

25 February 2020

Company Announcements Office  
Australian Securities Exchange  
Rialto Tower,  
525 Collins Street,  
Melbourne, Vic, 3000

By Email


Dear Sir

**APPENDIX 4D HALF-YEAR ACCOUNTS**

Pursuant to the requirements of Listing Rules, please find attached Appendix 4D and Half-Year Accounts for immediate release to the market.

This announcement has been authorised for release by the Board.

Yours sincerely,



**Petrina Halsall**

Company Secretary

**IODM Limited**

For further information please contact

Tony Smith

Anthony.smith@iodm.com.au

**IODM Limited**

ABN: 28 102 747 133 ASX Code: IOD

Registered Address: Level 5, 22 Albert Road, South Melbourne, Vic, 3205

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# Appendix 4D

## 1. Company Details

Name of Entity

IODM Limited

ABN

Half year ended ("current period")

Half year ended ("previous period")

28 102 747 133

31 December 2019

31 December 2018

## 2. Results for announcement to the market

AUD \$'000			
2.1 Revenues from continuing operations	Up	29% to	240
2.2 Loss from continuing operations after tax attributable to members	Up	222% to	(1,216)
2.3 Net loss for the period attributable to members	Up	222% to	(1,216)
2.4 Dividends	Amount per security		Franked amount per security
Interim dividend declared	N/A		N/A
2.5 Record date for determining entitlements to the dividend		N/A	
2.6 Brief explanation of any of the figures in 2.1 to 2.4 above necessary to enable figures to be understood			

## 3. Net tangible assets per security

	31 December 2019	31 December 2018
Net tangible asset backing per ordinary security	-\$0.0006	\$0.0004

## 4. Details of entities over which control has been gained or lost

### 4.1. Control gained over entities

N/A

### 4.2. Control lost over entities

N/A

## 5. Dividends

### Individual dividends per security

	Date dividend is payable	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
<b>Interim dividend:</b>				
Current year	N/A	N/A	N/A	N/A
Previous year	N/A	N/A	N/A	N/A

## 6. Dividend reinvestment plans

The dividend or distribution plans shown below are in operation.

N/A	
The last date(s) for receipt of election notices for the dividend or distribution plans.	N/A

## 7. Details of associates and joint entities

N/A
-----

## 8. Foreign entities

N/A
-----

## 9. If the accounts are subject to audit dispute or qualification, details are described below.

N/A
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Sign here:

Date: 25 February 2020

CEO

Print Name: MARK REILLY



**IODM Limited**

ABN 28 102 747 133

**Half-year Financial Reports**

**31 December 2019**

# Corporate Directory

## Directors

Dr Paul Kasian (Non-Executive Chairman)

Mr. Anthony Smith (Non-Executive Director)

Mr. Brian Jamieson (Non-Executive Director)

Mr David Ireland (Non-Executive Director)

## Company Secretary

Ms. Petrina Halsall

## Registered Office and Principal Place of Business

Level 5

22 Albert Road

SOUTH MELBOURNE VIC 3205

Australia

Telephone: + 61 3 8396 5890

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[www.iodm.com.au](http://www.iodm.com.au)

## Share Registry

Boardroom Pty Limited

Level 12

225 George Street

SYDNEY NSW 2000

Australia

Telephone: 1300 737 760

Facsimile: + 61 2 9279 0664

## Auditors

Crowe Audit Australia

Level 17

181 William Street

MELBOURNE VIC 3000

## Stock Exchange Listing

Australian Securities Exchange

ASX Code: IOD

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## **IODM Limited**

### **Directors' report**

The Directors of IODM Limited ("IODM" or "the Group") submit the financial report of the Group for the half-year ended 31 December 2019. In order to comply with the provisions of the Corporations Act 2001, the Directors' report as follows:

#### **DIRECTORS**

The names of the Group's Directors in office during the half-year and until the date of this report are as follows. Directors were in office for this entire half-year unless otherwise stated.

Dr Paul Kasian	Non-Executive Chairman
Mr David Ireland	Non-Executive Director
Mr Anthony Smith	Non-Executive Director
Mr Brian Jamieson	Non-Executive Director appointed 28 August 2019

#### **RESULTS OF OPERATIONS**

The net loss of the Group for the half-year ended 31 December 2019 was \$1,215,551 (31 December 2018: loss of \$376,552).

