
DataDot Technology Limited - \$1.9 million Capital Restructure and Raising

DataDot Technology Limited ACN 091908726 (ASX: DDT) announces operational changes and a \$1.9 million Equity Raising, via a placement (**Placement**) and a non-renounceable 1 for 3 rights issue (**Rights Issue**).

Summary

DataDot Technology Limited ("Company") announces strategies and actions to fortify its financial position and strengthen its balance sheet in response to the global COVID-19 pandemic (**COVID-19**).

The pre-emptive actions include:

- Acceleration of aggressive and significant cost savings and structural cost reduction initiatives.
- A Placement to sophisticated investors to raise \$785k
- A Rights Issue to raise approximately \$1.07m
- Repayment of Convertible Notes and unsecured debt \$1.15m

The Placement and Rights Issue will be at \$0.004 per share. If there is an undersubscription of the Rights Issue ("Shortfall") then those shareholders who subscribed for their full entitlement will be offered to subscribe for additional shares up to the amount of the Shortfall.

DataDot Technology's Chairman, Ray Carroll said "The Group's first half financial results highlight the significant cost cutting and restructuring activities that have been pursued and demonstrate the results that can be achieved. The global COVID-19 pandemic has significantly interrupted restructure and development activities and created an environment of uncertainty.

In these circumstances, it is appropriate to take pre-emptive action with the capital raising and further accelerate cost cutting measures whilst maintaining business continuity to ensure we are well positioned to bounce back quickly when more normal operating conditions return."

The proceeds of the Equity Raising will be used to strengthen the Group's balance sheet by repaying Convertible Note debt, and provide liquidity and funding in the medium-term should the Company and the country experience a prolonged global COVID-19 pandemic," added Mr Carroll.

Full details of the Rights Issue will be sent to all eligible shareholders at the Record Date which is set at 7 May 2020.

The additional disclosure requirements for the Placement will be provided within the next 5 days.

The indicative timetable is set out below.

The cost saving initiatives that have been implemented and that continue to be implemented include a number of measures that were being progressed prior to the onset of the COVID- 19 pandemic, and they have now been accelerated and extended.

Some of the more material cost saving initiatives that have been implemented include:

- Closure of the factory and office in USA and relocation of the manufacturing to Sydney;
- Relocation of the Australian factory and Global head office in Sydney to smaller more suitable and cost effective premises in Brookvale;
- Finalisation of the management restructure in UK.
- Centralisation and streamlining of management activities to Sydney Head Office.
- Rationalisation and renegotiation of significant cost items including adhesives, film and other production materials, audit accounting and tax fees, registry fees, freight costs.

The company is in a position to take advantage of Government assistance packages in Australia and also in the UK.

Indicative Timetable

| Event | Date |
|---|--------------------------|
| Trading Halt requested | Thursday, 30 April, 2020 |
| Announcement of Capital Restructure | Friday, 1 May 2020 |
| Trading halt lifted – DDT shares recommence trading on ASX | Monday, 4 May, 2020 |
| Placement to sophisticated investors closes | Monday, 4 May, 2020 |
| Issue of Placement Shares | Tuesday, 5 May, 2020 |
| Record Date for Rights Issue | Thursday, 7 May 2020 |
| Rights Issue documentation finalised and dispatched to shareholders as at the Record Date | Monday, 11 May, 2020 |
| Rights Issue Offer closes | Friday, 29 May, 2020 |
| Settlement of new shares under the Rights Issue | Monday, 1 June, 2020 |
| Issue of new shares under Rights Issue | Tuesday, 2 June, 2020 |

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| Dispatch of holding statements for new shares issued under the Rights Issue | Tuesday, 2 June, 2020 |
| Offer of additional subscription for balance of shares in Rights Issue to participants arising from shortfall due to shareholders not taking up their full Rights Issue entitlement | Tuesday, 2 June, 2020 |
| Commence trading on ASX of new shares issued under the Rights Issue | Wednesday, 3 June, 2020 |
| Close and settlement of additional subscription offer | Tuesday, 9 June, 2020 |
| Issue of new shares and dispatch of holding statements of New Shares issued under the Rights Issue additional subscription offer. | Monday, June 15, 2020 |
| Commence trading on ASX of new shares issued under the additional subscription offer | Tuesday 16 June 2020 |

¹ This timetable is indicative only and may change without notice at the Company's discretion or subject to the requirements of the ASX Listing Rules. DataDot Technology Limited has the ability at its discretion to make changes including to extend the closing date for the Rights Issue or the additional subscription offer at any time prior to the issue of the New Shares under each offer and/or to accept late applications for each offer.

This announcement has been approved for release by the Directors.

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About DataDot: DataDot Technology Limited provides world leading asset identification, management, protection and authentication solutions that deliver great value to customers. For more information please visit www.datadotdna.com.