

23 February 2023

The Manager
Market Announcements Platform
Australian Securities Exchange Limited

RESTRUCTURE WELL UNDERWAY – KEY FOCUS ON GROWTH

Highlights:

- **Current cash position \$4.3 million plus \$2.5m of unused debt facilities.**
- **Land & Building independent revaluation completed, valued at \$14.55 million which is an improvement of \$3.28 million.**
- **Restructure of Board and Management with a clear focus on growth across number of verticals.**
- **TGA follow-up inspection on sterile facility complete with license anticipated to be granted during Q3.**

IDT Australia Limited (ASX: IDT), a specialist in high containment, high potency manufacture of Active Pharmaceutical Ingredients (API) and Finished Dose Forms (FDF), as well as offering a full suite of contract manufacturing services, announces its interim results for the six months ended 31 December 2022 (1HFY23).

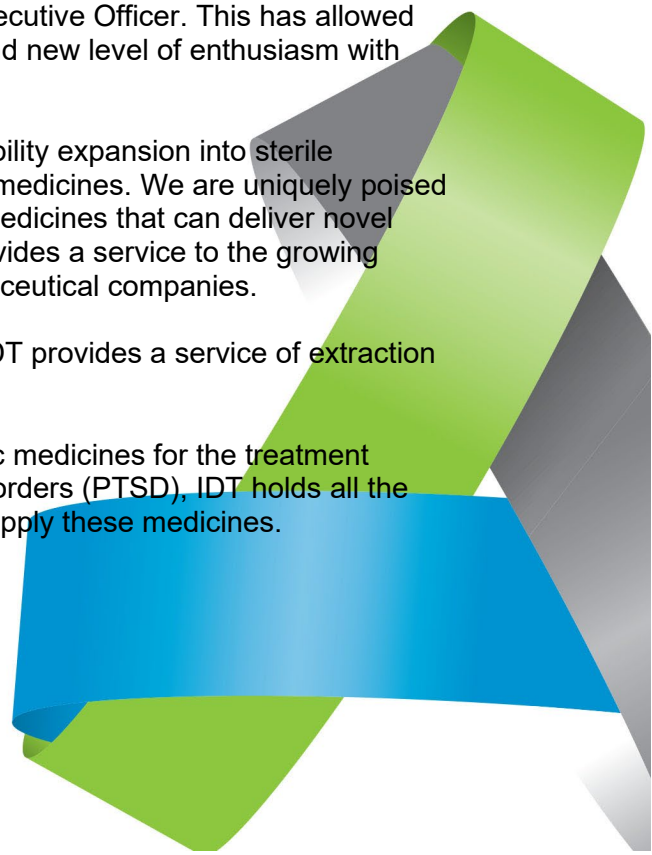
The past six months has seen the company experience significant levels of change which involved a board refresh along with a change of Chief Executive Officer. This has allowed the Company to attack the future with a refreshed lens and new level of enthusiasm with early signs showing encouraging improvement.

The company is well positioned for growth, through capability expansion into sterile injectable manufacturing and an increased focus on oral medicines. We are uniquely poised to vertically integrate speciality API's into finished dose medicines that can deliver novel therapies and solutions to unmet medical needs. IDT provides a service to the growing biotechnology sector in Australia and established pharmaceutical companies.

With growth in medicinal cannabis farming in Australia, IDT provides a service of extraction and formulation into oral finished dose medicines.

With the TGA's approved down scheduling of psychedelic medicines for the treatment resistant depression (TRD) and post-traumatic stress disorders (PTSD), IDT holds all the license requirements and stands ready to develop and supply these medicines.

For personal use only



Investing for Growth

Sterile Injectable Manufacturing capacity sits as a premium within the sector. With new capability added to our services, we can grow our pipeline and revenue generation. Sterile Injectable manufacturing complements our developed strengths, experience, and specialisation in complex and high containment medications.

We have developed partnerships locally and internationally in the advance oncolytic technologies requiring high containment. The R&D team is continuing to expand capability in antibody drug conjugates and RNA formulations and are in discussions to bring more programs into our pipeline, building effective treatments for cancer and rare diseases.

