

APPENDIX 4E
Consolidated Financial Report
for the year ended 30 June 2024

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DataDot Technology Limited

ABN : 54 091 908 726

**Appendix 4E
Preliminary Financial Report****Reporting period** **Year ended 30 June 2024**

Previous reporting period Year ended 30 June 2023

Results for announcement to the market	2024	2023	Change	Change
	\$	\$	\$	%
Revenues from ordinary activities	2,984,493	2,693,031	291,463	10.82%
Gross Margin	1,854,471	1,717,894	136,577	7.95%
Expenses	1,617,703	1,536,831	(80,872)	5.26%
EBITDA	507,872	254,423	253,449	99.62%
Profit /(Loss) from ordinary activities after tax attributable to owners of DataDot Technology Limited	72,300	(115,370)	187,670	162.67%
Profit / (Loss) for the year attributable to the owners of DataDot Technology Limited	72,300	(115,370)	187,670	162.67%
Net tangible assets per ordinary security	0.0077	0.0075	0.0002	2.67%

Dividends

No dividends were paid or made payable during the year ended or since 30 June 2024.

Commentary

Please refer to the attached commentary and consolidated financial statements for the year ended 30 June 2024.

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

Please refer to the attached controlled entities note in the financial statements for the year ended 30 June 2024.

Audit status

This report is based on audited financial statements.

Attachments

Additional disclosure requirements can be found in the notes to the attached consolidated financial statements.

Signed By


Brad Kellas - CEO & Managing Director**19 August 2023**



Financial Report 2024



Financial Year Ending 30 June 2024

ABN 54 091 908 723

Directors

The Directors present their report together with the financial statements of the consolidated entity comprising DataDot Technology Limited and the entities it controlled (“DataDot” or the “consolidated entity”) for the financial year ended 30 June 2024.

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

- Ray Carroll (retired 27 November 2023)
- Brad Kellas
- David Lloyd
- Patrick Raper (appointed 29 September 2023)

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; and
 - 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.

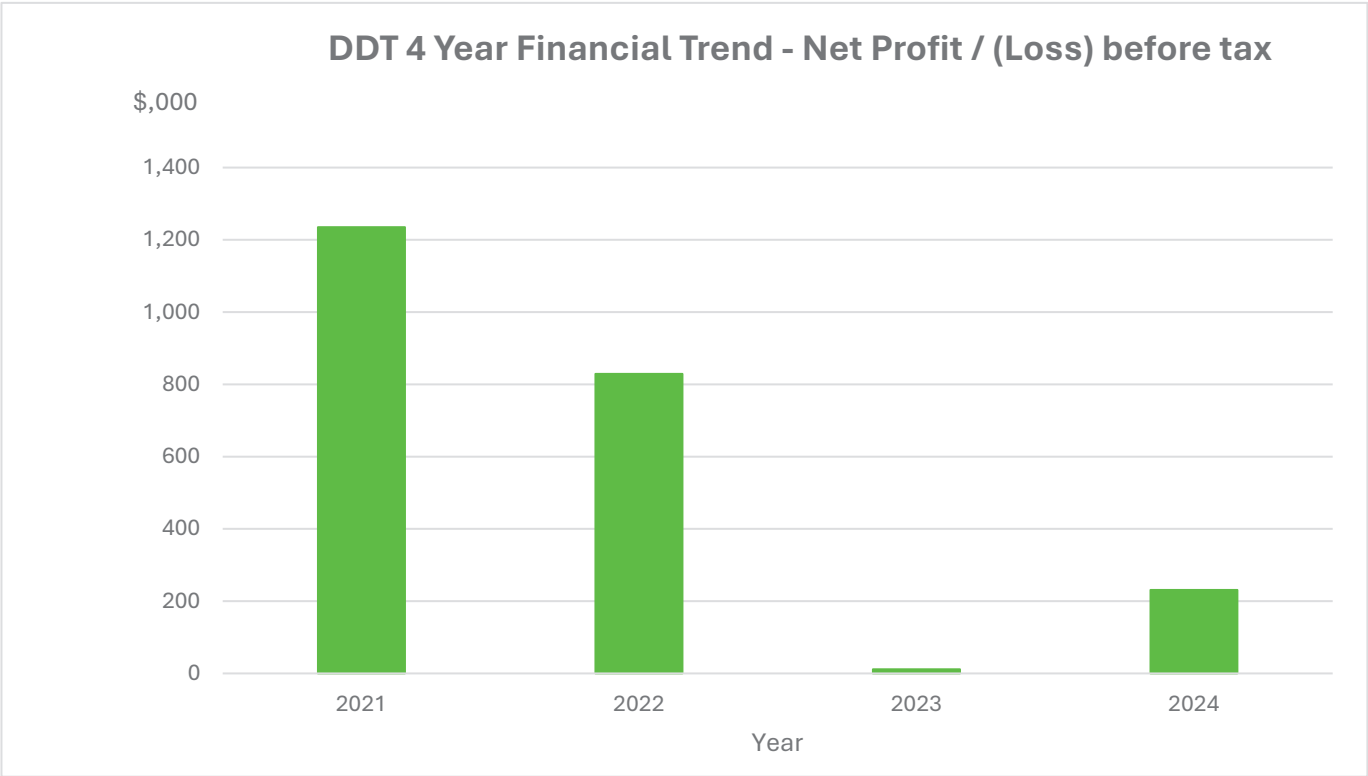
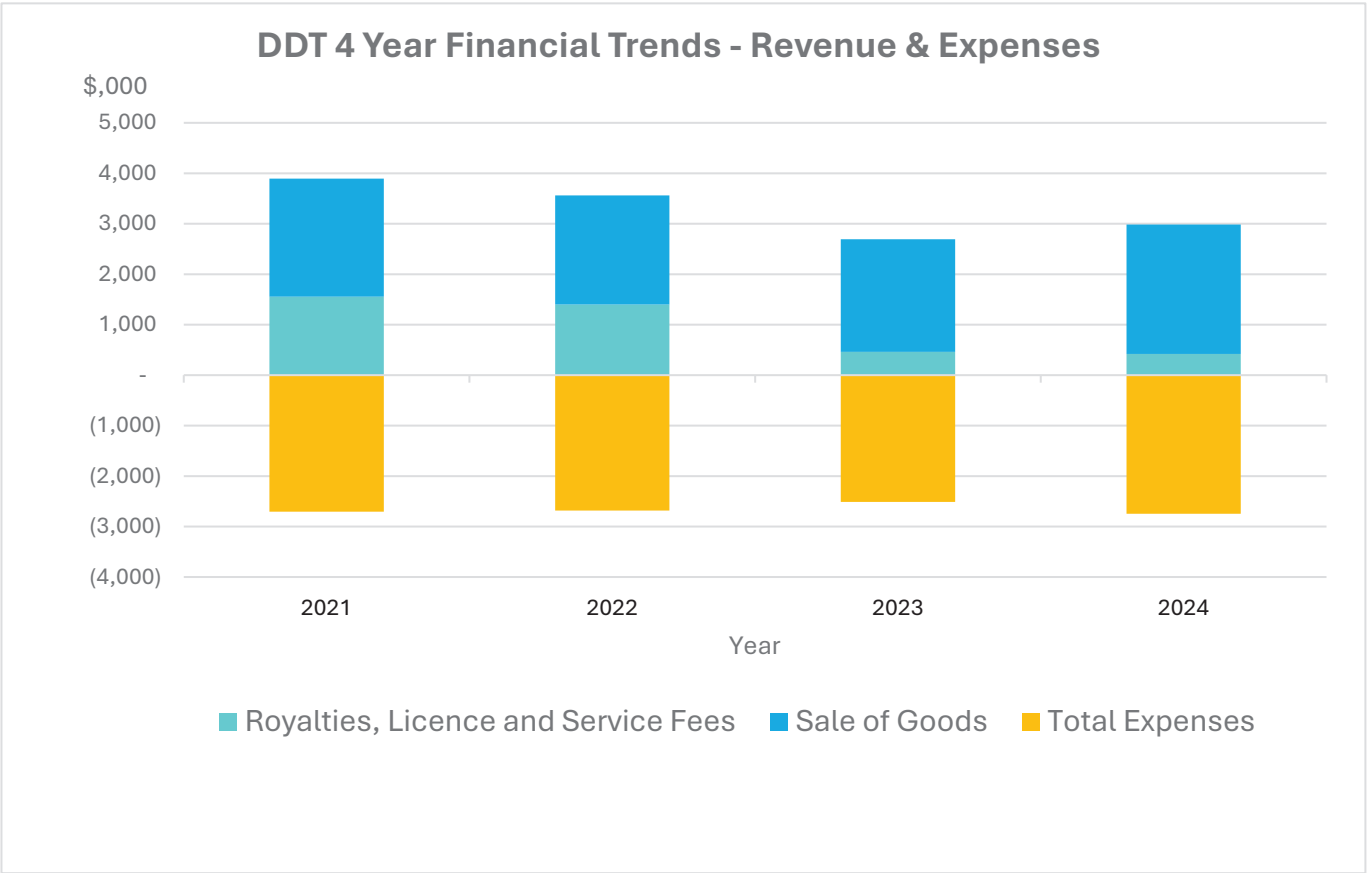
Dividends

