



**2023**

# Appendix 4D & Half-year Report

**31 December 2022**



# Appendix 4D

## Half year report Period ending on 31 December 2022

Name of entity

DTI Group Ltd

ABN or equivalent company  
reference

15 069 791 091

The information contained in this report relates to the following years:

Current half-year ended	31 December 2022
Previous half-year ended	31 December 2021

### Results for announcement to the market

					<b>\$000s</b>
<b>Revenue</b>	Decreased	33.9%	To		6,528
<b>Losses after tax attributable to members</b>	Increased	1032.1%	To		(924.4)
<b>Losses after tax attributable to owners of the parent</b>	Increased	1032.1%	To		(924.4)

<b>Dividend payments</b>	Amount per security	Franked amount per security
<u>Year ended 30 June 2022</u> Final dividend (cents per share)	-	-
<u>Half year ended 31 December 2022</u> Interim dividend (cents per share)	-	-
Record date for determining entitlement to dividend	n/a	
Date the interim 2022 dividend is payable	n/a	

<b>Net tangible assets</b>	Current HY \$	Previous HY \$
Net tangible assets per ordinary security	\$0.01	\$0.01

<b>Total interim dividend to be paid on all securities</b>	Current HY \$	Previous HY \$
Ordinary securities	nil	nil

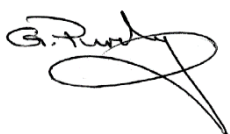
### **Audit/review status**

<b>This report is based on accounts to which one of the following applies:</b> (Tick one)			
The accounts have been audited	<input type="checkbox"/>	The accounts have been subject to review	<input checked="" type="checkbox"/>
The accounts are in the process of being audited or subject to review	<input type="checkbox"/>	The accounts have not yet been audited or reviewed	<input type="checkbox"/>

If the accounts contain an independent audit report or review that is subject to a modified opinion, emphasis of matter or other matter paragraph, a description of the modified opinion, emphasis of matter or other matter paragraph:

***The above information should be read in conjunction with the attached Half Year Report for the period ending 31 December 2022.***

This report is based on accounts that have been reviewed.



**Greg Purdy**  
Chairman

**Date: 28 February 2023**





2023  
Half-year Report



# 2023 Half-year Report

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# Directors' Report

In compliance with the provisions of the Corporations Act (2001), the Directors of DTI Group Ltd ("DTI" or "Company") present the financial report of the Company and its subsidiaries ("Group") for the half year ended 31 December 2022.

## Directors

One Director change occurred during the half-year - Mr Gillespie, an additional Non-executive Director, was appointed on 29 November 2022.

### Mr Greg Purdy

*Independent Non-Executive Chairperson*

*Qualifications & Experience:*

Greg Purdy was appointed to the Board on 16 October 2018 and the role of Non-Executive Chairman of DTI on 20 November 2018. Mr. Purdy is a member of the Australian Institute of Company Directors.

Mr. Purdy has extensive experience in technology and communications companies and the execution of major technology projects. Mr. Purdy is a former senior executive with NTT Data, Hewlett Packard, Telstra, and the Tenix Group.

*Other Directorships:*

Nil

### Mr Steve Gallagher

*Independent Non-Executive Director*

*Qualifications & Experience:*

Steve Gallagher was appointed to the Board on 16 October 2018 and is a member of the Australian Institute of Company Directors and holds a Bachelor of Engineering (Honours) from the University of Melbourne and Bachelor of Commerce from Monash University.

Mr. Gallagher has experience in industrial automation, building technology, power systems and payment solutions and has held senior executive positions with a range of engineering technology companies including Vix Technology, ERG Ltd and Siemens AG. More recently Mr. Gallagher has been a director of several listed and public companies including Hong Kong listed CCRTT, Optal Ltd, Vix Technology Ltd, KubaPay, Littlepay, Orbital UAV and Snapper Services.

*Other Directorships:*

Non-Executive Director with Optal Ltd. and Orbital Corporation Ltd.

### Mr Andrew Lewis

*Independent Non-Executive Director*

*Qualifications & Experience:*

Andrew Lewis was appointed to the Board on 16 October 2018. Mr. Lewis holds a Bachelor of Economics from Monash University and has experience in real estate, hospitality and project management and currently holds a senior management position with Morris Group, a privately held business operating across the tourism, hospitality, renewable energy, finance, technology, and aviation sectors.