The company continues discussions with state and federal governments to create an aligned agenda on sovereign manufacturing and in turn address drug shortages experienced in Australia. We are committed to contributing onshore drug manufacturing capacity and capability, including the design and manufacture of novel synthetic routes that can improve API efficiency and yields, that can be sustainable against overseas pressures.

Outlook

Early stage assets and programs deliver future opportunity for growth and add to our pipeline. Established assets and programs generate opportunities for greater volume, absorb cost of the quality and create pathway to sustainable profitability. By expanding on our business development and market presence we continue to generate leads. We continue to increase the number of assets and programs manufactured through our facilities, while staying on top of cutting-edge technology developments to build a secure future.

As we continue to win more opportunities and the early-stage assets and programs continue to progress toward commercial launch, the 2023 revenues are forecasted to increase in the second half of the year and beyond.

This announcement has been approved by the Board of Directors

About IDT Australia

IDT is an Australia-headquartered contract development and contract manufacturing organisation (CDMO) which has been in operation since 1975. IDT provides R&D and GMP manufacturing services to biotechnology companies both locally and globally. IDT's speciality is in high containment manufacturing and can service all stages of clinical trials and commercial manufacturing. IDT offers API, oral and sterile injectable services. For more information about IDT visit <https://en.idtaus.com.au/>

For investor and media enquiries, please contact:

Mark Simari
mark@akitaconsulting.com.au
M: +61 414 411 486

For personal use only



Forward-looking statements

This announcement contains or may contain forward-looking statements that are based on IDT's beliefs, assumptions, and expectations and on information currently available to IDT. All statements that address operating performance, events, or developments that IDT or its directors expect or anticipate will occur in the future are forward-looking statements, including, without limitation, statements as to the expectations of IDT or the market it operates in. IDT believes that these forward-looking statements are reasonable as and when made. You should not place undue reliance on forward-looking statements because they speak only as of the date when made. IDT does not assume any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. No assurance or guarantee is, or should be taken to be, given in relation to, and no reliance should be placed on, the future business performance or results of IDT or the likelihood that the current assumptions, estimates or outcomes will be achieved. Actual results, developments or events could differ materially from those disclosed in the forward-looking statements.

For personal use only



1. Company details

Name of entity:	IDT Australia Limited
ABN:	66 006 522 970
Reporting period:	For the half-year ended 31 December 2022
Previous period:	For the half-year ended 31 December 2021

2. Results for announcement to the market

			\$000
Revenues from ordinary activities and other income	down	71.6% to	2,435
Loss from ordinary activities after tax attributable to the owners of IDT Australia Limited	down	578.9% to	(5,814)
Loss for the half-year attributable to the owners of IDT Australia Limited	down	578.9% to	(5,814)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The comprehensive loss for the company for the half year ended 31 December 2022 after providing for income tax amounted to \$2.5 million (31 December 2021: profit of \$1.2 million).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>9.95</u>	<u>11.05</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half-year Financial Report.

11. Attachments

Details of attachments (if any):

The Half-year Financial Report of IDT Australia Limited for the half-year ended 31 December 2022 is attached.

12. Signed

Authorised for release by the Board.

Signed  _____

Mark Simari
Chair

Date: 22 February 2023

For personal use only

IDT AUSTRALIA LIMITED
ACN 006 522 970



Half Year Report

For the Half Year ended
31 December 2022

For personal use only



Corporate directory	2
Directors' report	3
Auditor's independence declaration	5
Statement of profit or loss and other comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10
Directors' declaration	15
Independent auditor's review report to the members of IDT Australia Limited	16

For personal use only

Directors

Mark Simari - Non-Executive Chair
Geoffrey Sam, OAM - Non-Executive Director
Jane Ryan - Non-Executive Director

Company Secretary

Mark Licciardo

Registered Office and
Principal Place of Business

45 Wadhurst Drive
BORONIA, VICTORIA, 3155
Telephone +61 3 9801 8888
Facsimile +61 3 9837 6445

Share Register

Link Market Services Limited
Tower 4, 727 Collins Street
MELBOURNE, VICTORIA, 3008