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 2024 of a net Profit Before Tax of \$231,297. The underlying trading result is up on the net profit before tax result of \$11,647 in FY 23 and represents a stabilisation of the operating results for the year after posting a first half \$31,988 profit.

The following charts summarise the major trends in the financial performance of the Group over the past 4 years:



Revenues and Gross Profit Margins

Total revenue for the Group in FY 2024 was \$2,984,493, an increase of 10.8% from FY 2023.

Total product sales increased by approximately 14.9%. Product sales from the OEM and Distributor segment increased by 14.0%, and total sales from the Direct-to-Business and Consumer segment decreased by 24.5% off a low base.

Royalties and License Fees from our overseas licensees and distributors continue to form a significant part of the Group's OEM and Distributor business. Royalty revenues were down in FY 2024 by 15.7% compared to FY 2023. The fall in royalty revenue in the current period was due to trading weakness in OEM Distributors in Africa and Asia.

The increased sales in our US and European markets have helped to offset the decline in royalty income and the subdued performance in the Australian market.

Operating Costs

Operating costs during FY 24 were up 5.3% compared to FY 2023, the majority of expenditure has been well contained, despite the ongoing high inflation environment. Key contributors to the increase in overall operating costs were in areas of web development, software enhancements and security upgrades.

Capital Management

Maintaining the Group's strong cash position remains a key focus of the Board. The cash and cash equivalents and financial assets available to the Group increased during FY 2024 from \$2,867,501 to \$3,249,125.

The Group remains free of debt instruments that are subject to interest payments.

The Group's liquidity remains very sound and provides a strong foundation for investment in the businesses' expansion.

Outlook

The Board remains steadfast in its commitment to diversifying the Group's revenue base beyond its historical business model. Our expanded operations now offer a comprehensive suite of multi-services, encompassing physical and digital asset identification, provenance verification, theft deterrence, and insurance subrogation and stolen asset identification and recovery service. Each of these core services is supported by associated offerings and product-related revenue streams, positioning the Group to capitalise on the growing need for comprehensive asset protection and verification solutions across various industries.

The outlook of the Group's operating segments is as follows:

OEM and Distribution Segment

In the OEM and Distribution segment, we expect the level of royalties over the forward period for our existing customers to remain subdued. We have experienced strong growth sales to wholesale customers in the U.K. and USA which we expect to consolidate at the current levels.

In Australia the OEM and Distribution segment experienced a decrease in sales in FY 2024 which flowed from weaker direct automotive sales for our key clients.

As a natural progression of the core business the Group continually seeks and evaluates new distributor partners to grow our footprint in new markets.