*Other Directorships:*

Nil

**Mr Chris Afentoulis***Independent Non-Executive Director**Qualifications & Experience:*

Chris Afentoulis was appointed to the Board on 19 November 2019. Mr. Afentoulis is a qualified chartered accountant and a graduate of the Australian Institute of Company Directors. With more than 16 years' experience in professional services and senior executive positions including finance, management, and corporate strategy with a range of IT service and technology companies.

*Other Directorships:*

Nil

**Mr Paul Gillespie***Independent Non-Executive Director**Qualifications & Experience:*

Paul Gillespie has over 20 years of experience in the Smart Parking and Transportation marketplace where he has held several leadership positions. Mr. Gillespie is currently the Managing Director and CEO of ASX listed company, Smart Parking, (ASX: SPZ), a position he has held since January 2013. Before joining Smart Parking, Mr. Gillespie was a leading figure in the UK parking industry, having held senior positions at Xerox Parking Services where he was successful in leading two business units providing hardware and software solutions to a variety of public and private organisations.

*Other Directorships:*

Managing Director with Smart Parking Ltd.

**Company Secretary****Mr. Harry Miller**

Mr Miller's appointment was effective upon the resignation of Mr Ian Hobson on the 22<sup>nd</sup> of August 2022.

Mr Miller has over 7 years of audit, compliance, and company secretarial experience across several sectors. He presently acts as the Company Secretary for multiple ASX listed and private companies.

Mr Miller's qualifications include a Bachelor Commerce, Economics & Finance, University of Notre Dame Australia and Master of Professional Accounting, University of Notre Dame Australia.

**Principal activities**

The principal activities of the Group for the financial period were the development, manufacture and supply of integrated surveillance, passenger communication systems, and fleet management solutions for the global mass transit industry and other related markets.

There were no significant changes in the nature of the activities of the Group during the period.

**Operating and Financial Review**

DTI's customers are transit agencies, transit vehicle manufacturers and transit operators. The Company offers the following products and services:

- Advanced surveillance solutions:



- specialised hardware systems incorporating video, audio, GPS tracking, communications, and high-speed recording technology; and
  - sophisticated device and data management software to provide comprehensive, fleet-wide, CCTV and vehicle management solutions.
- Passenger communication solutions:
  - specialised hardware systems such as graphical and high brightness displays;
  - public address and hearing aid loop communications, passenger emergency communications;
  - driver awareness systems incorporating live viewing of passengers, supported by sophisticated device and content management software to provide a comprehensive, fleet-wide, passenger information management solution; and
  - real time passenger information presentations and infotainment systems on graphical displays
- Video analytics:
  - patented algorithms to capture the intersection point between the overhead power line and the pantograph arm; and
  - advanced machine learning algorithms.
- Managed services:
  - video management, vehicle data analysis and monitoring, schedule adherence analysis; and
  - IT infrastructure, help desk, technical support, monitoring, and first-line maintenance.

DTI markets and distributes its product range to customers worldwide, both directly and in conjunction with a network of integrators and business partners.

## Shareholder returns

The table below sets out summary information about the Group's earnings and movement in shareholder wealth for the half year ended 31 December 2022.

		31 December 2022	31 December 2021
Operating Revenue	\$	<b>6,528,114</b>	9,883,533
EBITDA / (negative EBITDA)	\$	(723,942)	68,125
EBIT / (negative EBIT)	\$	(919,350)	(43,015)
Net loss after tax	\$	(924,432)	(89,569)
Basic loss per share	cps	(0.21)	(0.02)

Net profit/(loss) amounts have been calculated in accordance with Australian Accounting Standards (AASBs).

During the half year ended 31 December 2022, DTI reported revenue of \$6.5 million (Dec 2021: \$9.9 million), a 33.9% per cent reduction attributed to the timing of major project deliveries, commencement of new projects and availability of products.

DTI recorded negative EBIT of \$0.919 million (Dec 2020: loss \$0.04 million). Gross margin was \$1.26M lower than the PCP through lower volume and gross margin percentage.