Auditor

Grant Thornton Audit Pty Ltd
Tower 5, Collins Square
727 Collins Street
Melbourne VIC 3008

Bankers

National Australia Bank Limited
Level 28, 500 Bourke Street,
MELBOURNE, VICTORIA, 3000

Stock exchange listing

IDT Australia Limited shares are listed on the Australian Securities Exchange (ASX
code: IDT)

Website

www.idtaus.com.au

For personal use only

The directors present their report, together with the financial statements for IDT Australia Limited (referred to hereafter as the 'Company') for the half-year ended 31 December 2022.

Directors and Company Secretary

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

Director	Comment
Mark Simari - Non-Executive Chair	Appointed as Non-Executive Director 10 October 2022 and subsequently appointed Chair 1 January 2023
Jane Ryan - Non-Executive Director	
Geoffrey Sam - Non-Executive Director	Appointed 10 October 2022
Alan Fisher – Chair	Resigned 31 December 2022
Michael Kotsanis - Non-Executive Director	Resigned 28 November 2022
Hugh Burrill - Non-Executive Director	Resigned 10 October 2022

Company Secretary	Comment
Mark Licciardo	Appointed 3 October 2022
Ancila Desai	Resigned 2 October 2022

Principal activities

The principal activities of the Company through the course of the year were the supply of products and provision of research and development and other technical services within the pharmaceutical and allied industries.

Results

The comprehensive loss for the company for the half year ended 31 December 2022 after providing for income tax amounted to \$2.5 million (31 December 2021: profit of \$1.2 million).

Financial position

The Company's operating cash outflows for the half year was \$3.8 million (31 December 2021: \$6.7 million inflow) and reported closing cash balance of \$4.3 million at 31 December 2022 (30 June 2022: \$9.2 million). This cash balance is further supported by an unutilised facility of \$2.5 million with National Australia Bank Ltd, which is next due for renewal on 31 October 2023. These cash reserves and debt facility are available to support the Company's execution of strategies and projects and to extend production and manufacturing capabilities.

Review of operations

In 2022, IDT Australia completed an independent strategic review. The review analysed all of IDT Australia's business streams, bench marked against peers in the CDMO industry and analysed market growth before providing recommendations.

As a result, IDT Australia has expanded its marketing and sales team and increased activity on revenue growth in two major product categories, namely from:

- Sterile Injectable (Antibody Drug Conjugate (ADC) and ribonucleic acid (RNA) platforms
- Oral Dose (Psychedelics and Medicinal cannabis)

Sterile

Today, the Company is finalising a further extension to the TGA license for the sterile facility, IDT Australia expects to receive the license within the 3rd quarter. This extension provides flexibility to sell sterile capacity to clinical trials. Prior to this licence extension IDT Australia has not been able to manufacture and release sterile clinical trials at Phase 2 & Phase 3. This is critically important to our strategy as the Company sees a shortage locally and globally in capacity to manufacture sterile Phase 2 & Phase 3 clinical trials.

We have several project proposals for sterile injectable product development and GMP manufacturing for clinical trials. IDT Australia estimates revenue growth to continue to grow until we reach capacity within the sterile facility.

Medicinal Cannabis

We have secured new clients and we estimate further growth to the cannabis manufacturing pipeline. We have multiple proposals in play with prospective clients.

A key client in 2021 left us in early 2022 due to disagreement with the previous management. Consequent to the changes in the management of IDT Australia in late September last year and the new Board of Directors in place, this client has returned to IDT Australia and has committed to order manufacturing slots from IDT Australia.

IDT Australia has developed internal Medicinal Cannabis assets and looks to extract value of these assets and the knowhow we have built. The medicinal cannabis market is developing and with new TGA regulation of the industry from 1 July 2023 IDT Australia stands prepared to actively support the Industry with GMP manufacturing.

