



**APPENDIX 4D**  
**Half Yearly Report**  
**for the half year ended 31 December 2015**

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**Reporting period**                      **Half year ended 31 December 2015**

Previous reporting period              Half year ended 31 December 2014

<b>Results for announcement to the market</b>	<b>31 Dec 15</b>	<b>31 Dec 14</b>	<b>Change</b>	<b>Change</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>
Revenue	<b>3,480,556</b>	3,364,550	116,006	3.45%
Gross Profit	<b>1,983,925</b>	2,024,834	(40,909)	-2.02%
Expenses	<b>3,092,362</b>	2,232,224	(860,138)	-38.53%
EBITDA	<b>(854,314)</b>	142,803	(997,117)	698.25%
Loss from ordinary activities after tax attributable to members	<b>(1,154,885)</b>	(129,636)	(1,025,249)	-790.87%
Net loss attributable to members	<b>(1,154,885)</b>	(129,636)	(1,025,249)	-790.87%
Net tangible asset backing per ordinary share shown in cents	<b>0.0062</b>	0.0082	(0.0021)	-24.39%

**Dividends**

No dividends were paid or made payable during the half year ended or since 31 December 2015.

**Commentary**

Please refer to the attached Directors report which does not form part of the financial report for the half year ended 31 December 2015.

**Other information**

*Control gained over entities having a material effect*

N/A

*Loss of control over entities having a material effect*

N/A

*Dividend or distribution reinvestment plans*

N/A

*Details of associates and joint venture entities*

N/A

*Audit status*

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

*Attachments*

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

Signed By



**Bruce Rathie - Executive Chairman**

23-Feb-16



## Financial Report for the half year ended 31 December 2015

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## Directors' Report

for the half year ended 31 December 2015

Your directors submit their report, together with the financial statements of the consolidated entity (referred to hereafter as "DataDot") consisting of DataDot Technology Limited and the entities it controlled at the end of or during the half year ended 31 December 2015.

### Directors

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

Mr B Rathie (Executive Chairman)  
Mr G Flowers  
Ms A Coutts

Directors were in office for this entire period.

### Principal activities

The principal activities of DataDot during the year were:-

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

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

### Review of operations

Revenue for the first 6 months of the 2015/16 financial year was \$3,480,556, being 3.45% higher than the pcp.

Revenue from Europe was up 45% pcp (in AUD), and holds the prospect of much greater growth in coming periods. One of our European distributors has won a major contract extension and expansion into more than 10 other European countries (following a competitive bidding process) and is currently negotiating final terms under confidentiality restrictions. Details will be announced once the contract has been executed. Revenue from this distributor is expected to double once the expansion is complete with a material increase to the company's European revenues.

Revenue growth in Europe was offset to some degree by the performance in the Americas and DataTraceDNA. There has however been material growth in the sales pipelines in both these areas. Additionally recent results suggest considerable longer term growth in the US auto business is achievable.

Gross profit was \$1,983,925 at 57% of revenue compared to \$2,024,834 at 60% of revenue pcp. This reflects the proportional growth of Europe, where margins are lower due to the 'wholesale' nature of the business in that region.

Other key financial results for the first 6 months of the 2015/16 financial year reflect the investment in resources to pursue growth, particularly in the Americas and in DataTraceDNA and that the sales pipelines, which have been created as a result are still maturing into revenue:

- Group expenses, were \$3,382,832 compared to \$2,491,480 pcp – up predominantly due to employment costs,
- Earnings before interest, tax, depreciation and amortisation ("EBITDA") were \$854,314 loss compared to \$142,803 pcp,

The Company has taken steps (after the reporting period) to adjust its workforce to improve conversion rates and earnings. These changes will result in a material positive impact on Earnings in the second half of the year and beyond.

As at 31 December 2015, cash balances held by the company amounted to \$3,338,538.

## Directors' Report

for the half year ended 31 December 2015

### Australasia

In Australasia, total revenue was \$1,754,349, which represents a decrease of 2% compared to pcp.

