



**2024**

# Appendix 4D & Half-year Report

**31 December 2023**

# Appendix 4D

## Half year report Period ending on 31 December 2023

Name of entity

DTI Group Ltd
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ABN or equivalent company reference

15 069 791 091
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The information contained in this report relates to the following years:

Current half-year ended	31 December 2023
Previous half-year ended	31 December 2022

### Results for announcement to the market

					<b>\$000s</b>
<b>Revenue</b>	Decreased	36.3%	To		4,156
<b>Losses after tax attributable to members</b>	Increased	18.9%	To		(1,099.4)
<b>Losses after tax attributable to owners of the parent</b>	Increased	18.9%	To		(1,099.4)

<b>Dividend payments</b>	Amount per security	Franked amount per security
<u>Year ended 30 June 2023</u> Final dividend (cents per share)	-	-
<u>Half year ended 31 December 2023</u> Interim dividend (cents per share)	-	-
Record date for determining entitlement to dividend	n/a	
Date the interim 2023 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**

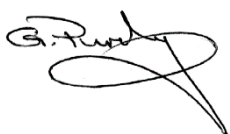
<b>This report is based on accounts to which one of the following applies:</b> (Tick one)			
The accounts have been audited	<input type="checkbox"/>	The accounts have been subject to review	<input checked="" type="checkbox"/>
The accounts are in the process of being audited or subject to review	<input 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:

Emphasis of matter relating to going concern

***The above information should be read in conjunction with the attached Half Year Report for the period ending 31 December 2023.***

This report is based on accounts that have been reviewed.



**Greg Purdy**  
Chairman

**Date: 29 February 2024**





**2024**  
**Half-year Report**



# 2024 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 2023.

## Board of Directors

### GREG PURDY

*Non-Executive Chairperson*



Mr. Purdy is an experienced corporate executive in the technology and communications sectors and has led major technology projects throughout his career. Mr. Purdy is a former senior executive with NTT Data, Hewlett Packard, Telstra, and the Tenix Group.

### STEVE GALLAGHER

*Non-Executive Director*



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 Steve 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.

### ANDREW LEWIS

*Non-Executive Director*



Mr. Lewis was appointed to the Board on 16 October 2018. Mr. Lewis holds a Bachelor of Economics from Monash University and has a background 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.

### CHRIS AFENTOULIS

*Non-Executive Director*



Mr. 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 multiple IT service and technology companies.

### PAUL GILLESPIE

*Non-Executive Director*



Mr. Gillespie joined the Board in November 2022 and 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, Smart Parking, (ASX:SPZ), a position he has held since January 2013. Before joining Smart Parking, Paul 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.



## Company Secretary

### Mr. Harry Miller

Mr Miller's appointment was effective 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, telematics 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 for driver monitoring and object detection.
- Telematics solutions:
  - integration to vehicle systems to provide real time information;
  - Liveview surveillance cameras;
  - Customised operational reporting.

- 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 2023.

		31 December 2023	31 December 2022
Operating Revenue	\$	4,155,640	6,528,114
EBITDA / (negative EBITDA)	\$	(853,080)	(723,942)
EBIT / (negative EBIT)	\$	(1,059,340)	(919,350)
Net loss after tax	\$	(1,099,417)	(924,432)
Basic loss per share	cps	(0.25)	(0.21)

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

During the half year ended 31 December 2023, DTI reported revenue of \$4.15 million (Dec 2022: \$6.52 million), a 36.3% per cent reduction attributed to the timing of major project deliveries, commencement of new projects and availability of products.

DTI recorded negative EBIT of \$1.059 million (Dec 2022: negative \$0.919 million). Gross margin was \$0.083M lower than the PCP through the lower volume which was partially offset by a 13.46% improvement (2023: 40.54%, 2022: 27.08%) in the gross margin percentage.

Operational & Corporate expenses were 17K (0.69%) lower than the comparison period.

## Cash Flow

Positive operating cash flow of \$0.207 million (Dec 2022: positive \$0.075 million) for the half-year.