Psychedelic Therapies

IDT Australia welcomes the TGA's decision to approve the prescriptions of micro dosing psychedelics. IDT Australia has proven capability in the development and GMP Manufacture of psychedelics. IDT Australia holds relevant licences and has qualified manufacturing facilities ready with capacity. IDT Australia sees future growth to the business through GMP manufacture of psychedelics. We have played a significant role in providing compounding development and GMP manufacturing for an efficacy trial in treatment resistant depression.

Continuous Improvement

IDT Australia remains mindful of the increased headwinds of costs coming from services, suppliers, distributions, and investment into staff. IDT Australia is committed to improving operations onboarding digital systems to expedite release of manufactured product compliantly. IDT Australia completed the implementation of a digital quality management system (eQMS) to enhance the quality operations and improve efficiency. IDT Australia will continue to evaluate options to improve performance and drive down operating costs.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Matters subsequent to the end of the financial half-year

On 18 January 2023 2,721,000 Ordinary Shares were cancelled in accordance with terms of the Employee Share Plan.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Rounding of amounts

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financials / Directors' Reports) Instrument 2016/191, dated 24 March 2016, and accordingly the amounts in the Directors' Report and the Half Year Financial Report are rounded off to the nearest thousand dollars, unless otherwise indicated.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Mark Simari
Non-Executive Chair

22 February 2023

Grant Thornton Audit Pty Ltd

Level 22 Tower 5
Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
Melbourne VIC 3001
T +61 3 8320 2222

Auditor's Independence Declaration

To the Directors of IDT Australia Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of IDT Australia Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



M A Cunningham
Partner – Audit & Assurance

Melbourne, 22 February 2023

www.grantthornton.com.au

ACN-130 913 594

Grant Thornton Audit Pty Ltd ACN 130 913 594 a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389. 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

	Note	31 Dec 2022 \$000	31 Dec 2021 \$000
Revenue			
Sales revenue	4	2,404	8,559
Other income	5	31	4
Total revenue		<u>2,435</u>	<u>8,563</u>
Expenses			
Raw materials and consumables used		(1,213)	(604)
Employee benefits expense		(3,399)	(3,477)
Depreciation and amortisation expense		(612)	(806)
Professional fees		(252)	(250)
Utilities and Maintenance expenses		(1,502)	(1,913)
Other expenses		(1,532)	(344)
Total expenses		<u>(8,510)</u>	<u>(7,394)</u>
(Loss)/Profit before income tax benefit		(6,075)	1,169
Income tax benefit		<u>261</u>	<u>45</u>
(Loss)/Profit after income tax benefit for the half-year attributable to the owners of IDT Australia Limited		(5,814)	1,214
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Property revaluation		<u>3,275</u>	<u>-</u>
Other comprehensive income for the half-year, net of tax		<u>3,275</u>	<u>-</u>
Total comprehensive income for the half-year attributable to the owners of IDT Australia Limited		<u>(2,539)</u>	<u>1,214</u>
		Cents	Cents
Basic earnings per share	6	(2.41)	0.51
Diluted earnings per share	6	(2.41)	0.51

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	31 Dec 2022 \$000	30 June 2022 Restated \$000
Assets			
Current assets			
Cash and cash equivalents	7	4,325	9,214
Trade and other receivables		2,032	2,784
Contract assets		-	49
Inventories		657	1,102
Current tax assets		977	716
Total current assets		<u>7,991</u>	<u>13,865</u>
Non-current assets			
Property, plant and equipment	8	18,614	16,215
Total non-current assets		<u>18,614</u>	<u>16,215</u>
Total assets		<u>26,605</u>	<u>30,080</u>
Liabilities			
Current liabilities			
Trade and other payables	9	1,714	1,253
Contract liabilities		463	517
Borrowings		-	881
Employee benefits		422	490
Total current liabilities		<u>2,599</u>	<u>3,141</u>
Non-current liabilities			
Employee benefits		216	314
Total non-current liabilities		<u>216</u>	<u>314</u>
Total liabilities		<u>2,815</u>	<u>3,455</u>
Net assets		<u>23,790</u>	<u>26,625</u>
Equity			
Issued capital	10	51,189	51,189
Reserves		11,478	8,499
Accumulated losses		(38,877)	(33,063)
Total equity		<u>23,790</u>	<u>26,625</u>