#### **REVIEW OF OPERATIONS**

IODM is an Australian leading accounts receivable solution that goes beyond chasing debt. Powered by technology, IODM streamlines the Accounts Receivable ("AR") workflow to drive operational efficiencies and significantly improve cashflow. IODM offers a customisable application that seamlessly works with any accounting and Enterprise Resource Planning ("ERP") software package.

Through its interface with cloud, desktop and enterprise software, IODM has secured sales with mid-tier accounting firms and corporate and enterprise accounts with global brands.

During the period, the Group continued to grow its cash receipts versus the previous period. Likewise, IODM measured where the business stood at the end of the calendar year versus the previous year and has reported substantial growth in all key areas, in particular the number of invoices uploaded was 450,019 versus 340,833 in FY19.

The Group announced that Western Union, a global leader in cross-border, cross-currency money movement and payments, and IODM Limited entered into a reciprocal referral arrangement that will initially focus on the APAC and UK regions with the potential for further expansion into other global territories.

IODM's product works well with Western Union Business Solutions' platform to provide clients with an efficient way for processing payments. IODM anticipates that this will be a meaningful step in advancing its brand awareness program worldwide and that the arrangement will be mutually beneficial to both companies.

The Group has increased the Sales division in both consultancy arrangements and full time employed staff which has led to an increase in requests domestically for IODM to tender for a significant amount of Corporate and Enterprise size accounts, which are expected to start converting in the fourth quarter of this Financial Year (2020).

## **IODM Limited Directors' report**

### **CORPORATE**

The Company had one Board change during the period with the appointment of Mr Brian Jamieson as Non-Executive Director.

The company has raised the following funds in the six months ended 31 December 2019.

<b>Date</b>	<b>No of Shares</b>	<b>Placement</b>	<b>Price per Share</b>	<b>Total</b>
4 July 2019	12,252,605	Share Placement	0.0510	\$624,883

Options previously granted to corporate advisors have been exercised since 1 July 2019 and to date of this report:

<b>Date</b>	<b>No of Shares</b>	<b>Placement</b>	<b>Price per Share</b>	<b>Total</b>
5 Sept 2019	1,500,000	Exercise of Options	0.0175	\$26,250
10 Sept 2019	2,000,000	Exercise of Options	0.0175	\$35,000
1 Nov 2019	1,500,000	Exercise of Options	0.0100	\$15,000
1 Nov 2019	1,500,000	Exercise of Options	0.0120	\$18,000
1 Nov 2019	1,500,000	Exercise of Options	0.0160	\$24,000
4 Nov 2019	5,000,000	Exercise of Options	0.0175	\$87,500
15 Jan 2020	5,000,000	Exercise of Options	0.0175	\$87,500

On 28 June 2019, IODM introduced the Employee Share Option Plan as part of a remuneration package of the group's directors, senior management and sales personnel. 12,491,664 Employee Share Options were granted under this Plan during the period ended 31 December 2019.

### **SIGNIFICANT EVENTS AFTER THE REPORTING DATE**

On 12 February 2020 the Group completed a share placement of 8,218,188 shares to raise \$1,356,001 at 16.5 cents per share to assist the company in its capital management and to fund the expansion of sales and marketing.

### **AUDITOR'S INDEPENDENCE AND NON-AUDIT SERVICES**

Section 307C of the Corporations Act 2001 requires the Group's auditors to provide the Directors of IODM Limited with an Independence Declaration in relation to the review of the financial report. A copy of that declaration is included within this report.

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



**Dr Paul Kasian**

**Chairman**

**25 February 2020**





## Auditor's Independence Declaration Under S307C of the *Corporations Act 2001* to the Directors of IODM Limited

I declare that, to the best of my knowledge and belief, during the half year ended 31 December 2019 there have been:

- 1) No contraventions of the auditor independence requirements as set out in 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 IODM Limited and the entities it controlled during the period.

A handwritten signature in blue ink that reads "Crowe Audit Australia".

**CROWE AUDIT AUSTRALIA**

A handwritten signature in blue ink that reads "David Munday".