\$0.495 million was applied to investments in plant & equipment and other assets. Financing inflows amounted to \$0.074 million.

## Financial Position

As at the conclusion of the half year, DTI maintained positive cash reserves of \$0.877 million and has no term debt. Net assets were \$5.30 million including the \$0.877 million in cash. Current assets and liabilities were \$9.4 million and \$7.1 million respectively.



## Review of principal business

Many business objectives were achieved during the half-year.

DTI's Q1 FY24 marked the first commercial deliveries of the Company's new generation proprietary mobile data server (MDR) system. This new product, the MDR-7, is a versatile workhorse which can capture and process vehicle telematics, video surveillance, and passenger information and scales from the installation on single road-based vehicles through to multi-carriage trains. It was engineered in-house by DTI to achieve high levels of performance in demanding environmental conditions and applications.



DTI has added a number of complementary safety products into our portfolio, such as;

- driver monitoring which detects driver distraction, mobile phone use, drowsiness and yawning;
- e-mirrors providing consistent visibility for drivers in all conditions;
- Safe Turn Alert which provides pedestrians with a visual and audible alert when a vehicle is turning at low speed.

The strong focus on cost management continued. Operational costs were comparable to the PCP and Corporate costs decreased by 1%, despite the high inflation environment.

Trials of DTI's patented automatic pantograph anomaly detection system are underway with London North Eastern Railway, Avanti West Coast, West Midlands Metro, Deutsche Bahn and CAF France. Feedback has been positive and it is expected first orders will be received in H2 FY24.

DTI successfully entered the truck vertical in H1 FY24, with the period seeing the first commercial sale and installation of the Company's new Senti-ai truck-based waste recovery telematics and CCTV system. This innovative solution delivers customer operational benefits including productivity and safety through the provision of high-quality digital camera footage and a host of critical telematics, including vehicle position and driving history, vehicle status, and other customer specific requirements. Clients acquiring the Senti-ai on-vehicle systems also have access to DTI's cloud-based back office application that delivers enhanced overall fleet management and analysis.

196 new surveillance systems utilising over 2,000 cameras were sold in the half to both Australian and International customers.

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, truck, and bus

verticals. DTI continues to refresh the hardware and software suite to meet and exceed the evolving needs of our current and future customers.

To increase our penetration of the Australian bus market DTI is implementing a B2B telemarketing service focussed on school bus operators, tourist coaches and regional operators. DTI has also developed a marketing plan for the truck vertical on the back of our first successful deployment of Senti.ai.

DTI's complementary safety products will also allow us to provide additional products and services to our existing customer base.

DTI has an identified opportunity pipeline of \$195 million which relates to work that is expected to be awarded over the next five years, including approximately \$45 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.

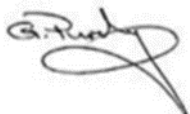
## Significant Changes in State of Affairs

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

29 February 2024  
Melbourne, Australia

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the half-year ended 31 December 2023

	Note	31 Dec 2023 \$	31 Dec 2022 \$
Sales revenue	2	4,155,640	6,528,114
Cost of goods sold		(2,470,680)	(4,759,970)
Onerous contract allowance		–	–
<b>Gross margin</b>		<b>1,684,960</b>	<b>1,768,144</b>
Operational overheads		(1,315,065)	(1,320,181)
Impairment reversal / (expense)	3	20,584	(14,639)
Other income		1,858	78,519
Other expenses	3	(22,099)	–
Corporate overheads		(1,223,318)	(1,235,785)
Depreciation/amortisation		(206,260)	(195,408)
Net interest		(37,611)	(5,082)
<b>Net loss before tax</b>		<b>(1,096,951)</b>	<b>(924,432)</b>
Tax expense		(2,466)	–
<b>Net loss after tax</b>		<b>(1,099,417)</b>	<b>(924,432)</b>
<b>Other comprehensive income/(loss)</b>			
Items that may be reclassified to profit or loss:			
Exchange differences		12,547	(111,097)
<b>Total other comprehensive income/(loss)</b>		<b>12,547</b>	<b>(111,097)</b>
<b>Total comprehensive loss for the period</b>		<b>(1,086,870)</b>	<b>(1,035,529)</b>
<b>Total comprehensive loss is attributable to:</b>			
Owners of DTI Group Ltd		(1,086,870)	(1,035,529)
<b>Loss per share for loss attributable to the ordinary equity holders of the Company:</b>			
Basic loss per share (cents per share)		(0.25)	(0.21)
Diluted loss per share (cents per share)		(0.25)	(0.21)