Overall, the OEM and Distribution Segment in FY 2025 is expected to achieve modest growth.

DataTraceID

Trace product sales to existing customers saw a slight decline over the FY 2024 year. FY 2025 has started on a stronger footing. We are forecasting moderate growth in FY 2025, with potential new business in the pipeline.

Direct Business and Consumer Segment

The Board and management have identified growth potential within the Direct Business and Consumer segment. Building upon the progress made in FY 2024, the company remains committed to further investment to capitalise on these opportunities.

In August 2024, the company launched a pivotal initiative by securing a trial with a Tier 1 insurance company for PropertyVAULT. This seven-month trial involves uploading details of stolen assets to the PropertyVAULT system. The company stands to generate tiered service fees for successful asset recovery during this period. To maximise the trial's success, increased marketing and promotional efforts for PropertyVAULT are planned. Simultaneously, discussions are underway with multiple other insurance companies to expand this service.

In conjunction with its insurance sector initiatives, the company continues to enhance its engagement with law enforcement agencies through PropertyVAULT services. This strategic offering aids police forces in identifying stolen assets and reconnecting them with their rightful owners. The company's dedicated national police liaison officer has been instrumental in fostering robust relationships with various law enforcement entities, significantly bolstering this collaborative effort.

The company's commitment to community safety extends beyond these initiatives. Ongoing sponsorships of Crime Stoppers and Neighbourhood Watch will continue through FY 2025, reinforcing the company's role in supporting public safety and crime prevention efforts.

From a financial perspective, the company is taking a long-term approach to growth in this segment. Additional revenue generated through insurance subrogation and recovery services will be reinvested to support and expand these initiatives. Consequently, while net earnings for the Direct Business and Consumer segment in FY 2025 are expected to remain stable, this strategy lays the groundwork for future growth.

Consolidated Outlook

For FY 2025, the Board anticipates a consolidated result that is expected to be in line with FY 2024. This outlook reflects the ongoing performance of our established OEM and Distribution segment, while accounting for the planned investments in our strategic initiatives, particularly the Tier 1 insurer trial for PropertyVAULT. These investments, while impacting short-term earnings, are considered integral to our long-term strategy. The Board views the successful implementation of the Tier 1 insurer trial as a key objective for FY 2025, with the potential to influence our future market position. As we navigate this pivotal phase, we remain focused on prudent financial management and the careful allocation of resources to support sustainable growth.

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

As set out in the Review of Operations, the following matters have arisen subsequent to the end of the financial year:

- commencement of a trial on 13 August 2024 with a Tier 1 insurance company that will involve listing of stolen assets on PropertyVAULT for recovery services.

No other matter or circumstance has arisen since 30 June 2024 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, retired 27 November 2023*

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

CEO/ Managing Director – *appointed 13 May 2019*

Appointed May 2019

Bradley Kellas is an accomplished business leader with a diverse background in law enforcement, finance, and technology. As the CEO of DataDot Technology since 2019, he leverages his unique blend of skills to drive innovation in property identification and crime prevention solutions.

Bradley's career began with a 21-year tenure in the Victoria Police, where he served as a decorated Detective. His expertise spanned a wide range of complex criminal activities, including organised crime, corporate fraud, kidnapping, blackmail, extortion, product contamination, and large-scale stolen property investigations.

Following his police career, Bradley transitioned into finance, applying his analytical skills to develop a unique trading strategy. He worked as a successful proprietary trader for a major investment firm for 5 years, capitalising on global market fluctuations.

In 2015, Bradley's entrepreneurial spirit led him to found PropertyVAULT, starting with the development of BikeVAULT. This innovative platform combines social media, custom technology, and specialist services to combat theft. PropertyVAULT has since become Australia's premier solution for countering theft.

Recognizing the synergy between physical and digital identification in crime prevention, Bradley took on a new challenge in corporate leadership. In May 2019, as the major shareholder of DataDot Technology, he led a successful initiative to change the company's management and strategic direction.

Bradley's multifaceted experience in law enforcement, finance, and technology uniquely positions him to lead DataDot Technology in developing commercial solutions for property identification and security. His vision continues to drive the company's growth and innovation in the fight against property crime.

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, which skills have been applied in turning around the DataDot business by leveraging an alliance with PropertyVAULT.

As a former senior executive at Qantas Airways and previously Virgin Blue and Virgin Australia, David has been the architect of several high-profile alliances with other airlines as 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 over \$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 and Sustainable Aviation Fuel programs, 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. David is Chair of the Audit and Risk Committee.

Mr Patrick Raper FCPA, FAICD

Non-Executive Director – *appointed 29 September 2023*

Company Secretary – *appointed 27 November 2023*

Patrick brings to the Board of DDT over 30 years' experience as an accomplished CFO, Director and Company Secretary for ASX listed companies, international companies, subsidiaries of international companies, private companies, Private Equity owned companies, NFP's and State-Owned Corporations.

He established and provided CFO, Governance and Company Secretary expertise for Ecosave Holdings Limited (ASX: ECV) and CMA Corporation Limited (ASX: CMV) and has held a number of roles within the Investment portfolio companies of Hawkesbridge Private Equity including variously Company Secretary, CFO, Joint Managing Director and Chairman of Trippas White Catering as well as Director of Corporate Services with Integrated Premises Services Pty Limited.

Patrick formerly was also CFO and Company Secretary for a number of Touraust Corporation managed entities including Reef Casino Trust (ASX: RCT), Australian Tourism Group (ASX: ATU), The Chifley Hotels Group and the International College of Management (formerly ICTHM) at Manly in NSW. Patrick has also held short term contract Company Secretary roles for Toys"R"Us ANZ Limited (ASX: TOY) and the Port Authority of New South Wales. In the period between 2014 and retirement in December 2021 Patrick was variously CFO and Company Secretary of DataDot Technology Limited (ASX: DDT) and its subsidiaries.

Patrick now holds Board level roles with Star Combo Pharma Limited (ASX: S66), Mosman Cricket Club and Northcare Management Limited (atf The Northcare Foundation) and is a Justice of the Peace for NSW.