**DAVID MUNDAY**  
Partner

**Melbourne Victoria**  
**25 February 2020**

*Liability limited by a scheme approved under Professional Standards Legislation.*

*The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.*

*Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss Verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Audit Australia, an affiliate of Findex (Aust) Pty Ltd.*

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# Condensed consolidated statement of profit or loss and other comprehensive income

for the half-year ended 31 December 2019

	Notes	Half-year ended 31 Dec 2019 \$	Half-year ended 31 Dec 2018 \$
<b>Continued operations</b>			
Revenue	6	239,892	186,059
Interest received		206	425
Research and development tax offset income		200,276	326,792
<b>Total Revenue</b>		<b>440,374</b>	<b>513,276</b>
Administrative and Public Company expenses		(98,164)	(75,003)
Accounting and audit fees		(28,546)	(30,963)
Amortisation charge on intangibles		(2,082)	(2,082)
Professional fees		(15,671)	(6,121)
Consultants and Directors Fees		(387,770)	(111,884)
Employee costs		(514,929)	(494,984)
Superannuation		(47,765)	(47,857)
Depreciation of plant and equipment		(45,373)	(3,780)
Finance costs		(4,822)	(3,539)
Share Based Payment		(341,774)	-
Loss on forefited security deposit		(7,500)	-
Other Expenses		(161,529)	(113,615)
<b>Loss before income tax</b>		<b>(1,215,551)</b>	<b>(376,552)</b>
Income tax expense	7	-	-
<b>Loss after tax</b>		<b>(1,215,551)</b>	<b>(376,552)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<b>(1,215,551)</b>	<b>(376,552)</b>
Basic and diluted loss per share (cents per share)		(0.23)	(0.08)

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

**Condensed consolidated statement of financial position**  
*as at 31 December 2019*

	Notes	As at 31 Dec 2019 \$	As at 30 Jun 2019 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		63,537	132,474
Trade and other receivables	8	170,270	174,967
<b>TOTAL CURRENT ASSETS</b>		<b>233,807</b>	<b>307,441</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	135,545	6,907
Other receivables	8	-	7,500
Other intangible assets		10,737	12,819
<b>TOTAL NON-CURRENT ASSETS</b>		<b>146,282</b>	<b>27,226</b>
<b>TOTAL ASSETS</b>		<b>380,089</b>	<b>334,667</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	322,086	343,489
Provisions		34,379	32,019
Borrowings		127,212	17,613
<b>TOTAL CURRENT LIABILITIES</b>		<b>483,677</b>	<b>393,121</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings		56,685	15,300
Provisions		21,996	21,928
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>78,681</b>	<b>37,228</b>
<b>TOTAL LIABILITIES</b>		<b>562,358</b>	<b>430,349</b>
<b>NET LIABILITIES</b>		<b>(182,269)</b>	<b>(95,682)</b>
<b>EQUITY</b>			
Issued capital	12	7,769,566	6,982,376
Reserves		1,199,891	858,117
Accumulated losses		(9,151,726)	(7,936,175)
<b>TOTAL DEFICIENCY</b>		<b>(182,269)</b>	<b>(95,682)</b>

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

**Condensed consolidated statement of changes in equity**  
*for the half-year ended 31 December 2019*

	Issued Capital	Share Based Payment Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2019	<b>6,982,376</b>	<b>858,117</b>	<b>(7,936,175)</b>	<b>(95,682)</b>
Loss for the half-year	-	-	(1,215,551)	<b>(1,215,551)</b>
Other comprehensive income	-	-	-	-
Total comprehensive Income for the year	-	-	<b>(1,215,551)</b>	<b>(1,215,551)</b>
<i>Transactions with owners in their capacity as owners</i>				
Shares issued under Share Placement	624,883	-	-	624,883
Shares issued under exercise of options	205,750	-	-	205,750
Options issued to directors and employees	-	341,774	-	341,774
Transaction costs relating to issue of shares	(43,443)	-	-	(43,443)
<b>Balance as at 31 December 2019</b>	<b>7,769,566</b>	<b>1,199,891</b>	<b>(9,151,726)</b>	<b>(182,269)</b>
Balance at 1 July 2018	<b>6,008,312</b>	<b>719,687</b>	<b>(6,822,352)</b>	<b>(94,353)</b>
Loss for the half-year	-	-	(376,552)	<b>(376,552)</b>
Other comprehensive income	-	-	-	-
Total comprehensive Income for the year	-	-	<b>(376,552)</b>	<b>(376,552)</b>
<i>Transactions with owners in their capacity as owners</i>				
Shares issued under Standby Note Deed	160,000	-	-	160,000
Shares issued under Share Placement	595,490	-	-	595,490
Transaction costs relating to issue of shares	(71,318)	-	-	(71,318)
<b>Balance as at 31 December 2018</b>	<b>6,692,484</b>	<b>719,687</b>	<b>(7,198,904)</b>	<b>213,267</b>

