may transfer all or any of its Notes to any person if the Noteholder has lodged with the Issuer a duly signed, stamped and completed transfer and Note Certificates in respect of the Notes to be transferred.

### **11.2 Registration**

Where the Issuer receives an instrument of transfer and Note Certificates in accordance with Clause 11.1, the Issuer must:

- (a) enter the named transferee into the Register of Noteholders;
- (b) re-issue Note Certificates for the relevant Notes transferred in the name of that transferee; and
- (c) issue Note Certificates for the balance of the un-transferred Notes in the name of the transferor.

### **11.3 Owner**

The transferor remains the owner of such Notes until the name of the transferee is entered into the Register.

## **12. REGISTRATION**

### **12.1 Issuer to maintain a Register**

The Issuer must establish and maintain a register of Noteholders. The Issuer may establish and maintain a branch register of Noteholders at such places as the Issuer may determine.

### **12.2 Issuer to update Register**

The Issuer will enter on the Register the names and addresses of each Noteholder, the number of Notes held by each Noteholder, the corresponding Issue Date and the date of transfer (if any) of the Notes to or from each Noteholder.

### **12.3 Noteholders to notify Issuer of changes in details**

A Noteholder must promptly notify the Issuer of any change of its name or registered address accompanied by such evidence as the Issuer may reasonably require.

## **12.4 Joint holders**

The Issuer's obligations to register joint holders of any Notes may be effectively discharged by performance in favour of any one or more of those registered joint holders.

## **13. FORM OF NOTE CERTIFICATES**

### **13.1 Form**

The form of the Note Certificates will be substantially as set out in Schedule 3 and otherwise complying with the Corporations Act.

### **13.2 Execution of Note Certificates**

A Note Certificate must be executed by the Issuer, its attorney or such other person authorised by the directors of the Issuer.

### **13.3 Replacement Note Certificates**

The Issuer may issue replacement Note Certificates in replacement of any worn-out defaced, lost or destroyed Note Certificates upon proof of that to the satisfaction of the Issuer and upon receiving such indemnity as the Issuer may require to be given.

## **14. REQUIREMENTS OF OTHER LAWS**

Subject to the proviso to Clause 7.2(a) but otherwise notwithstanding any other Term, if any Notes are held by or on behalf of any Foreign Person the right to receive any payment or to be issued any Ordinary Shares or to receive any other benefit in accordance with these Terms is subject to that Foreign Person obtaining all necessary approvals under any statutory requirements then in existence.

## **15. NOTICES**

Unless expressly provided otherwise all notices from one party to another must be in writing and addressed to the recipient as follows:

- (a) in the case of the Issuer, to its registered office; and
- (b) in the case of the Noteholder, its address in the Register or at such other place in Australia as the recipient from time to time notifies the sender by notice in writing.

Notices are deemed to be served on the third day after they have been mailed by certified or registered mail by placing in a post box or posting at a post office under the control of Australia Post.

## **16. GOVERNING LAW**

These Terms are governed by the laws of New South Wales. The Issuer and the Noteholder submit to the non-exclusive jurisdiction of courts exercising jurisdiction there.

## **17. DUTIES AND TAXES**

The Issuer must bear any stamp duty payable on or in connection with the issue of the Notes or the provisions of Clause 4 but the Issuer is not responsible for any duties or taxes which may subsequently become payable in connection with the transfer, conversion, redemption or any other dealing with the Notes.