Operational expenses were 12.6% lower.

## Cash Flow

Two consecutive quarters of positive operating cash flow delivered a positive \$0.075 million cash flows (Dec 2021: negative \$0.24 million) for the half-year.

\$0.42 million was applied to investments in plant & equipment and other assets, and inflows of \$0.055 million from financing activities.

## Financial Position

As at the end of the half year, DTI maintained positive cash reserves of \$1.28 million and has no term debt.

Net assets were \$6.4 million including the \$1.28 million in cash.

Current assets and liabilities were \$9.8 million and \$5.4 million respectively.

## Review of principal business

Many business objectives were achieved during the half-year.

DTI launched its compact data recorder (CDR) range which is targeted at the bus market. The first 50 systems were installed - new digital systems and upgraded analogue systems.

All the long-term low-profitability contracts were completed. All future sales agreements consider the true cost of business and are priced to generate positive margins.

The strong focus on cost management continued. Operational costs were reduced by 12.6% against the PCP. Corporate costs increased by only 1% despite the high inflation environment.

Corporate branding was refreshed to better communicate the company's direction for a more streamlined product range of state-of-the-art hardware and software.

The Alstom Ubunye (South Africa) contract was completed with the sale of the last 40 trainsets of passenger information and destination displays. 3,640 displays were delivered over the project life.

Several U.K. rail operators commenced trials of DTI's patented automatic pantograph anomaly detection system. Orders are anticipated during H2 FY2023 or H1 FY2024.

350 digital recorders were sold to the European integrator for application on rail and buses within France.

The easing of COVID-related travel restrictions enabled physical reengagement with the U.S.A. customer base, leading to new orders.

15 surveillance systems were sold for deployment on San Francisco Municipal Transport Authorities' (SFMTA) fleet of trams and buses. It's expected that DTI surveillance systems will be fitted to 121 new SFMTA trams in the future.

145 new surveillance systems were sold throughout Australia. Non-maintenance Australian system sales amounted to \$1,241,685.

Long-term maintenance and support services continued to be provided to municipal transit authorities in Australia (Brisbane City Council, Public Transit Authority of Western Australia, Department of Planning,

Transport and Infrastructure of South Australia), the City of Cape Town in South Africa and multiple rail operators in the UK.

## Strategy and Outlook

DTI continues to execute its strategy of developing surveillance, communication and passenger information products and solutions for the mass transit industry with a focus on the rail, light rail, and bus verticals. DTI continues to refresh the hardware and software suite to meet and exceed the needs of the demanding targeted customers.

To accelerate penetration into North America, South Africa and India, agreements have been made with new partners. Multiple bids for tenders have been made by DTI and these partners, of which some may be awarded before the end of FY2023.

DTI has an identified opportunity pipeline of \$190 million which relates to work that is expected to be awarded over the next five years, including approximately \$50 million expected to be decided in the next six months. Government stimulus funding is being provided for mass transit and this has increased the quantity of tenders being released. Realisation of this opportunity pipeline is expected to provide a baseload revenue for the Company from which it can continue to grow its market share and develop new products and solutions for its customers

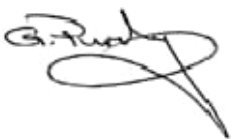
## Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

## Auditor's independence declaration

The auditor's independence declaration, as required under section 307C of the Corporations Act 2001, is included on page 20 of the half-year report.

This Directors' report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the *Corporations Act 2001*.



**Greg Purdy**  
Chairperson

28 February 2023  
Melbourne, Australia

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the half-year ended 31 December 2022