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

**Condensed consolidated statement of cash flows**  
*for the half-year ended 31 December 2019*

	Notes	Half-year ended 31 Dec 2019 \$	Half-year ended 31 Dec 2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest received and other income		206	425
Receipts from customers		288,773	161,445
Research and development tax offset income		200,276	326,792
Interest paid and finance costs		(4,822)	(2,374)
Payments to suppliers and employees		(1,292,829)	(869,356)
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>		<b>(808,396)</b>	<b>(383,068)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		624,883	755,490
Proceeds from options conversion		205,750	-
Share issue costs		(43,443)	(64,716)
Lease repayments		(47,731)	(8,405)
<b>NET CASH INFLOW FROM FINANCING ACTIVITIES</b>		<b>739,459</b>	<b>682,369</b>
Net increase/(decrease) in cash and cash equivalents		(68,937)	299,301
Cash and cash equivalents at beginning of half year		132,474	146,930
<b>CASH AND CASH EQUIVALENTS AT END OF HALF YEAR</b>		<b>63,537</b>	<b>446,231</b>

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

**IODM Limited**  
**Notes to the condensed consolidated financial statements**  
**for the half-year ended 31<sup>st</sup> December 2019**

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**1. Corporate Information**

The financial report consisting of the audited consolidated financial statements of IODM Limited and its subsidiaries ("IODM" or "the Group") for the half-year ended 31 December 2019 was authorised for issue in accordance with a resolution of the directors on 25 February 2020. IODM is a for-profit entity.

IODM Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

**2. Basis of Preparation**

This financial report for the half-year ended 31 December 2019 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting." The Group is a for profit entity for financial reporting purposes under Australian Accounting Standards.

These half-year financial statements do not include all notes of the type normally included within the annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements.

It is recommended that the half-year financial statements be read in conjunction with the annual financial statements for the year ended 30 June 2019 and considered together with any public announcements made by IODM Limited during the half-year ended 31 December 2019 in accordance with the continuous disclosure obligations of the ASX listing rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies below.

**3. New Standards adopted as at 1 July 2019**

The Group has adopted the new accounting pronouncements which have become effective this year, and are as follows:

AASB 16 Leases

AASB 16 *Leases* replaces AASB 117 *Leases* and some lease related interpretations. The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting AASB 16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated.

The Group has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of AASB 16, being 1 July 2019. At this date, the Group has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition. Instead of

**IODM Limited**  
**Notes to the condensed consolidated financial statements**  
**for the half-year ended 31<sup>st</sup> December 2019**

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performing an impairment review on the right-of-use assets at the date of initial application, the Group has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of AASB 16.

For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under AASB 117 immediately before the date of initial application.

On transition to AASB 16 the incremental borrowing rate applied to lease liabilities recognised under AASB 16 was 3.5%.

The following is a reconciliation of total operating lease commitments at 30 June 2019 to the lease liabilities recognised at 1 July 2019:

	\$
Total operating lease commitment disclosed as at 30 June 2019	<b>170,465</b>
Other minor adjustments relating to commitment disclosure	6,838
Operating lease liabilities before discounting	<b>177,303</b>
Discounted using incremental borrowing rate	(3,744)
Operating lease liabilities	<b>173,559</b>
Finance lease obligations	28,108
Total lease liabilities recognised at 1 July 2019	<b>201,667</b>

#### **4. Significant accounting policies**

##### **4.1 Leases**

As described in Note 3, the Group has applied AASB 16 using the modified retrospective approach and therefore comparative information has not been restated. This means comparative information is reported under AASB 117.

##### **Accounting policy applicable from 1 July 2019**

For any new contracts entered into on or after 1 July 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key criteria:

- the contract contains an identified asset,
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, and
- the Group has the right to direct the use of the identified asset throughout the period of use.

##### *Measurement and recognition of leases as a lessee*

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of

the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments, variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

On the statement of financial position, right-of-use assets have been included in non-current assets and lease liabilities have been included in borrowings.