Mr Gordon Ogborne BEc, LLB, CA ANZ,

CFO – *appointed 1 June 2022, resigned 16 January 2024*

Company Secretary – *appointed 19 July 2022, resigned 27 November 2023*

COO – *appointed 20 July 2022, resigned 16 January 2024*

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	258,870,541	-	-	-
David Lloyd	14,912,116	-	-	-
Patrick Raper	3,066,667	-	-	-

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 2024 and the number of meetings attended by each of the directors were:

Director	Board Meetings		Remuneration and Nomination Committee Meetings		Audit and Risk Management Committee Meetings	
	No. eligible to attend	No. attended	No. eligible to attend	No. attended	No. eligible to attend	No. attended
Raymond Carroll	3	3	1	1	1	1
Brad Kellas	10	10	1	1	3	3
David Lloyd	10	8	1	1	3	3
Patrick Raper	8	8	-	-	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 2024 is set out on page 21 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
Directors

Raymond Carroll	Chairman	Retired 27 November 2023
Brad Kellas	Managing Director	
David Lloyd	Non-Executive Director	
Patrick Raper	Non-Executive Director & Company Secretary	Appointed 29 September 2023 Appointed 27 November 2023

Executives

Gordon Ogborne	CFO & Company Secretary	Ceased 16 January 2024 (CFO), Ceased 27 November 2023 (Company Secretary)
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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
Directors

	Balance as at 30/6/2023	Additions	Disposals and Cancellations	Balance as at 30/6/2024
Raymond Carroll	-	-	-	-
Brad Kellas	230,234,530	28,636,011	-	258,870,541
David Lloyd	14,912,116	-	-	14,912,116
Patrick Raper ¹	-	3,066,667	-	3,066,667
Executives				
Gordon Ogborne	600,000	-	-	600,000
Total Shares	245,746,646	15,839,454	-	245,746,646

¹ Patrick Raper's shares were held prior to his appointment as director on 29 September 2023.

Remuneration Report (audited) (continued)

Share Rights	Balance as at 30/6/2023	Additions	Taken-up, Disposals and Cancellations	Balance as at 30/6/2024
Directors	-	-	-	-
Executives	-	-	-	-

Share Options	Balance as at 30/6/2023	Additions	Disposals or Cancellations	Balance as at 30/6/2024
Directors and Executives	-	-	-	-

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 2024.

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

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 \$48,000 p.a. plus SGL at 11.0% for Mr Raper, Chairman of the Audit & Risk Management Committee, and \$25,000 p.a. plus SGL at 11.0% for Mr Lloyd.

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 \$200,000 plus SGL during FY 2024 plus non-cash benefits of \$38,011.

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

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

	2019	2020	2021	2022	2023	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	3,279.6	3,774.6	3,896.1	3,561.2	2,693.0	2,984.5
EBITDA	(1,757.3)	309.4	1,452.9	1,045.8	254.4	507.8
Net Profit / (Loss) after tax *	(2,301.3)	29.2	1,235.0	829.2*	11.6*	231.3*
Basic earnings per share (in cents) *	(0.30)	0.003	0.099	0.067*	0.001*	0.018*
Share price at year end (in cents)	0.70	0.40	0.60	0.70	0.30	0.40

* 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, balance of \$5,340,122 in FY 2024 and the related 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 long-term incentive remuneration

Remuneration Report (audited) (continued)

policy, providing Directors with the opportunity to participate in the future growth of the Company through share ownership.

In 2024, 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 2023 and 30 June 2024:

	Balance as at 30/6/2023	Granted as Remuneration	Vesting of Share Rights	Expiring or Lapsing Share Rights	Balance as at 30/6/2024
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	276,849,324	-	-	-
KMPs	-	-	-	-
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.

2024	Short-term benefits			Post-employment benefits	Long-term benefits		Share-based payments	Total \$
	Cash, Salary, & fees \$	STI \$	Non-cash \$	Super-annuation \$	Termination \$	Long service leave \$	Share Options \$	
Directors								
R Carroll	26,308	-	-	2,894	-	-	-	29,202
B Kellas	200,000	-	38,011	22,000	-	-	-	260,011
D Lloyd	25,000	-	-	2,750	-	-	-	27,750
P Raper	25,661			13,159				38,820
Executives								
G Ogborne	95,795	-	-	10,537	-	-	-	106,332
	372,764	-	38,011	51,340	-	-	-	462,115

2023	Short-term benefits			Post-employment benefits	Long-term benefits		Share-based payments	Total \$
	Cash, Salary, & fees \$	STI \$	Non-cash \$	Super-annuation \$	Termination \$	Long service leave \$	Share Options \$	
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

Remuneration Report (audited) (continued)

		2023 Performance based remuneration		2024 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%
	Patrick Raper	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

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 formally appointed as company secretary. 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. On 16 October 2023 Mr Ogborne gave 3 months' notice of resignation as required under his employment contract, and formally resigned as company secretary on 27 November 2023.

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

A handwritten signature in dark ink, appearing to be 'Brad Kellas', with a long horizontal flourish extending to the right.

Brad Kellas – Managing Director

19 August 2024



**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 2024 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

A handwritten signature in black ink, appearing to read 'BJT', with a long horizontal flourish extending to the right.