	Note	31 Dec 2022 \$	31 Dec 2021 \$
Sales revenue	2	6,528,114	9,883,533
Cost of goods sold		(4,759,970)	(6,655,476)
Onerous contract allowance		-	(194,553)
<b>Gross margin</b>		<b>1,768,144</b>	<b>3,033,504</b>
Operational overheads		(1,320,181)	(1,494,449)
Impairment Costs	3	(14,639)	-
Other income		78,519	4,090
Other expenses	3	-	(250,361)
Corporate overheads		(1,235,785)	(1,224,659)
Depreciation/amortisation		(195,408)	(111,140)
Net interest		(5,082)	(46,560)
<b>Net loss before tax</b>		<b>(924,432)</b>	<b>(89,575)</b>
Tax expense		-	-
<b>Net loss after tax</b>		<b>(924,432)</b>	<b>(89,575)</b>
<b>Other comprehensive income/(loss)</b>			
Items that may be reclassified to profit or loss:			
Exchange differences		(111,097)	(42,666)
<b>Total other comprehensive income/(loss)</b>		<b>(111,097)</b>	<b>(42,666)</b>
<b>Total comprehensive loss for the period</b>		<b>(1,035,529)</b>	<b>(132,241)</b>
<b>Total comprehensive loss is attributable to:</b>			
Owners of DTI Group Ltd		(1,035,529)	(132,241)
<b>Loss per share for loss attributable to the ordinary equity holders of the Company:</b>			
Basic loss per share (cents per share)		(0.21)	(0.02)
Diluted loss per share (cents per share)		(0.21)	(0.02)

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

# Consolidated Statement of Financial Position

as at 31 December 2022

	Note	31 Dec 2022 \$	30 June 2022 \$
<b>Current assets</b>			
Cash and cash equivalents		1,279,386	1,558,055
Trade and other receivables	4	3,257,893	4,261,185
Contract assets		179,314	1,022,440
Inventories		4,525,766	4,170,779
Other current assets		577,984	308,390
<b>Total current assets</b>		<b>9,820,343</b>	<b>11,320,849</b>
<b>Non-current assets</b>			
Other receivables	4	380,041	380,041
Property, plant and equipment		296,497	317,840
Intangible assets	5	1,353,656	1,015,039
Contract assets		-	202,117
Right of use asset		61,534	135,374
<b>Total non-current assets</b>		<b>2,091,728</b>	<b>2,050,411</b>
<b>Total assets</b>		<b>11,912,071</b>	<b>13,371,260</b>
<b>Current liabilities</b>			
Trade and other payables		3,687,049	3,455,079
Contract liabilities		461,865	1,067,635
Borrowings		143,111	41,012
Lease liability		194,170	244,909
Provisions		956,477	1,025,846
<b>Total current liabilities</b>		<b>5,442,672</b>	<b>5,834,481</b>
<b>Non-current liabilities</b>			
Provisions		61,312	93,163
<b>Total non-current liabilities</b>		<b>61,312</b>	<b>93,163</b>
<b>Total liabilities</b>		<b>5,503,984</b>	<b>5,927,644</b>
<b>Net assets</b>		<b>6,408,087</b>	<b>7,443,616</b>
<b>Equity</b>			
Contributed equity	6	35,908,371	35,908,371
Reserves		181,711	292,808
Accumulated losses		(29,681,995)	(28,757,563)
<b>Total equity</b>		<b>6,408,087</b>	<b>7,443,616</b>

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



# Consolidated Statement of Changes in Equity

for the half-year ended 31 December 2022

	Contributed Equity \$	Employee Share Plan Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total \$
<b>At 1 July 2022</b>	35,908,371	478,968	(186,160)	(28,757,563)	7,443,616
Loss for the period	-	-	-	(924,432)	(924,432)
Other comprehensive income	-	-	(111,097)	-	(111,097)
Total comprehensive income/(loss) for the period	-	-	(111,097)	(924,432)	(1,035,529)
<b>Transactions with owners in their capacity as owners</b>	-	-	-	-	-
Shares issued to employees	-	-	-	-	-
Issue of share capital Capital raising costs	-	-	-	-	-
<b>At 31 December 2022</b>	<b>35,908,371</b>	<b>478,968</b>	<b>(297,257)</b>	<b>(29,681,995)</b>	<b>6,408,087</b>
<b>At 1 July 2021</b>	33,885,113	478,968	(309,837)	(28,843,844)	5,210,400
Loss for the period	-	-	-	(89,575)	(89,575)
Other comprehensive loss	-	-	(42,666)	-	(42,666)
Total comprehensive loss for the period	-	-	(42,666)	(89,575)	(132,241)
<b>Transactions with owners in their capacity as owners</b>	-	-	-	-	-
Shares issued to employees	36,400	-	-	-	36,400
Issue of share capital	1,260,872	-	-	-	1,260,872
Shares issued to extinguish loan	748,992	-	-	-	748,992
<b>At 31 December 2021</b>	<b>35,931,377</b>	<b>478,968</b>	<b>(352,503)</b>	<b>(28,933,419)</b>	<b>7,124,423</b>