Accounting policy applicable before 30 June 2019

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.



#### **4.2 Share-based employee remuneration**

During the period the Group issued share options under its Employee Share Option Plan dated 28 June 2019 to directors, senior management and sales personnel. This Plan is in addition to the options issued to corporate advisors in previous periods.

The Group has determined that the Employee Share Option Plan is an equity-settled share-based plan. None of the Group's plans are cash-settled.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions.

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to share option reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period. The number of vested options ultimately exercised by holders does not impact the expense recorded in any period. Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital.

The dilutive effect, if any, of outstanding options is reflected in the computation of loss per share.

#### **5. Going Concern**

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Group incurred a net loss after tax for the six months ended 31 December 2019 of \$1,215,551 (2018 \$376,552) and incurred net cash outflows from operating activities of \$808,396 (2018 \$383,068). At 31 December 2019, the Group's current liabilities exceeded its total assets by \$103,588 (30 June 2019 -\$58,454) and its total liabilities exceeded its total assets by \$182,269 (30 June 2019 \$95,682) and had a net current liability position of \$249,870 (30 June 2019 - \$85,680).

These matters give rise to a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

**IODM Limited*****Notes to the condensed consolidated financial statements  
for the half-year ended 31<sup>st</sup> December 2019***

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The ability to continue as a going concern is dependent upon a number of factors, mainly being achieving forecast sales or raising additional funds. The Directors are confident that the Group will be able to continue as a going concern for the following reasons:

- On 12 February 2020 the Group completed a share placement of 8,218,188 shares to raise \$1,356,001 at 16.5 cents per share to assist the Group in its capital management and fund expansion of sales and marketing.
- As is prudent for a Group of this size and in the Group's current capital position, given that the company has been transforming from a software development company to a sales and marketing business, the Directors will continue to manage capital in the best interests of shareholders.
- In the event that the forecast growth in revenue is slower than anticipated, the Directors are confident they have the ability to raise additional funds through share issues and placements to sophisticated investors.
- Subsequent to the end of the reporting period, the Group has continued to sign-up additional customers, and has a significant pipeline of new opportunities.
- Based on the above the Group have prepared cash flow forecasts which demonstrate that the Group will generate sufficient cash flows to fund its activities for a period of not less than twelve months from the date of this report.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in ordinary course of business, and at amounts that differ from those stated in the Financial Statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or to the amounts and classification of liabilities that might be necessarily incurred should the consolidated entity not continue as a going concern.

**IODM Limited****Notes to the condensed consolidated financial statements  
for the half-year ended 31<sup>st</sup> December 2019**

<b>6. Revenue</b>	<b>Half-year ended 31 Dec 19 \$</b>	<b>Half-year ended 31 Dec 18 \$</b>
Setup and Customisation Fees	16,750	16,500
Subscription Fees	223,142	169,559
	<b>239,892</b>	<b>186,059</b>
<b>Timing of Transfer of Goods and Services</b>		
Point in time	16,750	16,500
Over time	223,142	169,559
	<b>239,892</b>	<b>186,059</b>
<b>Primary Geographic Market</b>		
Australia	224,966	182,658
New Zealand	14,926	3,401
	<b>239,892</b>	<b>186,059</b>

**7. Income Tax**

The Group has accumulated tax losses at 31 December 2019 amounting to \$4,467,478 that can be used to offset future taxable gains. The Group are investigating whether any of the accumulated tax losses pre 30 June 2016 of \$16,304,567 prior to the change in ownership are available to be used to offset future taxable gains. At 31 December 2019 no deferred tax asset has been recognised in respect of tax losses.

<b>8. Trade and other receivables</b>	<b>31 Dec 2019 \$</b>	<b>30 Jun 2019 \$</b>
<b>Current</b>		
Trade receivables	65,681	79,673
GST receivable	5,379	5,338
Prepayments	55,808	46,554
Other receivables	43,402	43,402
	<b>170,270</b>	<b>174,967</b>
<b>Non-Current</b>		
Tenement guarantees (i)	-	7,500
	<b>-</b>	<b>7,500</b>

- (i) Due to expiry of tenements, directors have assessed that guarantees are no longer recoverable as at reporting date.