BILLY-JOE THOMAS
Director

Dated at Perth, Western Australia this 19 August 2024

**Consolidated Financial Statements
for the year ended 30 June 2024**

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Consolidated Statement of Profit or Loss
for the year ended 30 June 2024

	Notes	2024 \$	2023 \$
Revenue			
Sale of goods		2,563,103	2,230,828
Service and licence fees		144,888	134,063
Royalties		276,502	328,140
		<u>2,984,493</u>	<u>2,693,031</u>
 Cost of sales		 <u>1,130,022</u>	 <u>975,137</u>
Gross Profit		<u>1,854,471</u>	<u>1,717,894</u>
 Other income	3	 <u>271,105</u>	 <u>73,360</u>
Expenses			
Administrative expenses	4	1,457,878	1,428,654
Marketing expenses		64,693	37,252
Occupancy expenses		80,189	64,254
Travel expenses		14,944	6,671
		<u>1,617,703</u>	<u>1,536,831</u>
 EBITDA		 <u>507,872</u>	 <u>254,423</u>
 Depreciation, Amortisation and Impairment		 253,910	 226,704
Finance costs		22,665	16,072
 Profit before income tax expense		 <u>231,297</u>	 <u>11,647</u>
 Income tax (benefit)/expense	5	 <u>158,997</u>	 <u>127,016</u>
Profit / (Loss) after income tax (benefit)/expense for the year		<u>72,300</u>	<u>(115,370)</u>
 Profit / (Loss) for the year attributable to :			
Owners of DataDot Technology Limited		72,300	(115,370)
Non controlling interest		-	-
		<u>72,300</u>	<u>(115,370)</u>
 Basic profit / (loss) per share (cents per share)	8	 <u>0.006</u>	 <u>(0.009)</u>
 Diluted profit / (loss) per share (cents per share)	8	 <u>0.006</u>	 <u>(0.009)</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 year ended 30 June 2024

	2024	2023
	\$	\$
Profit / (Loss) after income tax expense for the year	72,300	(115,370)
Other comprehensive income		
Items that may be classified subsequently to profit or loss		
Exchange difference on translation of foreign operations	(5,452)	(161)
Total comprehensive income for the year, net of tax	66,848	(115,531)
Total comprehensive profit attributable to		
Owners of DataDot Technology Limited	66,848	(115,531)

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 2024

	Notes	2024 \$	2023 \$
Current Assets			
Cash and cash equivalents	9	1,999,125	2,117,501
Financial assets	10	1,250,000	750,000
Trade and other receivables	11	701,735	523,409
Inventories	12	478,669	452,460
Sundry Debtors		19,467	46,351
Total Current Assets		<u>4,448,997</u>	<u>3,889,721</u>
Non-Current Assets			
Deferred tax	5	5,340,123	5,489,215
Plant and equipment	13	594,713	825,380
Investments		2,948	2,948
Total Non-Current Assets		<u>5,937,784</u>	<u>6,317,543</u>
Total Assets		<u>10,386,781</u>	<u>10,207,264</u>
Current Liabilities			
Trade and other payables	14	458,048	295,516
Employee benefits	15	132,894	98,970
Provisions	16	7,105	7,105
Other current liabilities	17	327,252	224,286
Total Current Liabilities		<u>925,299</u>	<u>625,876</u>
Non-Current Liabilities			
Employee benefits	15	13,790	6,595
Other non-current liabilities	17	111,543	305,492
Total Non-Current Liabilities		<u>125,334</u>	<u>312,087</u>
Total Liabilities		<u>1,050,633</u>	<u>937,963</u>
Net Assets		<u>9,336,148</u>	<u>9,269,300</u>
Equity			
Issued capital	18	41,415,295	41,415,295
Accumulated losses		(32,355,962)	(32,428,262)
Reserves	19	276,815	282,268
Equity attributed to the owners of DataDot Technology Limited		9,336,148	9,269,300
Non-controlling interests		-	-
Total Equity		<u>9,336,148</u>	<u>9,269,300</u>

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 \$
Balance at 30 June 2022	41,612,795	(32,312,892)	(8,270)	387,598	-	9,679,231
Profit after income tax expense for the year	-	(115,370)	-	-	-	(115,370)
Other comprehensive income for the year, net of tax	-	-	-	(96,900)	-	(96,900)
Total comprehensive income for the year	-	-	(161)	-	-	(161)
Transfer of Other Reserve to Accumulated Losses	-	(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
Profit / (Loss) after income tax expense for the year	-	72,300	-	-	-	72,300
Deferred tax Liability on Employee Share Reserve	-	-	-	-	-	-
Other comprehensive income for the year, net of tax	-	-	(5,452)	-	-	(5,452)
Total comprehensive income for the year	-	72,300	(5,452)	-	-	66,848
Transactions with owners in their capacity as owners :						
Share issues	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-
Share buy-backs	-	-	-	-	-	-
Balance at 30 June 2024	41,415,295	(32,355,962)	(13,883)	290,699	-	9,336,148

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 2024

	Notes	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		3,075,938	2,734,814
Payments to suppliers and employees (inclusive of GST)		(2,748,007)	(2,924,366)
Interest paid		(22,665)	(16,072)
Income tax paid		(9,905)	(223,916)
Receipt of government grants, JobKeeper & Cashflow Boost		34,589	119,876
Net cash received / (used) in operating activities	9	329,950	(309,664)
Cash flows from investing activities			
Interest received		69,369	33,193
Payments for plant and equipment		(23,626)	(47,185)
Proceeds on sale of plant and equipment		12,510	
Payments for financial assets		(500,000)	(750,000)
Net cash flows used in investing activities		(441,747)	(763,992)
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		(111,796)	(1,271,156)
Cash and cash equivalents at the beginning of the financial year		2,117,501	3,179,549
Effects of exchange rate changes on cash and cash equivalents		(1,410)	(3,184)
Cash and cash equivalents at the end of the financial year	9	1,999,125	1,905,209

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 19 August 2024.

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').

Material 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 three 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 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 2024 and 30 June 2023.