The Australian business continues to be predominantly in the auto industry with an OEM providing a significant percentage of the total revenue. Additionally as the group headquarters it receives management fees from other operations, which do not affect the group's financial result.

During the first half of the year we also focused on laying the foundations for future revenue growth. This included:

- tuning and promoting our industrial theft deterrent offering to Australian businesses. This on-going work aims to capitalize on the strong theft reduction rates that this solution has generated for existing customers,
- refreshing the National Bike Register in order to generate greater awareness, utility and the potential for revenue from new business models relating to data and proof of ownership, and
- on the innovation front, early stage trials of DataDot Live in the fleet management sector.

### Americas

In the Americas, total revenue was \$834,778, which represents a decrease of 5% compared to pcp.

Profitability was negatively affected by the investment in sales resources. Whilst our sales pipeline has grown by over 400%, conversion rates have been low and as such profitability has been negatively affected. With ongoing tuning of our offerings we aim to improve conversion rates and profitability. Other ongoing adjustments to the workforce are being made to improve conversion rates and earnings.

Key industrial customers in the Americas include Excel Energy with which we are in discussions about national adoption. Con Edison (which has adopted our dot product as its preferred solution but is yet to roll it out in material numbers) and a large US Transit Co will also jointly trial a customised solution in the US spring. We have received our first order from Mexico (via our distributor). Additionally a small network of distributors, manufacturer's rep firms and integrators has been signed up to sell to smaller enterprises. Whilst it is early days for this model the feedback received so far has been positive.

In the auto industry we have been working with our distribution partner to re-invigorate and grow the aftermarket/dealership channel (where our anti-theft deterrent is sold with a theft warranty). Results in this channel slowed during the period despite an improving outlook for the auto industry. Numbers for January 2016 and February 2016 (part) suggest that this work is being effective. Longer term we see considerable growth in this channel. Today we are selling approximately 8,000 – 14,000 auto kits per month through a network of around 400 dealers, whilst there are approximately 17,000 dealers in the United States.

The CopDot residential product is now being sold, on a trial basis, in partnership with Home Alarm companies as a value add and differentiator. Again the early feedback on this model has been positive.

### Europe

In Europe, total revenue was \$1,365,727, which represents an increase of 45% compared to pcp.

One of our European distributors has won a major contract extension and expansion into more than 10 other European countries (following a competitive bidding process) and is currently negotiating final terms under confidentiality restrictions. Details will be announced once the contract has been executed. Revenue from this distributor is expected to double with a material increase to the company's European revenues once the expansion is complete. The expansion is scheduled to commence later in this financial year.

The distributor was selected following a competitive selection process and will supply the Company's micro-dot kits and a QR code (a form of 2D bar code that is used to provide easy access to information through a smart phone) that has been included in the on-vehicle labeling to enable smart-phone readability.

We are also in the final stages of preparing a trial for the European division of a global car rental company that has the potential for substantial new business.

The remainder of our European business has been growing steadily at the rate of 11% compared to pcp.

## Directors' Report

for the half year ended 31 December 2015

### DataTraceID Pty Limited

Total DataTrace revenue was \$528,945, which represents a decrease of 20% compared to pcp.

The reduced revenue is largely due to a decrease in the volume of orders from our gaming customer, given a down turn in the Asian gaming industry. However profitability has also been affected by our investment in sales resources and the long sales cycles associated with authentication and brand protection products, which are 'high trust' and often require extended pilot programs before a sale can be closed.

The sales pipeline has been growing significantly, particularly in the US and we continue to be optimistic about the growth prospects for DataTrace. Other key developments include:

- the successful conclusion of a 'live pilot' with a large US FMCG company and adoption of our authentication solution for a product line, with the prospect of greater adoption now being pursued,
- our partnership with PadJack Inc, a US corporation that provides security solutions for physical protection of computer ports and cables. Under this agreement PadJack may incorporate DataTraceSPECTRO, our covert taggant authentication solution, into its products to enhance the security of PadJacks for its North American customers, including financial institutions, hospitals and nuclear facilities, and
- the progress of our joint venture partner, Beston Global Food Company Ltd (ASX: BFC) in establishing their food sourcing and authentication platform, which we expect to begin requiring authentication devices and thus generating revenue for the Company (via the Brandlok joint venture).