**IODM Limited**  
**Notes to the condensed consolidated financial statements**  
**for the half-year ended 31<sup>st</sup> December 2019**

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9. Property, Plant and Equipment	Buildings	Office Equipment	IT Equipment	Total
	\$	\$	\$	\$
Gross carrying amount				
Balance at 1 July 2019	-	15,122	13,791	28,913
Adjustment on transition to IFRS 16	174,011	-	-	174,011
Additions	-	-	-	-
Disposals	-	-	-	-
<b>Balance at 31 December 2019</b>	<b>174,011</b>	<b>15,122</b>	<b>13,791</b>	<b>202,924</b>
Amortisation and impairment				
Balance at 1 July 2019	-	(8,580)	(13,426)	(22,006)
Depreciation	(43,503)	(1,505)	(365)	(45,373)
<b>Balance at 31 December 2019</b>	<b>(43,503)</b>	<b>(10,085)</b>	<b>(13,791)</b>	<b>(67,379)</b>
<b>Carrying amount 31 December 2019</b>	<b>130,508</b>	<b>5,037</b>	<b>-</b>	<b>135,545</b>
Gross carrying amount				
Balance at 1 July 2018	-	15,122	13,791	28,913
Additions	-	-	-	-
Disposals	-	-	-	-
<b>Balance at 30 June 2019</b>	<b>-</b>	<b>15,122</b>	<b>13,791</b>	<b>28,913</b>
Amortisation and impairment				
Balance at 1 July 2018	-	(5,569)	(8,875)	(14,444)
Depreciation	-	(3,011)	(4,551)	(7,562)
Balance at 30 June 2019	-	(8,580)	(13,426)	(22,006)
<b>Carrying amount 30 June 2019</b>	<b>-</b>	<b>6,542</b>	<b>365</b>	<b>6,907</b>

Included in the net carrying amount of property, plant and equipment are right-of use assets as follows:

	31 Dec 2019
	\$
Buildings	130,508
Office Equipment	5,037
IT Equipment	-
<b>Total right-of-use assets</b>	<b>130,508</b>

	31 Dec 2019
	\$
Buildings	43,503
Office Equipment	1,505
IT Equipment	365
	<b>45,373</b>

**IODM Limited**  
**Notes to the condensed consolidated financial statements**  
**for the half-year ended 31<sup>st</sup> December 2019**

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<b>10. Trade and other payables</b>	<b>31 Dec 2019 \$</b>	<b>30 Jun 2019 \$</b>
Trade creditors	193,023	167,456
Accruals	41,890	63,901
Employee benefits payable	52,216	88,075
Unearned revenue	34,957	24,057
	<b>322,086</b>	<b>343,489</b>

**11. Leasing**

Lease liabilities are presented in the statement of financial position within borrowings as follows:

	<b>31 Dec 2019 \$</b>	<b>30 Jun 2019 \$</b>
Lease liabilities (current)	97,703	12,808
Lease liabilities (non-current)	56,685	15,300
	<b>154,388</b>	<b>28,108</b>

The Group has leases for its office, parking spaces, and some office and computer equipment. The lease liabilities are secured on the assets to which they relate.

Future minimum lease payments at 31 December 2019 were as follows:

	<b>31 Dec 2019 \$</b>	<b>30 Jun 2019 \$</b>
Within one year	101,632	15,165
One to five years	58,519	18,235
Finance charges	(5,763)	(5,292)
	<b>154,388</b>	<b>28,108</b>

**IODM Limited**  
**Notes to the condensed consolidated financial statements**  
**for the half-year ended 31<sup>st</sup> December 2019**

**12. Issued capital**

	31 Dec 2019	30 Jun 2019
<b>(a) Issued and paid up capital</b>	<b>\$</b>	<b>\$</b>
Ordinary shares fully paid	7,769,566	6,982,376

	31 Dec 2019		30 Jun 2019	
	Number of	\$	Number of	\$
	shares		shares	
<b>(b) Movements in ordinary shares on issue</b>				
Opening Balance	514,280,481	6,982,376	440,409,935	6,008,312
Performance share converted to ordinary shares	-	-	24	-
Shares issued under exercise of options	13,000,000	205,750	450,000	18,000
Shares issued under Share Placement	12,252,605	624,883	60,600,009	1,063,888
Shares issued under Standby Note Deed	-	-	12,820,513	160,000
Transaction costs on share issues	-	(43,443)	-	(267,824)
	<b>539,533,086</b>	<b>7,769,566</b>	<b>514,280,481</b>	<b>6,982,376</b>

**13. Shared Based Employee Remuneration**

On 28 June 2019 IODM Limited introduced the Employee Share Option Plan. The Employee Share Option Plan is part of the remuneration package of the Group's directors, senior management and sales personnel. Options under this plan will vest if the participant remains employed for the agreed vesting period.