Segment performance
Year ended 30 June 2024

	OEM & Distributors DataDot DNA	DataTraceID	Direct to Business & Consumer	Inter-Segment eliminations	Total
	\$	\$	\$	\$	\$
Revenue from external customers	2,621,740	247,798	114,955	-	2,984,493
Intersegment sales	16,946	177	-	(17,124)	-
Total revenue	2,638,687	247,975	114,955	(17,124)	2,984,493
Gross profit	1,553,926	230,400	70,144	-	1,854,471
EBITDA	433,379	97,986	(23,493)	-	507,872
Depreciation and amortisation	(211,696)	(19,964)	(22,249)	-	(253,910)
Intangibles Impairment	-	-	-	-	-
Finance costs	(22,665)	-	-	-	(22,665)
Profit / (Loss) before income tax	199,018	78,022	(45,742)	-	231,297
Income tax expense / (benefit)	17,903	-	-	-	17,903
Profit / (Loss) after income tax	181,115	78,022	(45,742)	-	213,394
Segment assets	12,409,235	461,020	214,875	(2,557,256)	10,527,875
Segment liabilities	(1,022,573)	(2,501,427)	(388,737)	2,862,104	(1,050,633)

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	(16,072)	-	-	-	(16,072)
Finance costs	-	-	-	-	-
Profit / (Loss) before income tax	58,942	29,724	(77,019)	-	11,647
Income tax expense	127,016	-	-	-	127,016
Profit / (Loss) after income tax	(68,074)	29,724	(77,019)	-	(115,369)
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)

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 12% of total revenue (2023 : 13%), in Europe one customer accounts for 21% of total revenue (2023 : 13%) while a second customer accounts for 10% of total revenue (2023: 8%), in the Americas one customer accounts for 21% of total revenue (2023 : 20%) and in DataTraceID one customer accounts for 5% total revenue (2023 : 5%).

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 - 2024	\$	\$	\$	\$
Geographical regions				
Australia	363,084	3,178	114,955	481,217
Europe	1,192,007	192,115	-	1,384,122
Rest of the World	1,066,649	52,505	-	1,119,154
	<u>2,621,740</u>	<u>247,798</u>	<u>114,955</u>	<u>2,984,493</u>
<i>Timing of revenue recognition</i>				
Point in time	2,621,740	247,798	114,955	2,984,493
Over time	-	-	-	-
	<u>2,621,740</u>	<u>247,798</u>	<u>114,955</u>	<u>2,984,493</u>

	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
	<u>2,289,289</u>	<u>249,630</u>	<u>154,113</u>	<u>2,693,031</u>
<i>Timing of revenue recognition</i>				
Point in time	2,289,289	249,630	154,113	2,693,031
Over time	-	-	-	-
	<u>2,289,289</u>	<u>249,630</u>	<u>154,112.66</u>	<u>2,693,031</u>

3 Other Income	2024	2023
	\$	\$
Interest revenue	69,369	41,010
Government grants: Research and development grants *	(1,163)	38,414
Sundry income	202,898	(6,064)
	271,105	73,360

* 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	2024	2023
The consolidated statement of profit and loss includes the following specific expenses:	\$	\$
<i>Cost of sales</i>		
Inventory	402,240	383,767
Stock obsolescence	8,519	8,963
<i>Administration expenses</i>		
Net loss / (gain) on foreign currency	(6,680)	(66,213)
Employee benefits expenses	644,655	830,207
Employee share based payment expenses	-	-
Superannuation expenses	57,727	92,015
Research & development expenses	4	1,750
Bad debt expense	5,243	-
Administrative expenses	756,930	570,896
	1,457,878	1,428,654
<i>Occupancy expenses</i>		
Minimum lease payments	-	-

5 Income Tax	2024	2024
	\$	\$
(a) Major components of tax expenses		
Current income tax expense	-	-
Deferred Income Tax	149,397	115,392
Withholding tax	9,600	11,624
Income tax expense	158,997	127,016

(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	231,297	11,647
Net profit / (loss) before income tax expense at the statutory income tax rate of 25% (2022 25%)	57,824	2,912
Income not subject to tax	36	(9,388)
Research and development expenditure added back	-	22,077
Expenditure not allowable	(680)	6,922
Other timing differences	44,872	2,773
Tax losses deducted - Australian Group	(114,076)	(78,891)
Tax losses and tax offsets not recognised as deferred tax assets	2,531	12,534
Foreign tax rate adjustment	9,797	41,062
Deferred Income Tax	149,093	115,392
Withholding tax	9,600	11,624
Aggregate income tax expense	158,997	127,016

(c) Recognised deferred tax assets and liabilities

Opening balance	5,489,215	5,701,507
Deferred tax asset credited to income	(114,076)	(54,337)
Deferred tax asset credited to equity	37,187	(96,900)
Tax losses used by Australian Group	(47,663)	(78,891)
Under-provision of Tax Losses used by Australian Group	(24,540)	(88,261)
Temporary difference brought into account (Australian Group)	-	106,097
Closing balance	5,340,123	5,489,215

5 Income Tax (continued)**Deferred tax assets and liabilities**

Deferred income tax at 30 June relates to the following :

Deferred tax liabilities

Deposits & Unearned Income

Plant and equipment

Employee Share Reserve

Gross deferred tax liabilities

2024

\$

2023

\$

(32,757)**(6,271)****(46,120)****(48,066)****(96,900)****(96,900)****(175,777)****(151,237)***Deferred tax assets*

Carried Forward Losses

Tax losses used by Australian Group

Provisions

Accruals

Leases

Doubtful debts and obsolescence

Other timing differences

Gross deferred tax assets

5,337,944

5,493,725

-**(78,891)****38,447**

26,391

30,955

29,722

55,014

93,048.68

41,712

40,301

11,827

36,155

5,515,899

5,640,452

Net deferred tax assets brought to account

(5,340,123)**(5,489,215)**

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 (2023: AMW (Audit) Pty Limited)

2024

\$

2023

\$

Amounts paid or payable for audit services by AMW (Audit) Pty Limited (2023: 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

	2024	2023
	\$	\$
Basic earnings / (loss) per share (cents per share)	0.006	(0.009)
Diluted earnings / (loss) per share (cents per share)	0.006	(0.009)
Net profit / (loss) after income tax expense used in calculating profit / (loss) per share	72,300	(115,370)
Weighted average number of shares :	No	No
Weighted average number of shares used in calculating basic and diluted earnings per share	1,210,952,783	1,229,800,966
Adjustments for calculation of diluted earnings per share	-	-
Adjusted weighted average number of shares	1,210,952,783	1,229,800,966