On 12 February 2016 we were notified that our Bulk Material Patent had been allowed by the US Examiner. A patent grant will follow after payment of fees. This is an important step in our development of a solution for bulk materials, where for example brand owners in the construction industry find warranty claims difficult to test and/or defeat for incorrect concentrations or use of illegitimate product. The US grant supplements grants in Australia, New Zealand, Taiwan and South Africa. Applications are still pending in the EU, China and Japan

### Outlook

The Outlook for the Company is strong with a number of avenues poised to deliver growth, including:

- Growth in Europe from a major contract expansion
- Authentication product sales (pipeline conversion), particularly in the US where the pipeline has grown strongly,
- Growth in the US auto aftermarket/dealership channel as the share of dealers carrying our product increases,
- Industrial product sales in the US and other regions, and
- Our food authentication joint venture with Beston Global Food Company Ltd (ASX: BFC).

Additionally we expect improvements in earnings due to material cost reductions made post the period and as the prospects generated by our investment in sales resources begin to convert to revenue.

### **Auditor's independence declaration**

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the half year ended 31 December 2015 has been received and can be found on page 7 of the financial report.

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



B Rathie  
Chairman  
Sydney  
23 February 2016

**DECLARATION OF INDEPENDENCE BY NAME OF ARTHUR MILNER TO THE DIRECTORS OF DATADOT TECHNOLOGY LIMITED**

As lead auditor for the review of DataDot Technology Limited for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

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

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



Arthur Milner  
Partner

**BDO East Coast Partnership**

Sydney, 23 February 2016

## Consolidated Statement of Profit or Loss

for the half year ended 31 December 2015

	Notes	31 Dec 2015 \$	31 Dec 2014 \$
<b>Revenue</b>			
Sale of goods		3,106,090	2,983,871
Service and licence fees		86,000	56,708
Royalties		288,466	323,971
		<u>3,480,556</u>	<u>3,364,550</u>
Cost of sales		<u>1,496,631</u>	<u>1,339,716</u>
<b>Gross Profit</b>		<u>1,983,925</u>	<u>2,024,834</u>
Other income	2	<u>254,123</u>	<u>350,193</u>
<b>Expenses</b>			
Administrative expenses		2,665,582	1,831,694
Marketing expenses		89,404	133,075
Occupancy expenses		179,125	176,224
Travel expenses		158,251	91,231
		<u>3,092,362</u>	<u>2,232,224</u>
<b>EBITDA</b>		<u>(854,314)</u>	<u>142,803</u>
Depreciation, Amortisation and Impairment		286,029	254,044
Finance costs		4,462	5,212
<b>Loss before income tax expense</b>		<u>(1,144,805)</u>	<u>(116,453)</u>
Income tax expense	6	<u>10,080</u>	<u>13,183</u>
<b>Loss after income tax expense for the period</b>		<u>(1,154,885)</u>	<u>(129,636)</u>
<b>Loss for the period attributable to :-</b>			
Owners of DataDot Technology Limited		(1,154,885)	(129,636)
Non controlling interest		-	-
		<u>(1,154,885)</u>	<u>(129,636)</u>
Basic earnings / (loss) per share (cents per share)		<u>(0.15)</u>	<u>(0.02)</u>
Diluted earnings / (loss) per share (cents per share)		<u>(0.15)</u>	<u>(0.02)</u>

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



## Consolidated Statement of Comprehensive Income

for the half year ended 31 December 2015

	31 Dec 2015	31 Dec 2014
	\$	\$
Loss after income tax expense for the period	(1,154,885)	(129,636)
Other comprehensive income :-		
Items that may be classified subsequently to profit or loss :-		
Exchange difference on translation of foreign operations	<u>34,578</u>	<u>111,593</u>
Total comprehensive income for the period net of tax	<u>(1,120,307)</u>	<u>(18,043)</u>
Total comprehensive income attributable to :-		
Owners of DataDot Technology Limited	(1,120,307)	(18,043)
Non controlling interest	-	-
	<u>(1,120,307)</u>	<u>(18,043)</u>

