Appendix 4E

IDT Australia Limited
ASX Preliminary final report for the year ended 30 June 2020
Lodged with the ASX under Listing Rule 4.3A

Results for Announcement to the Market

				$'000
Revenue from ordinary activities	**up**	17%	to	**14,169**
Net profit / (loss) after tax for the period attributable to members	**up**	68%	to	**(1,919)**

Dividend Information – no interim or final dividends have been declared or recommended for the financial year ended 2020 (nil 2019).

Net tangible assets per security as at 30 June 2020 $0.10 (2019: $0.10).

Additional Appendix 4E disclosure requirements can be found in the Annual Report which contains the Report of the Directors and the 30 June 2020 Financial Statements and accompanying notes.

This report is based on the Financial Statements which have been audited by Deloitte Touche Tohmatsu.

Highlights

Total Revenue for the year was up by $2.0 million on a year on year basis. As a consequence of this revenue improvement coupled with stronger controls in procurement and manufacturing, the business has reported a positive movement of 68.4% in reported net profit / (loss) after tax.

Revenue of $14.2 million includes $0.9 million previously capitalised milestones which were recognised into current year revenue following termination of the temozolomide distribution agreement in December 2019. Excluding this one off adjustment, the underlying Revenue from operations is 8.7% higher than FY19.

Cost containment initiatives resulted in Direct Expenses (being raw materials and employee related expenses) for the year being lower by $0.6 million. Whilst alternate commercialisation options are being assessed for temozolomide, an impairment expense of $0.7 million has been recognised to reduce the carrying value of the temozolomide related intangible asset to nil.

The FDA formally notified IDT that they had restored IDT's facility inspection classification from Official Action Indicated (OAI) to Voluntary Action Indicated (VAI). The Warning Letter was officially lifted by the FDA in September 2019.

IDT continues to make strong inroads into the medicinal cannabis space and in May 2019 IDT secured its own medicinal cannabis manufacturing licence from the Australian Government Department of Health - Office of Drug Control. IDT's medicinal cannabis manufacturing licence allows the Company to manufacture and commercialise medicinal cannabis extract and finished dosage forms. In August 2019 IDT secured the first in a series of medicinal cannabis manufacturing permits which allow IDT to undertake extraction and purification activities. Extraction is a precursor to developing and manufacturing finished dose form medicinal cannabis products for both domestic and export markets.

Appendix 4E

In October 2018 the Board of Directors initiated an on market share buy-back within the "10/12 limit" as defined by the Corporations Act 2001 in order to return excess funds to shareholders. In the financial year ended 30 June 2019, $1.5 million was returned to shareholders through the on market share buy-back. No shares were purchased in this current reporting period and the on market share buy-back was formally closed in October 2019.

At 30 June 2020, the Company has cash reserves of $6.9 million. This cash balance is further supported by an unutilised facility of $2.5 million with the National Australia Bank Ltd, which is next due for renewal on 31 July 2021. These cash reserves and debt facility are available to support the Company to execute strategies and projects to extend production and manufacturing capabilities.

Earnings per share have increased by 1.7 cents during the year.

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020 and Australian Government restrictions commenced in that same month. The financial statements have been prepared based upon conditions existing at 30 June 2020, which included the impact of COVID on the business at that time. The pandemic has caused disruption to businesses and economic activity. The Company considers further Government restrictions such as the Victorian Government's August 2020 Stage 4 restrictions in Melbourne to be a non-adjusting post balance sheet event and accordingly the financial effects post year end of COVID-19 have not been reflected in the financial statements at 30 June 2020. The scale and duration of the COVID-19 pandemic and its associated business and economic disruptions remain uncertain as at the date of this report. However they may have an impact on the Company's 2021 financial year earnings, cash flow and financial condition. Options for COVID-19 related government support are being pursued where they are available for the business to access.

Towards the end of the financial year, IDT assisted the Federal Government in the initial phase of Australia's COVID-19 response. The pandemic created challenges and highlighted critical dependencies associated with Australia's pharmaceutical supply chain. IDT has made several submissions to the Australian Government in this regard and the Company will continue to engage with the Government and industry to promote increased levels of sovereign pharmaceutical manufacturing in Australia.

In August 2020 IDT made a formal submission to the Australian Government's COVID-19 Vaccine and Treatment Manufacture and Supply Chain Request for Information. The Company's submission details of the IDT's current facilities and capabilities as well as our future potential capacity in relation to the possible manufacture and supply of COVID-19 vaccines and treatments.

Looking to the year ahead, IDT's focus is on growing and expanding its base business to make further gains on strengthening the Company's financial position. IDT will continue to engage with the Government and industry to work to reduce pharmaceutical supply chain dependencies and to promote locally sourced medicines and sovereign manufacturing. For the year ahead, IDT intends to continue to utilise its experience and unique manufacturing assets to actively grow its presence in the medicinal cannabis market. Products are being developed to support more local and international product launches. Our goal is to establish the Company's Boronia manufacturing campus as a centre of excellence for GMP medicinal cannabis product manufacturing for a range of active pharmaceutical ingredients and finished dosage forms.