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

# Consolidated Statement of Cash Flows

for the half-year ended 31 December 2022

	31 Dec 2022 \$	31 Dec 2021 \$
<b>Cash flows used in operating activities</b>		
Receipts from customers	7,948,381	10,029,876
Payments to suppliers and employees	(7,865,167)	(10,253,056)
Interest received	8,611	155
Interest paid	(16,682)	(23,031)
<b>Net cash inflow/(outflow) used in operating activities</b>	<b>75,143</b>	<b>(246,056)</b>
<b>Cash flows used in investing activities</b>		
Payments for plant and equipment	–	(1,332)
Proceeds from sale of plant and equipment	8,142	4,090
Payments for intangible assets	(430,700)	(186,634)
<b>Net cash outflow used in investing activities</b>	<b>(422,558)</b>	<b>(183,876)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares	–	1,260,872
Repayment of principle portion of lease liabilities	(50,740)	(47,168)
Proceeds from borrowings	184,529	1,000,000
Repayment of borrowings	(78,991)	(307,291)
Cash deposit released/(utilised) for banking facility	–	(125,001)
<b>Net cash inflow from financing activities</b>	<b>54,798</b>	<b>1,781,412</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(292,617)</b>	<b>1,351,480</b>
Cash and cash equivalents at the beginning of the period	1,558,055	765,789
Effect of foreign exchange on opening balances	13,948	62,410
<b>Cash and cash equivalents at the end of the period</b>	<b>1,279,386</b>	<b>2,179,679</b>

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

# Notes to the Consolidated Financial Statements

## Note 1: Basis of preparation of half-year report

This consolidated interim financial report for the half-year reporting period ended 31 December 2022 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2022 together with public announcements and documents made by the Company during the interim reporting period in accordance with the continuous disclosure obligations of the Corporations Act 2001 and ASX Listing Rules.

DTI is a for-profit company, limited by shares, incorporated in Australia and its shares have been publicly traded on the Australian Securities Exchange since 9 December 2014.

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

## Note 2: Segment information

The CODM is the Chief Executive Officer (CEO) who monitors the operating results of the consolidated group and organises its business activities and product lines to serve the global mass transit industry. The performance of the consolidated group is evaluated based on Earnings before Interest, Taxes, Depreciation and Amortisation ("EBITDA") which is measured in accordance with the Group's accounting policies. The Group only has one reportable segment which is the transit industry.

The following is an analysis of the Group's revenue and results from continuing operations by the reportable segment.

Segment Revenues and Results	31 Dec 2022	31 Dec 2021
	\$	\$
Sales revenue	6,528,114	9,883,533
Cost of goods sold	(4,759,970)	(6,655,476)
Onerous contract allowance	-	(194,553)
<b>Gross Margin</b>	<b>1,768,144</b>	<b>3,033,504</b>
<b>Gross Margin %</b>	<b>27%</b>	<b>31%</b>
Other income	-	4,090
Other expenses	-	(80,634)
Impairment of inventory	(14,639)	-
Foreign exchange gain/(loss)	78,519	(169,727)
Operational overheads	(1,320,181)	(1,494,449)
Corporate overheads	(1,235,785)	(2,719,108)
<b>EBITDA</b>	<b>(723,942)</b>	<b>68,125</b>
Depreciation/amortisation	(195,408)	(111,140)
<b>EBIT</b>	<b>(919,350)</b>	<b>(43,015)</b>
Net Interest and finance loss	(5,082)	(46,560)
<b>Net loss before tax</b>	<b>(924,432)</b>	<b>(89,575)</b>
Tax benefit	-	-
<b>Net loss after tax</b>	<b>(924,432)</b>	<b>(89,575)</b>

## Note 2: Segment information (cont'd)

Segment Assets and Liabilities	31 Dec 2022 \$	30 June 2022 \$
<b>Total Assets &amp; Liabilities</b>		
Consolidated total assets	11,912,071	13,371,260
Consolidated total liabilities	5,503,984	5,927,644
<b>Geographical Assets</b>		
Australia	9,766,864	10,889,630
Others	2,145,207	2,481,630
	11,912,071	13,371,260
<b>Geographical Liabilities</b>		
Australia	4,197,841	5,067,887
Others	1,306,143	859,757
	5,503,984	5,927,644

**Major customers**

DTI supplies goods and services to a broad range of customers in the transit industry. During the reporting period, four (Dec 2021: three) major customers accounted for more than 58 per cent (Dec 2021: 66 per cent) of the Group's revenue.