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

## Consolidated Statement of Financial Position

as at 31 December 2015

	Notes	31 Dec 2015 \$	30 Jun 2015 \$
<b>Current Assets</b>			
Cash and cash equivalents	5	3,338,538	4,065,518
Trade and other receivables		1,211,041	1,376,448
Inventories		923,475	872,000
Grant receivable		191,500	498,557
<b>Total Current Assets</b>		<b>5,664,554</b>	<b>6,812,523</b>
<b>Non-Current Assets</b>			
Plant and equipment		791,562	844,666
Intangibles		3,939,193	3,885,488
Investments		60	40
Deferred Tax		45,599	46,161
<b>Total Non-Current Assets</b>		<b>4,776,414</b>	<b>4,776,355</b>
<b>Total Assets</b>		<b>10,440,968</b>	<b>11,588,878</b>
<b>Current Liabilities</b>			
Trade and other payables		820,736	1,007,784
Employee benefits		271,008	282,883
Provisions		71,540	71,540
Other current liabilities		108,806	95,113
<b>Total Current Liabilities</b>		<b>1,272,090</b>	<b>1,457,320</b>
<b>Non-Current Liabilities</b>			
Employee benefits		37,190	35,591
Other non-current liabilities		495,053	495,033
<b>Total Non-Current Liabilities</b>		<b>532,243</b>	<b>530,624</b>
<b>Total Liabilities</b>		<b>1,804,333</b>	<b>1,987,944</b>
<b>Net Assets</b>		<b>8,636,635</b>	<b>9,600,934</b>
<b>Equity</b>			
Issued capital	7	39,584,463	39,388,810
Accumulated losses		(28,759,674)	(27,604,789)
Reserves		(2,188,154)	(2,183,087)
<b>Total Equity</b>		<b>8,636,635</b>	<b>9,600,934</b>

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

## Consolidated Statement of Changes in Equity for the half year ended 31 December 2015

	Attributable to equity holders of the parent					Total equity \$
	Issued capital \$	Accumulated losses \$	Foreign currency translation reserve \$	Employee equity benefit reserve \$	Other reserve \$	
<b>Balance at 1 July 2014</b>	36,347,640	(26,737,435)	(1,976,057)	275,150	(678,623)	7,230,675
Loss after income tax expense for the year	-	(129,636)	-	-	-	(129,636)
Other comprehensive income for the year, net of tax	-	-	111,593	-	-	111,593
<b>Total comprehensive income for the year</b>	-	(129,636)	111,593	-	-	(18,043)
Transactions with owners in their capacity as owners :-						
Share based payments	-	-	-	121,200	-	121,200
Share rights exercised	189,500	-	-	(189,500)	-	-
Share Issues	2,861,000	-	-	-	-	2,861,000
Share Issue Costs	(131,687)	-	-	-	-	(131,687)
<b>Balance at 31 December 2014</b>	<b>39,266,453</b>	<b>(26,867,071)</b>	<b>(1,864,464)</b>	<b>206,850</b>	<b>(678,623)</b>	<b>10,063,145</b>
<b>Balance at 1 July 2015</b>	<b>39,388,810</b>	<b>(27,604,789)</b>	<b>(1,795,128)</b>	<b>290,664</b>	<b>(678,623)</b>	<b>9,600,934</b>
Loss after income tax expense for the year	-	(1,154,885)	-	-	-	(1,154,885)
Other comprehensive income for the year, net of tax	-	-	34,578	-	-	34,578
<b>Total comprehensive income for the year</b>	-	<b>(1,154,885)</b>	<b>34,578</b>	-	-	<b>(1,120,307)</b>
Transactions with owners in their capacity as owners :-						
Share based payments	-	-	-	87,855	-	87,855
Share rights exercised	127,500	-	-	(127,500)	-	-
Share Issues	69,807	-	-	-	-	69,807
Share Issue Costs	(1,654)	-	-	-	-	(1,654)
<b>Balance at 31 December 2015</b>	<b>39,584,463</b>	<b>(28,759,674)</b>	<b>(1,760,550)</b>	<b>251,019</b>	<b>(678,623)</b>	<b>8,636,635</b>