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

	Contributed Equity \$000	Asset Revaluation Reserve \$000	Share Based Payment Reserve \$000	Accumulated Losses \$000	Total equity \$000
Balance at 1 July 2021	51,189	3,897	4,069	(31,540)	27,615
Adjustment for correction of error	-	-	-	(363)	(363)
Balance at 1 July 2021 - restated	51,189	3,897	4,069	(31,903)	27,252
Profit after income tax benefit for the half-year	-	-	-	1,214	1,214
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	1,214	1,214
<i>Transactions with owners in their capacity as owners:</i>					
Proceeds repayment limited recourse loans	-	-	315	-	315
Balance at 31 December 2021 Restated	<u>51,189</u>	<u>3,897</u>	<u>4,384</u>	<u>(30,689)</u>	<u>28,781</u>

	Contributed Equity \$000	Asset Revaluation Reserve \$000	Share based Payment Reserve \$000	Accumulated Losses \$000	Total equity \$000
Balance at 1 July 2022	51,189	3,897	4,602	(33,063)	26,625
Loss after income tax benefit for the half-year	-	-	-	(5,814)	(5,814)
Other comprehensive income for the half-year, net of tax	-	3,275	-	-	3,275
Total comprehensive income for the half-year	-	3,275	-	(5,814)	(2,539)
<i>Transactions with owners in their capacity as owners:</i>					
Forfeiting of loan funded shares	-	-	(296)	-	(296)
Balance at 31 December 2022	<u>51,189</u>	<u>7,172</u>	<u>4,306</u>	<u>(38,877)</u>	<u>23,790</u>

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

	Note	31 Dec 2022 \$000	31 Dec 2021 \$000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		3,131	13,643
Payments to suppliers and employees (inclusive of GST)		(6,939)	(7,520)
R&D tax incentive		-	528
Interest received		8	-
		<u> </u>	<u> </u>
Net cash (used in)/from operating activities		<u>(3,800)</u>	<u>6,651</u>
Cash flows from investing activities			
Payments for property, plant and equipment	8	<u>(208)</u>	<u>(580)</u>
Net cash used in investing activities		<u>(208)</u>	<u>(580)</u>
Cash flows from financing activities			
Proceeds repayment limited recourse loans		-	315
Repayment of borrowings		<u>(881)</u>	<u>-</u>
Net cash (used in)/from financing activities		<u>(881)</u>	<u>315</u>
Net (decrease)/increase in cash and cash equivalents		(4,889)	6,386
Cash and cash equivalents at the beginning of the financial half-year		<u>9,214</u>	<u>6,928</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>4,325</u></u>	<u><u>13,314</u></u>

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

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 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 2022 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, except for the policies stated below.

The condensed financial statements have been prepared on the basis of historical cost, except for the revaluation of certain financial instruments and land and buildings that are measured at fair value. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financials / Directors' Reports) Instrument 2016/191, dated 24 March 2016, and accordingly amounts in the Directors' Report and the Half Year Financial Report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Restatement of Comparative Figures

The Company has restated its comparatives for the year ended 30 June 2022 in these statements after identifying revenue which was inappropriately recognised as revenue in the year ended 30 June 2021 and 30 June 2020. Revenue was recognised prior to control of certain inventory items passing to the customer.

The error has been corrected by restating each of the affected financial statement line items for the prior periods, as follows:

	30 June 2022	Increase/ (decrease)	30 June 2022 (restated)
	\$000	\$000	\$000
Balance Sheet (extract)			
Contract liabilities	154	363	517
Accumulated losses	(32,700)	(363)	(33,063)

The change did not have an impact on Company's cash flows or statement of profit or loss and other comprehensive income.

New or amended Accounting Standards and Interpretations adopted

The Company 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 and do not have a material impact on the financial statements.

