



ASX Announcement | 31 October 2023

DTI Group Limited (ASX:DTI)

Quarterly Business Activity Report & Appendix 4C

DTI reports a fifth consecutive quarter of positive operating cash flow

Highlights

- DTI reports a positive net operating cash flow for a fifth consecutive quarter.
- DTI's cash equivalent balance at the end of the September 2023 quarter was \$0.881M.
- First deliveries of DTI's new next-gen mid-range MDR-7 mobile data server.
- Customer validation for a new truck-based product successfully completed; first order for this product has subsequently been received.
- Additional orders for DTI's compact data server, following strong demand for this product in FY23.
- Multiple train proposals in progress, adding to DTI's sales pipeline.

DTI Group Limited (ASX:DTI) ("DTI" or "the Company") is pleased to provide its Appendix 4C for the quarter ended 30 September 2023 (Q1 FY24) along with the following operational update.

First deliveries of DTI's new mid-range mobile data server

DTI's Q1 FY24 marked the first commercial deliveries of the Company's new generation proprietary mobile data server (MDR) system. This new product, the MDR-7, is a mid-range workhorse which can capture and process vehicle telematics, video surveillance, and passenger information and scales from the installation on single road-based vehicles through to multi-carriage trains. It was engineered in-house by DTI to achieve high levels of performance in demanding environmental conditions and applications.





Customer validation for a new truck-based product completed

DTI have been partnering with a global leader to validate a truck-based surveillance and telematics product to support their business.

This validation exercise has now been successfully completed. It included the installation of a system onto a real-world test truck and the extension of DTI's cloud based back-office application to process data and communicate real-time data streams such as digital camera footage, vehicle position and driving history, vehicle status, and other customer specific requirements.

DTI deployed its experienced team of Electronics Engineers, Software Engineers, and Technicians to develop and validate the solution to the customer's satisfaction.

The Company has subsequently received its first contract for this truck vertical telematics and CCTV solution, with the system currently being installed on a number of vehicles.

Additional orders for the compact data server

Further orders for the DTI-engineered compact data server (CDR) product were taken in the Company's Q1 FY24, demonstrating its continued popularity with customers requiring restricted functionality at a lower price. These additional orders are on top of the 150 plus CDRs installed over DTI's FY23.

Multiple train proposals

DTI have an extensive history of delivering train-based surveillance, passenger information and telematics solutions.

DTI have submitted proposals for multiple opportunities during the quarter either directly or with its new partner in India, which involve both new train builds and the retrofit market. These proposals are just one part of DTI's international growth strategy.

DTI reports 5th consecutive quarter of positive net operating cash flow

Key highlights in DTI's Q1 FY24 financials included:

- A positive net operating cash flow of \$0.195M in the September 2023 quarter
- Operating cash flow has now been positive for five consecutive quarters
- A cash equivalent balance of \$0.881M at the end of the September 2023 quarter
- Effective cost control initiatives
- A further \$0.315M was invested into intellectual property

In accordance with Listing Rule 4.7C.1, during the quarter, \$0.84m was expended on product manufacturing and operations, \$0.89m on staff costs, and \$0.65m on administration and corporate costs.

In accordance with Listing Rule 4.7C.3, payments made to related parties and their associates are included in the Appendix 4C section 6.1 and these payments for \$36k are for director and company secretarial fees.



DTI Chief Executive Officer Matt Strack said:

"DTI achieved much from both an operational and financial perspective in its September 2023 quarter. The period saw initial sales of our MDR-7 next-gen mid-range data servers, which can be installed on an array of transport modes, from single road-based vehicles through to multi-carriage trains. Our team also successfully completed a customer validation process of DTI's new truck surveillance and telematic product. Importantly, a first order for this exciting product has been received since the validation. All this while the Company continued to progress initiatives aimed at expanding its international footprint, aided by new partnership arrangements.

As recent new product releases start to gain traction in target markets, DTI has, at the same time, remained focused on improving its financial performance. The September 2023 quarter saw the Company record its fifth consecutive quarter of positive net operating cash flow but also continue to invest in the creation of intellectual property. Looking ahead, we expect to provide regular updates to the market over coming months, as results start to flow from key FY24 initiatives, including the now expanded pantograph product trials and our current push into new verticals."