## Note 3: Impairment costs and other expenses

	31 Dec 2022 \$	31 Dec 2021 \$
<b>Impairment Costs</b>		
Inventory	(14,639)	–
	(14,639)	–
<b>Other Expenses</b>		
Foreign exchange (gain)/ loss	(78,519)	169,727
Other	–	80,634
	(78,519)	250,361

## Note 4: Trade and other receivables

Trade receivables and other receivables are recorded at amounts due less any allowance for doubtful debts.

	31 Dec 2022 \$	30 Jun 2022 \$
<b>Current</b>		
Trade receivables (net of expected credit loss)	2,554,589	3,795,739
Other debtors	528,304	290,446
Other receivables – cash deposit held for a bank guarantee	125,000	125,000
Other receivables – cash deposit	50,000	50,000
	3,257,893	4,261,185



## Note 4: Trade and other receivables (cont'd)

	31 Dec 2022	30 Jun 2022
	\$	\$
<b>Non - Current</b>		
Other receivables – cash deposit	380,041	380,041

Other receivables – cash deposit includes cash backing deposits associated with the issue of bank guarantee to a major customer and the lessor. These deposits are therefore not available for general use by the Group.

**Impaired trade receivables**

At 31 December 2022, the assessment of expected credit loss associated with the Group's trade receivables is conducted on a forward looking basis with a current balance of \$78,053.

## Note 5: Intangible assets

	Development Costs	Patents	Total
	\$	\$	\$
<b>At 31 December 2022</b>			
Cost (gross carrying amount)	1,203,079	764,470	1,967,549
Accumulated amortisation	(123,872)	(490,021)	(613,893)
Net carrying amount	1,079,207	274,449	1,353,656
<b>Movements in carrying amounts</b>			
Balance at 1 July 2022	770,091	244,948	1,015,039
Additions	374,724	55,976	430,700
Amortisation expense (net)	(65,608)	(26,475)	(92,083)
Net carrying amount	1,079,207	274,449	1,353,656
<b>At 30 June 2022</b>			
Cost (gross carrying amount)	828,355	738,067	1,566,422
Accumulated amortisation	(58,264)	(493,119)	(551,383)
Net carrying amount	770,091	244,948	1,015,039
<b>Movements in carrying amounts</b>			
Balance at 1 July 2021	347,235	259,021	606,256
Additions	465,074	33,163	498,237
Amortisation expense	(42,218)	(47,236)	(89,454)
Net carrying amount	770,091	244,948	1,015,039

**(a) Development costs**

Development costs are carried at cost less accumulated amortisation and accumulated impairment losses. The net development costs has been subject to impairment testing. If an impairment indicator arises, the recoverable amount is estimated, and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

**(b) Patents**

Patents have been externally acquired and are carried at cost less accumulated impairment losses. This intangible asset has been assessed as having a useful life and is amortised using the straight-line method over a period of 10 years. The patents have been granted for between fifteen and twenty years by the relevant government agency. If an impairment indication arises, the recoverable amount is estimated, and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

## Note 6: Contributed equity

	31 Dec 2022 No.	31 Dec 2022 \$	30 Jun 2022 No.	30 Jun 2022 \$
<b>Ordinary shares</b>				
Balance at the beginning of financial period	446,997,439	35,908,371	333,422,585	33,885,113
Shares issues to extinguish loan	–	–	70,048,460	1,260,872
Issue of share capital	–	–	41,610,621	748,992
Shares issued in terms of employee share plan	–	–	1,915,773	67,053
Capital raising costs	–	–	–	(53,659)
Balance at the end of the financial period*	446,997,439	35,908,371	446,997,439	35,908,371

\*Balance excludes 1,553,975 Treasury Share held in trust for DESP.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

## Note 7: Going Concern

The half-year financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Directors believe the Group will continue as a going concern based on the following considerations:

- The business forecast shows positive cash flow for the next 12 months to 29 February 2024;
- The successful implementation of the turnaround plan including a continued focus on projects and contracts that generate positive returns;
- Continued improvement in project performance coupled with a strong working capital and net asset position;
- Continued reduction of cash burn; and
- Implementation of the new strategy to return DTI Group to profitability.