The fair value of options granted were determined using a variation of the binomial option pricing model that takes into account factors specific to the share incentive plans, such as vesting period. The following principal assumptions were used in the valuation:

Grant date	05-Jul-19	06-Sep-19	21-Nov-19
Vesting period ends*	Refer below	Refer below	Refer below
Share price at date of grant	\$0.062	\$0.089	\$0.175
Volatility	90%	90%	90%
Weighted average expected option life at grant	3.59 years	3.42 years	2.62 years
Dividend yield	0%	0%	0%
Weighted average risk-free investment rate	0.98%	0.83%	0.68%
Weighted average exercise price	\$0.066	\$0.102	\$0.070
Weighted average fair value per option at grant date	\$0.037	\$0.051	\$0.128

\*Granted options vest as follows

- One third on 30 June 2020
- One third on 30 June 2021
- One third on 30 June 2022

**IODM Limited**  
**Notes to the condensed consolidated financial statements**  
**for the half-year ended 31<sup>st</sup> December 2019**

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The underlying expected volatility was determined by reference to historical data of IODM's shares over a period of time along with consideration of similar entities following a comparable period of their lives. No special features inherent to the options grant were incorporated into measurement of fair value,

Share options and weighted average exercised prices are as follows for the reporting period presented:

	Number of Options
Outstanding at 1 July 2019	-
Granted	12,491,664
Forfeited	-
Exercised	-
<b>Outstanding at 31 December 2019</b>	<b>12,491,664</b>
Exercisable at 31 December 2019	-

Grant date	05-Jul-19	06-Sep-19	21-Nov-19
Weighted average exercise price per option	\$0.066	\$0.102	\$0.070
Exercisable from/to once vested	30 June 2020/ 30 June 2023	30 June 2020/ 30 June 2023	30 June 2020/ 30 June 2023
Weighted average remaining contractual life	3.5 years	3.5 years	3.5 years
Number of options	3,090,908	1,600,000	7,800,756

- In total \$341,774 (2018 \$0) of share-based payment expenses (all of which related to equity-settled share-based payment transactions) have been included in profit or loss and credited to share option reserve.

Key management personnel compensation for the period includes an amount of \$282,212 (2018 \$0) relating to share based payments.

### 13. Events after the reporting date

On 12 February 2020 the Group completed a share placement of 8,218,188 shares to raise \$1,356,001 at 16.5 cents per share to assist the company in its capital management and fund expansion of sales and marketing.

**IODM Limited**  
***Directors' Declaration***

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In accordance with a resolution of the Directors of IODM Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the financial position of the Group as at 31 December 2019 and of its performance, for the half-year then ended; and
  - (ii) complying with Australian Accounting Standards AASB 134: Interim Financial Reporting Corporate Regulations 2001, professional reporting requirements and other mandatory requirements; and
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s303(5)(a) of the Corporations Act 2001.

On behalf of the board



**Dr Paul Kasian**  
25 February 2020





# Independent Auditor's Review Report To the Members of IODM Limited

## Report on the half year financial report

We have reviewed the accompanying half-year financial report of IODM Limited ("Company") and its subsidiaries ("Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2019, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, 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 half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- I. giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- II. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

## Material uncertainty related to going concern

We draw attention to Note 5 in the financial report which indicates that the Group incurred a net loss after tax of \$1,215,551 and incurred net cash outflows from operating activities of \$808,396 during the half year ended 31 December 2019. As at that date, the Group's current liabilities exceeded its total assets by \$103,588, its total liabilities exceeded its total assets by \$182,269 and its current liabilities exceeded its current assets by \$249,870. As stated in Note 5, these events or conditions, along with other matters as set forth in Note 5, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## 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.

*Liability limited by a scheme approved under Professional Standards Legislation.*

*The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.*

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## 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 2019 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 IODM 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*.

*Crowe Audit Australia*

**CROWE AUDIT AUSTRALIA**

*David Munday*

**DAVID MUNDAY**  
Partner

**Melbourne, Victoria**  
**25 February 2020**