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*Reconciliation of cash*

Cash at the end of the financial year shown in the consolidated statement of cash flows is reconciled as follows :

	2024	2023
	\$	\$
Cash at bank and on hand	1,999,125	2,117,501
	1,999,125	2,117,501

Cash Flow Information*Reconciliation of profit after tax to net cash from operations :*

Profit / (Loss) after income tax expense for the year	72,300	(115,370)
Add/(less) items classified as investing/financing activities:		
Interest received	(69,369)	(33,193)
Increase / Decrease in Shares Issued	-	-
Add/(less) non-cash items:		
Depreciation, amortisation and impairment	253,910	226,704
Gain on disposal of plant and equipment	(11,000)	-
Revaluation of financial liability	-	-
Share based payments	-	-
Impairment for doubtful accounts	-	-

Changes in assets and liabilities :

(Increase)/ Decrease in trade and other receivables	(205,237)	(35,990)
(Increase) / Decrease in deferred tax	149,092	(96,900)
(Increase) / Decrease in inventories	(7,004)	(60,233)
(Increase) / Decrease in grant receivable	34,589	100,170
Increase / (Decrease) in trade and other payables	(34,397)	(132,638)
Increase / (Decrease) in current tax liabilities	45	1,250
Increase / (Decrease) in other liabilities	105,901	(183,387)
Increase / (Decrease) in employee benefits	41,120	19,923

Net cash earned / (used) in operating activities

329,950 (309,664)

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	2024	2023
		\$	\$
	Term Deposits	<u>1,250,000</u>	<u>750,000</u>
11	Trade and Other Receivables	2024	2024
		\$	\$
	Trade receivables	772,326	569,806
	Provision for impairment	<u>(187,653)</u>	<u>(182,664)</u>
		584,674	387,142
	Prepayments	117,062	136,267
	Other receivables	-	-
		<u>701,735</u>	<u>523,409</u>

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 2024 is determined as follows, the expected credit losses incorporate forward looking information.

	Current	< 30 days overdue	< 60 days overdue	< 90 days overdue	> 90 days overdue	Total
30 June 2024						
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	99.76%	24.30%
Gross carrying amount (\$)	363,371	206,356	10,316	4,175	188,109	772,326
ECL provision	-	-	-	-	187,653	187,653
30 June 2023						
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

Reconciliation of changes in the provision for impairment of receivables is as follows:

	2024	2023
	\$	\$
Balance at beginning of the year (calculated in accordance with AASB 139)	182,664	170,807
Amount restated through opening retained earnings on adoption of AASB 9	-	-
Opening impairment allowance calculated under AASB 9	<u>182,664</u>	<u>170,807</u>
Additional impairment loss recognised	-	-
Amounts written off as uncollectible	-	-
Movement through provision	4,989	11,857
Balance at end of the year	<u>187,653</u>	<u>182,664</u>

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	2024	2023
	\$	\$
Raw materials	299,026	253,411
Finished goods	179,643	199,049
Goods in transit	-	-
	478,669	452,460

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	2024	2023
	\$	\$
Plant and equipment - at cost	2,088,681	2,081,369
Accumulated depreciation	(1,814,806)	(1,768,924)
Total owned plant and equipment	273,875	312,445
Plant and equipment under lease	205,168	205,212
Accumulated depreciation	(201,804)	(191,524)
Total plant and equipment under lease	3,364	13,688
Leasehold improvements - at cost	602,447	587,034
Accumulated depreciation	(284,974)	(87,788)
Total leasehold improvements	317,473	499,246
	594,713	825,380

Movements in carrying amounts

	Owned Plant and Equipment	Plant and Equipment under lease	Leasehold Improvements	Totals
	\$	\$	\$	\$
Balance as at 1 July 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
Additions	9,040	-	15,586	24,626
Disposals	(1,510)	-	-	(1,510)
Depreciation expense for the year	(45,882)	(10,280)	(197,747)	(253,909)
Exchange adjustments	(218)	(44)	388	126
Balance at 30 June 2024	273,875	3,364	317,473	594,713

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	2024	2023
		\$	\$
	Trade payables	240,791	69,188
	Sundry creditors and accruals	217,257	226,328
	Other taxes payable	-	-
		458,048	295,516

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	2024	2023
	Current	\$	\$
	Employee benefits	132,894	98,970
	Non Current		
	Employee benefits	13,790	6,595
	<i>Employee benefits</i>		
	Aggregate employee benefits provision :-		
	Balance at beginning of the year	105,565	85,640
	Additional provisions	61,712	67,167
	Amount used	(20,592)	(47,242)
	Balance at end of the year	146,684	105,565

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	2024	2023
		\$	\$
	Current		
	Other provisions	7,105	7,105
		7,105	7,105

Other provisions

A provision of \$7,105 (2023 : \$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	2024	2023
	Current	\$	\$
	Deferred income	114,193	8,247
	Revenue received in advance	16,837	16,837
	Other Current Liabilities	196,222	199,202
		327,252	224,286
	Non-Current		
	Other liabilities	20	20.00
	Property and Equipment Leases	111,523	305,472
		111,543	305,492

18	Issued capital	2024	2024	2023	2023
		No	\$	No	\$
	Issued capital at beginning of financial period	1,210,952,783	41,415,295	1,243,869,466	41,612,795
	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	-	-	-	-
	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	1,210,952,783	41,415,295

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 2023 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	2024	2023
	\$	\$
Foreign currency translation reserve	(13,883)	(8,431)

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

Employee equity benefits reserve

Balance at beginning of financial year	290,699	387,598
Movement in share-based payments	-	-
Deferred Tax Liability on Employee Share Reserve	-	(96,900)
<i>Employee equity benefits reserve</i>	<u>290,699</u>	<u>290,699</u>

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.

Other Reserves

Balance at beginning of financial year	-	-
Transfer to Accumulated Losses	-	-
	<u>-</u>	<u>-</u>

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 reallocated to accumulated losses in a reserve simplification process during the year.