## Note 8: Contingent liabilities and commitments

The bank requires the Group to provide a cash deposit for an amount equal to the sum of its utilisation of the facility with no requirements to meet any banking covenants. As at 31 December 2022, the utilisation of the facility remains at \$510,041, with the equivalent restricted cash deposit in place. Refer to Note 4.

## Note 9: Subsequent events

No matters or circumstances have arisen that have significantly affected or may significantly affect the operations of DTI Group Ltd, the results of those operations or the state of affairs of DTI Group Ltd in subsequent years that is not otherwise disclosed in this report.

#### Note 10: Fair value measurement of financial instruments

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values.

The estimated fair value of financial instruments has been determined by the Company using available market information and appropriate valuation methods. The estimates presented are not necessarily indicative of the amounts that will ultimately be realised by the Company upon maturity or disposal. The use of different market assumptions and/or estimation methods may have a material effect on the estimated fair value amounts.

For cash and cash equivalents, current receivables, accounts payable, interest accrual and short-term debts, the carrying amounts approximate fair value, because of the short maturity of these instruments, and therefore fair value information is not included.

#### Note 11: Related-party transactions

With the exception of the below, there have been no changes to the related-party transactions disclosed as at 30 June 2022 during the current period.

Paul Gillespie was appointed as a Non-Executive Director of DTI Group Ltd on 29 November 2022. As comparable to the other Non-Executive Directors of the Company, Paul receives a Board fee of \$30,000 per annum (pro-rated from start date) inclusive of superannuation.

# Directors' Declaration

In the opinion of the directors of the Company:

- (a) The financial statements and notes as set out on pages 8 to 16 are in accordance with the Corporations Act 2001 and:
  - (i) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements.
  - (ii) give a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date.
- (b) In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of directors and is signed for and on behalf of the directors by:



**Greg Purdy**

Chairperson

28 February 2023  
Melbourne, Australia



## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of DTI Group Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of DTI Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, 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 accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2022 of its financial 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*.

#### 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 the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

#### Responsibility of the directors for the 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 responsibility for the review of the financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 Group's financial position as at 31 December 2022 and its financial 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.

**BDO Audit (WA) Pty Ltd**



**Phillip Murdoch**

**Director**

Perth 28 February 2023

## DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF DTI GROUP LIMITED

As lead auditor of DTI Group Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of 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 DTI Group Limited and the entities it controlled during the period.



**Phillip Murdoch**

**Director**

**BDO Audit (WA) Pty Ltd**

Perth

28 February 2023

# Corporate directory

<b>Directors</b>	Mr Greg Purdy Mr Steve Gallagher Mr Andrew Lewis Mr Chris Afentoulis Mr Paul Gillespie	Non-Executive Chairman Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director
<b>Company Secretary</b>	Mr Harry Miller	
<b>Registered and Principal Office</b>	31 Affleck Road Perth Airport WA 6105 Telephone: (08) 9479 1195 Facsimile: (08) 9479 1190 Website: <a href="http://www.dti.com.au">www.dti.com.au</a>	
<b>Auditor</b>	BDO Audit (WA) Pty Ltd Level 9 Mia Yellagonga Tower 2 5 Spring Street Perth WA 6000	
<b>Share Registrar</b>	Computershare Investor Services Pty Limited Yarra Falls 452 Johnston Street Abbotsford Vic 3067	
<b>Banker</b>	Commonwealth Bank of Australia 300 Murray Street Perth WA 6000	
<b>Stock Exchange Listing</b>	DTI Group Ltd shares are listed on the Australian Securities Exchange (ASX code: DTI)	