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 2023

	Note	31 Dec 2023 \$	30 June 2023 \$
<b>Current assets</b>			
Cash and cash equivalents		877,443	1,113,237
Trade and other receivables	4	3,072,419	3,913,008
Contract assets		120,740	80,279
Inventories		5,059,748	4,511,781
Other current assets	5	297,360	289,599
<b>Total current assets</b>		<b>9,427,710</b>	<b>9,907,904</b>
<b>Non-current assets</b>			
Other assets	5	505,041	505,041
Property, plant and equipment		257,479	269,768
Intangible assets	6	2,291,948	1,933,181
Contract assets		–	222,910
Right of use asset		276,866	334,148
<b>Total non-current assets</b>		<b>3,331,334</b>	<b>3,265,048</b>
<b>Total assets</b>		<b>12,759,044</b>	<b>13,172,952</b>
<b>Current liabilities</b>			
Trade and other payables		5,773,055	4,919,688
Contract liabilities		307,197	449,933
Borrowings		150,419	35,778
Lease liability		96,948	89,925
Provisions		755,812	875,240
<b>Total current liabilities</b>		<b>7,083,431</b>	<b>6,370,564</b>
<b>Non-current liabilities</b>			
Provisions		215,673	204,874
Lease liability		163,115	213,819
<b>Total non-current liabilities</b>		<b>378,788</b>	<b>418,693</b>
<b>Total liabilities</b>		<b>7,462,219</b>	<b>6,789,257</b>
<b>Net assets</b>		<b>5,296,825</b>	<b>6,383,695</b>
<b>Equity</b>			
Contributed equity	7	35,908,371	35,908,371
Reserves		185,417	172,870
Accumulated losses		(30,796,963)	(29,697,546)
<b>Total equity</b>		<b>5,296,825</b>	<b>6,383,695</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 2023

	Contributed Equity \$	Employee Share Plan Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total \$
<b>At 1 July 2023</b>	35,908,371	478,968	(306,098)	(29,697,546)	6,383,695
Loss for the period	-	-	-	(1,099,417)	(1,099,417)
Other comprehensive income	-	-	12,547	-	12,547
Total comprehensive income/(loss) for the period	-	-	12,547	(1,099,417)	(1,086,870)
<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 2023</b>	35,908,371	478,968	(293,551)	(30,796,963)	5,296,825
<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 loss	-	-	(111,097)	-	(111,097)
Total comprehensive 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	-	-	-	-	-
Shares issued to extinguish loan	-	-	-	-	-
<b>At 31 December 2022</b>	35,908,371	478,968	(297,257)	(29,681,995)	6,408,087

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 2023

	31 Dec 2023	31 Dec 2022
	\$	\$
<b>Cash flows used in operating activities</b>		
Receipts from customers	5,190,273	7,948,381
Payments to suppliers and employees	(4,980,160)	(7,865,167)
Interest received	22,286	8,611
Interest paid	(22,672)	(16,682)
Tax Paid	(2,466)	-
<b>Net cash inflow/(outflow) used in operating activities</b>	<b>207,261</b>	<b>75,143</b>
<b>Cash flows used in investing activities</b>		
Payments for plant and equipment	(12,771)	-
Proceeds from sale of plant and equipment	-	8,142
Payments for intangible assets	(482,686)	(430,700)
<b>Net cash outflow used in investing activities</b>	<b>(495,457)</b>	<b>(422,558)</b>
<b>Cash flows from financing activities</b>		
Repayment of principle portion of lease liabilities	(43,681)	(50,740)
Proceeds from borrowings	172,718	184,529
Repayment of borrowings	(54,160)	(78,991)
<b>Net cash inflow from financing activities</b>	<b>74,877</b>	<b>54,798</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(213,319)</b>	<b>(292,617)</b>
Cash and cash equivalents at the beginning of the period	1,113,237	1,558,055
Effect of foreign exchange on opening balances	(22,475)	13,948
<b>Cash and cash equivalents at the end of the period</b>	<b>877,443</b>	<b>1,279,386</b>