Note 2. Going concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

Revenue for the half year ended 31 December 2022 was \$2.4 million compared to \$8.6 million (inclusive of a \$3.9 government grant) for the half year ended 31 December 2021. The Company incurred an after tax loss of \$2.5 million for the half year ended 31 December 2022, compared to a profit after tax of \$1.2 million for the same half in 2021.

Note 2. Going concern (continued)

Cash at 31 December 2022 was \$4.3 million (30 June 2022 \$9.2 million) and net cash outflow for the half year ended 31 December 2022 was \$3.8 million, compared to net cash inflow of \$6.7 million for the half year ended 31 December 2021. The decrease in cash inflow was primarily driven by a decrease in revenue as resources were invested into non-revenue generating activities such as sterile facility qualifications. The sterile facility qualifications subsequently have been completed pending the final license to be issued by the TGA. The sterile facility will advance our cash generating activities from the 4th quarter and turn into a positive cash flow operations.

The cash balance at 31 December 2022 is further supported by an unutilised debt facility of \$2.5 million with the National Australia Bank Ltd ('NAB') which is due for next renewal on 31 October 2023.

The Directors have considered a cash flow forecast and are satisfied that the Company will operate as a going concern and continue to meet its financial obligations for the foreseeable future.

Should the Company be unable to achieve its cash flow forecast, the directors remain confident that Company will be able to address any working capital shortfalls through the utilisation of its current debt facilities with NAB and if required expand those lending facilities.

The Company recently commissioned an independent valuation of its land and building which valued the assets at \$14.55 million. Based on current debt facilities, the Directors believe there is sufficient excess in the independent valuation of its land and buildings to facilitate an increase in its debt facilities if required. The Company has engaged a debt advisory firm to assist with identifying and assessing several options available to the Company to expand its current debt facilities and provide the Company with additional support if required.

Based on the cash flow forecast and the above funding arrangements, the Directors are satisfied that the going concern basis of preparation is appropriate.

Note 3. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer of IDT Australia Limited. The Company has identified one reportable segment, that is: Development and Manufacture of Active Pharmaceutical Ingredients (API) and Finished Dose Forms (FDF). The segment details are therefore fully reflected in the body of the financial statements.

Note 4. Revenue

	31 Dec 2022 \$000	31 Dec 2021 \$000
Sales revenue	2,404	8,559

Note 5. Other income

	31 Dec 2022 \$000	31 Dec 2021 \$000
Interest	4	-
Other income	27	4
	<u>31</u>	<u>4</u>

Note 6. Earnings per share

	31 Dec 2022 \$000	31 Dec 2021 \$000
(Loss)/Profit after income tax attributable to the owners of IDT Australia Limited	<u>(5,814)</u>	<u>1,214</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>240,822,027</u>	<u>239,860,170</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>240,822,027</u>	<u>239,860,170</u>
	Cents	Cents
Basic earnings per share	(2.41)	0.51
Diluted earnings per share	(2.41)	0.51

Note 7. Cash and cash equivalents

	31 Dec 2022 \$000	30 June 2022 \$000
<i>Current assets</i>		
Cash at bank and on hand	<u>4,325</u>	<u>9,214</u>

Note 8. Property, plant and equipment

	31 Dec 2022 \$000	30 June 2022 \$000
<i>Non-current assets</i>		
Land (at fair value)	11,125	4,380
Buildings (at fair value)	3,425	7,180
Less: Accumulated depreciation	<u>-</u>	<u>(195)</u>
	<u>14,550</u>	<u>11,365</u>
Plant and equipment - at cost	26,236	43,072
Less: Accumulated depreciation	<u>(22,680)</u>	<u>(38,520)</u>
Capital works in progress	508	298
	<u>4,064</u>	<u>4,850</u>
	<u>18,614</u>	<u>16,215</u>

Note 8. Property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Freehold Land \$000	Buildings \$000	Plant & Equipment \$000	Total \$000
Balance at 1 July 2022	4,380	6,985	4,850	16,215
Additions	-	-	210	210
Disposals	-	-	(649)	(649)
Revaluation increments	6,745	-	-	6,745
Revaluation decrements	-	(3,755)	-	(3,755)
Transfers in/(out)	-	285	174	459
Depreciation expense	-	(90)	(521)	(611)
Balance at 31 December 2022	<u>11,125</u>	<u>3,425</u>	<u>4,064</u>	<u>18,614</u>

Valuations of land and buildings

The basis of the valuation of freehold land and buildings is fair value. The freehold land and buildings were last revalued on 31 December 2022 based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of land and buildings being valued. The directors do not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar properties in the same location and condition.