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

## Consolidated Statement Cash Flows

for the half year ended 31 December 2015

	Notes	31 Dec 2015 \$	31 Dec 2014 \$
<b>Cash from operating activities</b>			
Receipts from customers (inclusive of GST)		4,003,493	3,075,837
Payments to suppliers and employees (inclusive of GST)		(5,084,300)	(3,789,610)
Interest paid		(4,462)	(5,212)
Income tax paid		(10,080)	(36,191)
Receipt of government grant		519,140	489,856
		<u>519,140</u>	<u>489,856</u>
Net cash flows used in operating activities		<u>(576,209)</u>	<u>(265,320)</u>
<b>Cash flows from investing activities</b>			
Interest received		42,040	33,872
Purchase of plant and equipment		(33,131)	(125,128)
Payments for development costs and other intangibles		(228,887)	(267,472)
		<u>(228,887)</u>	<u>(267,472)</u>
Net cash flows used in investing activities		<u>(219,978)</u>	<u>(358,728)</u>
<b>Cash flows from financing activities</b>			
Net proceeds from capital raising		67,742	2,729,313
Repayment of borrowings		-	(611)
Repayment of finance lease liabilities		-	(21,231)
		<u>-</u>	<u>(21,231)</u>
Net cash flows from financing activities		<u>67,742</u>	<u>2,707,471</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>			
		<u>(728,445)</u>	<u>2,083,422</u>
Cash and cash equivalents at the beginning of the financial year		4,065,518	1,957,026
Effect of exchange rate changes on cash and cash equivalents		1,465	141,765
		<u>1,465</u>	<u>141,765</u>
Cash and cash equivalents at end of year	5	<u><u>3,338,538</u></u>	<u><u>4,182,213</u></u>

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

## 1 Summary of significant accounting policies

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

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

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors on 23 February 2016.

### **Basis of preparation**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2015 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

### **New, revised or amending Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

## Notes to the Financial Statements

for the half year ended 31 December 2015

### 2 Other Income

	31 Dec 2015	31 Dec 2014
	\$	\$
Interest income	42,040	33,872
Government grant: Research and development grant *	212,083	315,389
Sundry income	-	932
	<b>254,123</b>	<b>350,193</b>

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

### 3 Expenses

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

<i>Cost of sales</i>		
Stock obsolescence	<b>85,608</b>	75,070
<i>Administrative expenses</i>		
Net loss/(gain) on foreign currency	11,042	(62,949)
Employee benefits	1,633,567	882,080
Employee share based expenses	87,855	121,200
Superannuation expenses	118,459	101,175
Depreciation	88,889	73,625
Amortisation	197,140	180,419
	<b>2,136,952</b>	<b>1,295,550</b>

### 4 Fair values of financial instruments

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

### 5 Cash and cash equivalents

	31 Dec 2015	31 Dec 2014
<i>Reconciliation of cash</i>		
Cash at the end of the financial year shown in the consolidated statement of cash flows is reconciled as follows :-	\$	\$
Cash at bank and on hand	3,338,538	4,182,213
Balance as per statement of cash flows	<b>3,338,538</b>	<b>4,182,213</b>

	31 Dec 2015	30 Jun 2015
	\$	\$
Cash at bank and on hand	<b>3,338,538</b>	<b>4,065,518</b>

### 6 Income Tax

	31 Dec 2015	31 Dec 2014
	\$	\$
Major components of tax expense		
Withholding Tax	10,080	13,183
Income tax expense	<b>10,080</b>	<b>13,183</b>

## Notes to the Financial Statements

for the half year ended 31 December 2015

### 7 Equity - Contributed equity

	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
	Shares	Shares	\$	\$
Ordinary shares	<b>760,674,461</b>	747,130,667	<b>39,584,463</b>	39,266,453
	Date	No of Shares	\$	
Balance 1 July 2015	1/07/2015	751,978,873	39,388,810	
Issue of Shares - Share Rights	1/07/2015	5,366,666	127,500	
Issue of Shares - Share Placement	22/12/2015	3,328,922	69,807	
Share Issue transactions costs	22/12/2015		(1,654)	
<b>Balance 31 December 2015</b>	<b>31/12/2015</b>	<b>760,674,461</b>	<b>39,584,463</b>	