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

# Notes to the Condensed Consolidated Financial Statements

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

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2023 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This condensed 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 2023 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 2023		31 Dec 2022	
	\$		\$	
Sales revenue	4,155,640		6,528,114	
Cost of goods sold	(2,470,680)		(4,759,970)	
<b>Gross Margin</b>	1,684,960		1,768,144	
<b>Gross Margin %</b>	41%		27%	
Other income	1,858		-	
Impairment of inventory	(13,916)		(14,639)	
Impairment reversal of Trade Receivables	34,500		-	
Foreign exchange gain/(loss)	(22,099)		78,519	
Operational overheads	(1,315,065)	(1,320,181)		
Corporate overheads	(1,223,318)	(2,538,383)	(1,235,785)	(2,555,966)
<b>EBITDA</b>	(853,080)		(723,942)	
Depreciation/amortisation	(206,260)		(195,408)	
<b>EBIT</b>	(1,059,340)		(919,350)	
Net Interest and finance loss	(37,611)		(5,082)	
<b>Net loss before tax</b>	(1,096,951)		(924,432)	
Tax benefit	(2,466)		-	
<b>Net loss after tax</b>	(1,099,417)		(924,432)	

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

Segment Assets and Liabilities	31 Dec 2023 \$	30 June 2023 \$
<b>Total Assets &amp; Liabilities</b>		
Consolidated total assets	12,759,044	13,172,952
Consolidated total liabilities	7,462,219	6,789,257
<b>Geographical Assets</b>		
Australia	11,777,763	11,764,766
Others	981,281	1,408,186
	12,759,044	13,172,952
<b>Geographical Liabilities</b>		
Australia	6,411,648	5,657,194
Others	1,050,571	1,132,063
	7,462,219	6,789,257

**Major customers**

DTI supplies goods and services to a broad range of customers in the transit industry. During the reporting period, four (Dec 2022: four) major customers accounted for more than 57 per cent (Dec 2022: 58 per cent) of the Group's revenue.

## Note 3: Impairment costs and other expenses

	31 Dec 2023 \$	31 Dec 2022 \$
<b>Impairment reversal / (expense)</b>		
Inventory	(13,916)	(14,639)
Trade Receivables	34,500	–
	20,584	(14,639)
<b>Other Expenses</b>		
Foreign exchange (loss) / gain	(22,099)	78,519
	(22,099)	78,519

## Note 4: Trade and other receivables

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

	31 Dec 2023 \$	30 Jun 2023 \$
<b>Current</b>		
Trade receivables (net of expected credit loss)	2,763,253	3,813,473
Other debtors	309,166	99,535
	3,072,419	3,913,008



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

**Impaired trade receivables**

At 31 December 2023, 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 \$58,691.

## Note 5: Other assets

	31 Dec 2023 \$	30 Jun 2023 \$
<b>Other Assets – Current</b>		
Cash deposit	50,000	50,000
Prepayments	247,360	239,599
	<u>297,360</u>	<u>289,599</u>
<b>Other Assets – Non-Current</b>		
Cash deposit held for bank guarantee	505,041	505,041

