

APPENDIX 4D – Half year report

IDT Australia Limited
ASX Half Year report – 31 December 2021

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Results for announcement to the market

Periods

Report for the half year ended 31 December 2021
Previous corresponding period is the financial year ended 30 June 2021,
and the half year ended 31 December 2020

				\$'000
Cash and Cash Equivalents	Up	82%	to	13,314
Revenue from ordinary activities	Up	74%	to	8,559
Profit from ordinary activities after tax attributable to members	Up	8%	to	1,214
Profit for the period attributable to members	Up	8%	to	1,214

There are **no dividends** proposed or declared for the period.

Results Commentary

The financial information provided in the Appendix 4D should be read in conjunction with the half-year financial statements and Directors' report, prepared in accordance with Australian Accounting Standards.

Cash at 31 December 2021 was \$13.31 million (30 June 2021 \$6.93 million) and net cash inflow for the half year ended 31 December 2021 was \$6.39 million, compared to net cash inflow of \$0.46 million for the half year ended 31 December 2020. Cash inflows for the current period mainly consisted of receipts of \$13.64 million compared to \$6.83 million for the half year ended 31 December 2020.

Revenue for the half year ended 31 December 2021 was up by 74% to \$8.56 million, compared to \$4.91 million for the half year ended 31 December 2020. The Company's profit after tax for the half year ended 31 December 2021 was \$1.21 million, compared to \$1.12 million for the same half in 2020.

Major highlights during the half year include:

- **Sterile Manufacturing Licence Secured From The Therapeutic Goods Administration**

During the half year in review IDT successfully executed on a Letter Agreement with the Australian Government, Department of Health; to bring the Company's cGMP sterile manufacturing facility into a state of readiness. IDT engaged with the Therapeutic Goods Administration (TGA) to recommission and re-activate the Company's flagship sterile manufacturing facility. The culmination of these activities and the key deliverable under the Australian Government Letter Agreement, was the issue of a Sterile Manufacturing Licence (the Company's first ever sterile licence) by the TGA. IDT's sterile manufacturing facility is now being maintained in a state of sterile readiness.

- **IDT Manufactures Australia's First cGMP mRNA Drug Product**

IDT utilised its newly licenced sterile manufacturing facilities and capabilities to successfully manufacture Australia's first cGMP mRNA COVID-19 vaccine candidate, destined for clinical trials in 2022.

The Monash University / Doherty Institute developed mRNA COVID-19 receptor binding domain vaccine is Australia's first locally developed mRNA COVID-19 vaccine candidate. Thanks to experience gained from this project, IDT is currently the only manufacturing company in Australia with direct experience in developing downstream cGMP manufacturing processes to produce mRNA products.

- **IDT's Sovereign Manufacturing Initiatives**

Towards the end of the reporting period, IDT was disappointed to receive the news that its submission to the Australian Government's Approach-To-Market: Onshore mRNA Manufacturing Capability (ATM) had been unsuccessful. All applications to the Government's ATM were unsuccessful, with the Government electing to progress a deal with Moderna Inc. separate to the ATM process.

Despite the outcome of the ATM, IDT has ongoing support from industry and academia, including The Peter Doherty Institute for Infection and Immunity, Monash University, University of Melbourne and the Australian National University to build an mRNA manufacturing ecosystem in Australia. This support underpins IDT's submissions to the Australian Government's Modern Manufacturing Initiative Collaboration and Translation Stream grants (MMI). IDT's MMI (Collaboration and Translation Stream) funding opportunities remain live.

- **Medicinal Cannabis**

During the half year ended 31 December 2021, IDT continues to make good progress in advancing its Medicinal Cannabis Manufacturing Plan. Stability programs are ongoing for the Company's cGMP medicinal cannabis flower-in-bottle and oil-in-bottle products. Several of these products are now on market with more to follow. The Company's extraction and purification activities currently produce a range of cGMP medicinal cannabis resins and further refined APIs. IDT is also producing a range of cGMP finished dose form medicinal cannabis products which are suitable for both domestic and export markets.

IDT is advancing a pipeline of proprietary medicinal cannabis APIs and additional finished dosage form development opportunities. In addition, IDT continues to provide contract development and manufacturing services to our current and future medicinal cannabis customers.

Throughout the course of the reporting period the COVID-19 pandemic has continued to present challenges to day-to-day life as well as business and economic activity. The financial statements have been prepared based upon conditions existing at 31 December 2021, which included the impact of COVID on the business at that time. The Company considers the ongoing Government restrictions such as the restrictions on domestic and international travel and other State Government's border control and rolling lockdowns, as well as the present wave of COVID-19 Omicron variant cases Australia wide to be non-adjusting post balance sheet events. 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 2022 financial year earnings, cash flow and financial position.

Opportunities for IDT to provide further COVID-19 manufacturing services and mRNA product manufacturing services are being pursued. Further information has been provided in Future Developments below.

Future developments include the commencement of clinical trials associated with the Monash Institute of Pharmaceutical Sciences' (MIPS') / Doherty Institute developed Receptor Binding Domain mRNA COVID-19 vaccine, which was manufactured by IDT. IDT is also standing-by for any developments from the Australian Government in regards to the Company's submissions to the Modern Manufacturing Initiative Collaboration and Translation Stream grant funding rounds.

IDT continues to engage with the Government and industry to build awareness of Australia's lack of resilience in its pharmaceutical supply chain and to promote increased levels of sovereign vaccine and pharmaceutical manufacturing in Australia.

Other Appendix 4D Information

Net Tangible Assets per Security

	2021	2020
Net tangible asset per security as at 31 December	12.3¢	10.2¢

Controlled entities acquired or disposed of

None

Associates and Joint Venture Entities

None

Discontinuing Operations

None

Foreign Entity Accounting Standards

Not applicable

Audit

The financial report has been independently reviewed. The financial report is not subject to a qualified independent review statement, modified opinion, emphasis of matter or other matter paragraph. The independent audit review report is attached to the financial statements.