### 8 Segment Information

#### Segment descriptions

DataDot has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

Management has reviewed the segments and determined the group is organised into business units based on their product and services and accordingly has two reportable segments. In prior periods three operating segments were identified by management based on the location of the selling segment and one operating segment was identified by management based on the product offerings. Due to the change in the composition of reportable segments, the segment information for earlier periods has been restated. Discrete financial information about each of these operating businesses is reported to the executive management team on at least a monthly basis.

#### Products and services by segment

Two reportable segments have been identified as follows:

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

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

#### Accounting policies and intersegment transactions

The accounting policies used by DataDot in reporting segments internally is the same as those contained in the prior period. Intersegment pricing is determined on an arm's length basis. Intersegment transactions are eliminated on consolidation.

The following tables present the revenue, profit/(loss) before tax, assets and liabilities information regarding operating segments for half years ended 31 December 2015 and 31 December 2014.

## Notes to the Financial Statements

for the half year ended 31 December 2015

### 8 Segment Information (continued)

Segment performance	DataDot	DataTraceDNA	Eliminations	Total
Year ended 31 December 2015	\$	\$	\$	\$
Revenue from external customers	2,957,743	522,814	-	3,480,557
Intersegment revenue	96,131	6,131	(102,262)	-
Total revenue	<b>3,053,874</b>	<b>528,945</b>	<b>(102,262)</b>	<b>3,480,557</b>
Depreciation, amortisation and disposals	(166,303)	(119,726)	-	(286,029)
Finance revenue	42,040	-	-	42,040
Finance costs	(4,462)	-	-	(4,462)
Loss after income tax	<b>(711,982)</b>	<b>(442,903)</b>	-	<b>(1,154,885)</b>
Segment assets	<b>9,490,048</b>	<b>2,087,594</b>	<b>(1,136,674)</b>	<b>10,440,968</b>
Segment liabilities	<b>1,875,346</b>	<b>1,940,451</b>	<b>(2,011,464)</b>	<b>1,804,333</b>
<b>Year ended 31 December 2014</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenue from external customers	2,712,226	652,324	-	3,364,550
Intersegment revenue	96,131	13,190	(109,321)	-
Total revenue	<b>2,808,357</b>	<b>665,514</b>	<b>(109,321)</b>	<b>3,364,550</b>
Depreciation, amortisation and disposals	(147,049)	(106,995)	-	(254,044)
Finance revenue	33,872	-	-	33,872
Finance costs	(5,212)	-	-	(5,212)
Net profit / (loss) after income tax	<b>(210,145)</b>	<b>80,509</b>	-	<b>(129,636)</b>
Segment assets	<b>10,587,586</b>	<b>2,354,170</b>	<b>(1,124,444)</b>	<b>11,817,312</b>
Segment liabilities	<b>1,424,300</b>	<b>1,913,029</b>	<b>(1,583,162)</b>	<b>1,754,167</b>

### 9 Events after the reporting period

The Company has taken steps (after the reporting period) to adjust its workforce with a view to improving conversion rates and earnings in the second half and beyond.





## Directors' Declaration

In the directors' opinion:

- (a) the attached financial statements and notes thereto comply with the Corporations Act 2001, Australia Accounting Standard AASB 134 "Interim Financial Reporting", the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- (b) the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the financial half-year ended on that date; and
- (c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Board

**B Rathie**

**Chairman**

23 February 2016

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of DataDot Technology Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of DataDot Technology Limited, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

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

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of DataDot Technology Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

#### Independence

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

### Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

**BDO East Coast Partnership**

Handwritten signature of Arthur Milner in black ink. The signature is written in a cursive style, with the first letters of the first and last names being capitalized and prominent.

**Arthur Milner**  
Partner

Sydney, 23 February 2016