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

## Note 6: Intangible assets

	Development Costs \$	Patents \$	Total \$
<b>At 31 December 2023</b>			
Cost (gross carrying amount)	2,301,679	822,852	3,124,531
Accumulated amortisation	(290,082)	(542,501)	(832,583)
Net carrying amount	<u>2,011,597</u>	<u>280,351</u>	<u>2,291,948</u>
<b>Movements in carrying amounts</b>			
Balance at 1 July 2023	1,661,636	271,545	1,933,181
Additions	446,537	36,149	482,686
Amortisation expense (net)	(96,576)	(27,343)	(123,919)
Net carrying amount	<u>2,011,597</u>	<u>280,351</u>	<u>2,291,948</u>
<b>At 30 June 2023</b>			
Cost (gross carrying amount)	1,855,142	816,276	2,671,418
Accumulated amortisation	(193,506)	(544,731)	(738,237)
Net carrying amount	<u>1,661,636</u>	<u>271,545</u>	<u>1,933,181</u>
<b>Movements in carrying amounts</b>			
Balance at 1 July 2022	770,091	244,948	1,015,039
Additions	1,026,787	78,209	1,104,996
Amortisation expense	(135,242)	(51,612)	(186,854)
Net carrying amount	<u>1,661,636</u>	<u>271,545</u>	<u>1,933,181</u>

## Note 6: Intangible assets (cont'd)

**(a) Development costs**

Development costs are carried at cost less accumulated amortisation and accumulated impairment losses. The net development costs have 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 7: Contributed equity

	31 Dec 2023 No.	31 Dec 2023 \$	30 Jun 2023 No.	30 Jun 2023 \$
<b>Ordinary shares</b>				
Balance at the beginning of financial period	446,997,439	35,908,371	446,997,439	35,908,371
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 8: 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 Group has incurred net losses before tax of \$1,096,951 (31 December 2022: \$924,432) for the half year ended 31 December 2023. As of 31 December 2023, the group had cash and cash equivalents of \$877,443 (30 June 2023: \$1,113,237).

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;
- 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.

The ability of the Group to continue as a going concern may be dependent upon continued financial support from its Directors, related parties and creditors, and on securing additional funding through capital raising or debt funding to continue to meet its working capital requirements in the next 12 months. These conditions indicate a material uncertainty that may cast significant doubt that the Group will continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

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 the normal course of business and at amounts different from those stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Group be unable to continued as a going concern.

## Note 9: 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 2023, the utilisation of the facility remains at \$555,041, with the equivalent restricted cash deposit in place. Refer to Note 5.

## Note 10: 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 11: 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.

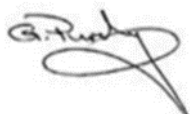
For cash and cash equivalents, current receivables, accounts payable, interest accrual and short-term debts, the carrying amounts approximate fair value, because of the short maturity of these instruments, and therefore fair value information is not included.

# 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 2023 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

29 February 2024  
Melbourne, Australia



HALL CHADWICK INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF DTI GROUP LIMITED

## Conclusion

We have reviewed the accompanying half-year financial report of DTI Group Limited ("the Company") and Controlled Entities ("the Group") which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

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

- a. Giving a true and fair view of the DTI Group Limited financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *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* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

## Material Uncertainty Related to Going Concern

We draw attention to Note 8 in the financial report, which indicates that the Group incurred a net loss of \$1,096,951 during the half year ended 31 December 2023. As stated in Note 8 these events or conditions, along with other matters as set forth in Note 8, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

## HALL CHADWICK

### Responsibility of the Directors for the Financial Report

The directors of the DTI Group Limited 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 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 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



HALL CHADWICK WA AUDIT PTY LTD



MICHAEL HILLGROVE CA  
Director

Dated this 29<sup>th</sup> day of February 2024  
Perth, Western Australia

## HALL CHADWICK

To the Board of Directors,

### AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit Director for the review of the financial statements of DTI Group Limited for the period ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully



HALL CHADWICK WA AUDIT PTY LTD



MICHAEL HILLGROVE CA  
Director

Dated this 29<sup>th</sup> day of February 2024  
Perth, Western Australia

# 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>	Hall Chadwick WA Audit Pty Ltd 283 Rokeby Road Subiaco WA 6008	
<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)	