Note 9. Trade and other payables

	31 Dec 2022 \$000	30 June 2022 \$000
<i>Current liabilities</i>		
Trade payables	230	550
Other payables	1,484	703
	<u>1,714</u>	<u>1,253</u>

Note 10. Issued capital

	31 Dec 2022 Shares	30 June 2022 Shares	31 Dec 2022 \$000	30 June 2022 \$000
Ordinary shares - fully paid	<u>238,990,797</u>	<u>241,021,797</u>	<u>51,189</u>	<u>51,189</u>

The following movements in ordinary shares were recorded during the half-year ended.

	31 Dec 2022 Shares	30 June 2022 Shares	31 Dec 2022 \$000	30 June 2022 \$000
Balance brought forward as at 1 July	241,021,797	239,860,170	51,189	51,189
Employee share plan issues	-	1,601,630	-	-
Forfeited employee shares	(2,031,000)	(440,003)	-	-
	<u>238,990,797</u>	<u>241,021,797</u>	<u>51,189</u>	<u>51,189</u>

Note 10. Issued capital (continued)

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.

Share buy-back

There is no current on-market share buy-back.

Note 11. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 12. Key management personnel disclosures

Remuneration arrangements in relation to Key Management Personnel (KMP) are disclosed in the Company's 2022 Annual Report.

The following table summarises cash bonuses paid to KMP in the reporting period following assessment of performance against individual and Company objectives in place for the years ended 30 June 2022 and 30 June 2021.

No shares were issued within the framework of the Employee Share Plan during the period.

	31 Dec 2022	31 Dec 2021
	\$	\$
Key Management Personnel - Bonus Paid		
D Sparling, CEO (resigned 14 Sept 22)	-	163,325
A Desai, CFO (resigned 7 Oct 22)	19,200	46,560
J Susic, VP, Operations, Supply and Infrastructure (resigned 29 Nov 21)	-	36,080
P McDonald, CEO (appointed 14 Sept 22)	16,800	17,783
C Kagiarios, People and Culture	10,889	-
M Vasanthakumar, CFO (appointed 28 Sept)	1,000	-
	<u>47,889</u>	<u>263,748</u>

Note 13. Commitments and contingencies

The directors are of the opinion that there are no significant commitments and contingencies requiring disclosure for the company as at 31 December 2022.

Note 14. Events after the reporting period

On 18 January 2023 2,721,000 Ordinary Shares were cancelled in accordance with terms of the Employee Share Plan.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- 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 directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Mark Simari
Non-Executive Chair

22 February 2023

For personal use only

Grant Thornton Audit Pty Ltd

Level 22 Tower 5
Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
Melbourne VIC 3001
T +61 3 8320 2222

Independent Auditor's Review Report

To the Members of IDT Australia Limited

Report on the review of the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of IDT Australia Limited (the Company), which comprises the condensed statement of financial position as at 31 December 2022, and the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of IDT Australia Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2022 and of its performance for the half year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

www.grantthornton.com.au

ACN-130 913 594

Grant Thornton Audit Pty Ltd ACN 130 913 594 a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389. 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the financial report

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 Company's financial position as at 31 December 2022 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*.

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.



Grant Thornton Audit Pty Ltd
Chartered Accountants



M A Cunningham
Partner – Audit & Assurance

Melbourne, 22 February 2023

For personal use only



IDT Australia Limited
45 Wadhurst Drive, Boronia,
Victoria, 3155, Australia
www.idtaus.com.au