-ENDS-

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About DTI Group Limited (ASX:DTI)

DTI Group Limited (ASX:DTI) is a developer and marketer of a range of world-leading surveillance, video analytics, telematics and passenger information systems technology and services. The Company's growing client base includes transit agencies, vehicle operators, vehicle manufacturers and law enforcement agencies, based both in Australia and overseas.

DTI Group's diverse suite of products and services has expanded over time, with new offerings regularly launched that are designed to meet identified client demands in target market segments. Its current range of product and services comprise four broad categories:

- A state-of-the-art surveillance system that enables operators to capture all areas in and around vehicles
- A passenger information system that keeps clients' passengers engaged and informed
- Industry leading telematics and analytics solutions that provide actionable insights for client operators
- Support services, encompassing a team of on-call skilled DTI Group staff that help maximize the value clients derive from their DTI systems.

To learn more, please visit: www.dti.com.au/

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This ASX announcement has been authorised by the Board of DTI Group Limited (ASX:DTI)

Appendix 4C

+Rule 4.7B

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity		
DTI Group Limited		
ABN	Quarter ended ("current quarter")	
15 069 791 091	30/09/2023	
Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1.0 Cash flows from operating activities		
1.1 Receipts from customers	2,641	2,641
Receipt of Government Grant revenue*	0	0
1.2 Payments for		
(a) research and development	0	0
(b) product manufacturing and operating costs	-836	-836
(c) advertising and marketing	-27	-27
(d) leased assets	-22	-22
(e) staff costs	-897	-897
(f) administration and corporate costs	-655	-655
1.3 Dividends received (see note 3)	0	0
1.4 Interest received	3	3
1.5 Interest and other costs of finance paid	-12	-12
1.6 Income taxes paid	0	0
1.7 Government grants and tax incentives	0	0
1.8 Other	0	0
1.9 Net cash from / (used in) operating activities	195	195
2.0 Cash flows from investing activities	Current quarter \$A '000	Year to date (3 months) \$A'000
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	-4	-4
(d) investments		
(e) intellectual property	-315	-315
(f) other non-current assets		
2.2 Proceeds from disposal of:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		
(f) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	-319	-319

3.0 Cash flows from financing activities		Current quarter \$A '000	Year to date (3 months) \$A'000
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings	450	450
3.6	Repayment of borrowings	-545	-545
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	-95	-95
4.0 Net increase / (decrease) in cash and cash equivalents for the period		Current quarter \$A '000	Year to date (3 months) \$A'000
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,113	1,113
4.2	Net cash from / (used in) operating activities (item 1.9 above)	195	195
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-319	-319
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-95	-95
4.5	Effect of movement in exchange rates on cash held	-13	-13
4.6	Cash and cash equivalents at end of quarter	881	881
5.0	Reconciliation of cash and cash equivalents	Current quarter	Previous quarter
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	\$A'000	\$A'000
5.1	Bank balances	881	1,113
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	881	1,113
6.0 Payments to related entities of the entity and their associates		Current quarter \$A'000	
6.1	Aggregate amount of payments to related parties and their associates included in item 1 - Director/Secretary payments		-36
6.2	Aggregate amount of payments to related parties and their associates included in item 2		0

7.0		Financing facilities available	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities			
7.2	Credit standby arrangements			
7.3	Other - Credit card facility		290	230
7.4	Total financing facilities		290	230
7.5		Unused financing facilities available at quarter end		60
7.6	Credit card - unsecured			
8.0				\$A'000
Estimated cash available for future operating activities				
8.1	Net cash from / (used in) operating activities (item 1.9)			195
8.2	Cash and cash equivalents at quarter end (item 4.6)			881
8.3	Unused finance facilities available at quarter end (item 7.5)			60
8.4	Total available funding (Item 8.2 + Item 8.3)			942
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)			N/A
8.6	If Item 8.5 is less than 2 quarters, please provide answers to the following questions:			
1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?			
	Answer: Not applicable			
2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?			
	Answer: Not applicable			
3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?			
	Answer: Not applicable			

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:

31/10/2023

Authorised by:

by the Board of Directors

(Name of body or officer authorising release - see note 4)

Notes

- 1 The quarterly report and the accompanying activity report provides a basis for informing the market how the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- 2 If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- 4 If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board. If it has been authorised for release to the market by a committee of your board of directors, you can insert her: "By the [name of board committee - eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- 5 If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Councils Corporate governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.