Total Reserves	276,816	282,268
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20 Commitments	2024	2023
	\$	\$
Operating lease commitments		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	196,473	199,454
One to five years	111,523	305,472
	<u>307,997</u>	<u>504,926</u>

Refer to note 26 for information on leases for 2024.

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.

Minimum remuneration payments payable:		
Within one year	82,000	119,500

21 Contingent Liabilities

Guarantees

DataDot has issued bank guarantees of \$34,375 (2023: \$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 %	
			2024	2023
	<i>Ultimate parent entity</i>			
	DataDot Technology Limited	Australia		
	<i>Wholly-owned subsidiaries</i>			
	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
23	Key Management Personnel Disclosures			
	<i>Compensation</i>			
	The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:			
			2024	2023
	<i>Remuneration of key management personnel :</i>		\$	\$
	Short term employee benefits		410,775	410,035
	Post employment benefits		51,340	78,953
			462,115	488,988
24	Related Party Transactions			
	<i>Parent entity</i>			
	DataDot Technology Limited is the parent entity.			
	<i>Subsidiaries</i>			
	Interests in subsidiaries are set out in Note 22.			
	<i>Associated entities</i>			
	Nil			
	<i>Key management personnel</i>			
	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:		2024	2023
	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		24,075	36,056
	Payment by the Group of Vault Licence Fees		-	-
	Amounts owing from / (to) Directors and Director Related entities at balance date: (since received)		-	1,387
	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 2024	Within 1 Year
	\$
Financial Assets	
Cash and cash equivalents	1,999,125
Trade and other receivables	584,674
Grant and term deposit interest receivables	19,467
	<u>2,603,266</u>
Financial Liabilities	
Trade and other payables	<u>458,048</u>
Net maturity	<u>2,145,218</u>
 Consolidated entity 30 June 2023	 Within 1 Year
	\$
Financial Assets	
Cash and cash equivalents	2,117,501
Trade and other receivables	387,142
Grant receivable	46,351
	<u>2,550,995</u>
Financial Liabilities	
Trade and other payables	<u>295,516</u>
Net maturity	<u>2,255,479</u>

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.

	average %	1 year or less \$	years \$	contractual \$
Consolidated - 2024				
Non-derivatives				
<i>Non-interest bearing</i>				
Trade and other payables	-	458,048	-	458,048
<i>Interest-bearing - fixed rate</i>				
Convertible notes payable	-	-	-	-
Total non-derivatives		458,048	-	458,048
Consolidated - 2023				
Non-derivatives				
<i>Non-interest bearing</i>				
Trade and other payables	-	295,516	-	295,516
<i>Interest-bearing - fixed rate</i>				
Convertible notes payable	-	-	-	-
Total non-derivatives		295,516	-	295,516

Fair value of financial instruments

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

26 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 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 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

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 \$	undiscounted \$	included in this \$
2024					
Lease liabilities	216,062	119,289	-	335,351	307,997

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

26 Leases (continued)**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:

	2024
	\$
Interest expense on lease liabilities	20,544
Expenses relating to leases of low-value assets	-
Amortisation of right-of-use assets	202,264
	<u>222,808</u>
Statement of Cash Flows	
Total cash outflow for leases	<u>220,324</u>

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. 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 right to substitute the asset, the contract does not convey the right to control the use of an 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.

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 if the Group is reasonably certain to exercise the option. 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, and less any 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 if it can be determined. 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 change in the lease term, a change in the discount rate, or a change in the lease payments.

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

27 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

	2024	2023
	\$	\$
Current assets	2,763,682	2,868,006
Non-current assets	5,464,726	5,862,166
Total assets	8,228,408	8,730,172
Current liabilities	554,970	376,076
Non-current liabilities	3,551,911	3,250,712
Total liabilities	4,106,881	3,626,788

Equity

Issued capital	41,415,295	41,415,295
Accumulated losses	(37,435,669)	(36,453,811)
Reserves	141,901	141,901
Total equity	4,121,527	5,103,384

Statement of profit or loss and other comprehensive income

Profit / (Loss) after income tax	(981,857)	184,308
Total comprehensive income	(981,857)	184,308

Parent Entity Commitments and Guarantees

DataDot has issued a bank guarantee of \$34,375 (2023: \$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

	2024	2023
	\$	\$
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.		
Minimum remuneration payments payable:		
Within one year	82,000	119,500

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

Capital commitments

The parent entity had no capital commitments for plant and equipment as at 30 June 2024 and 30 June 2023.

Significant accounting policies

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

28 Events after the reporting period

Other than the matters discussed below, no matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the operations of the Group, the results of its operations or the state of affairs in future financial years.

- The Group has secured and commenced a trial with a Tier 1 insurance company on 13 August 2024, that involves the uploading of details of stolen assets onto PropertyVAULT for recovery services.

29 Summary of other material 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 27.

(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:

<i>Name of overseas subsidiaries</i>	<i>Functional currency</i>
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.

29 Summary of other material 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 2024 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



Brad Kellas – CEO & Managing Director
19 August 2024



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 2024, 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 2024 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.

Revenue Recognition

Key audit matter	How the matter was addressed in our audit
<p>Refer to Note 2 of the financial report and Note 30 for accounting policy.</p> <p>Revenue is a key driver to the Group for the year ended 30 June 2024 the Group recognised \$2,984,493 (2023: \$2,693,031).</p> <p>The Group's management focuses on revenue as a key driver by which the performance of the Group is measured.</p> <p>This is a key audit matter due to the differing revenue streams and total balance of the revenue.</p>	<p>Our audit procedures included, amongst others;</p> <ul style="list-style-type: none">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; andPerforming 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 2024, 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 2024.

In our opinion, the Remuneration Report of Datadot Technology Limited, for the year ended 30 June 2024, 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.

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AMW AUDIT

Chartered Accountants



BILLY-JOE THOMAS

Director

Dated at Perth, Western Australia this 20 August 2024