

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 2022

31 December 2021

2. Results for announcement to the market

| AUD \$'000 | | | |
|--|---------------------|-----------------------------|--------------|
| 2.1 Revenues from continuing operations | | Up | 9% to 921 |
| 2.2 Loss from continuing operations after tax attributable to members | | Up | 18% to (970) |
| 2.3 Net loss for the period attributable to members | | Up | 18% to (970) |
| 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 | | | |
| Refer to attached accounts. | | | |

3. Net tangible assets per security

| | 31 December 2022 | 31 December 2021 |
|--|------------------|------------------|
| Net tangible asset backing per ordinary security | \$0.0001 | \$0.0002 |

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 |
|--------------------------|--------------------------|---------------------|--|--|
| Interim dividend: | | | | |
| 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

| |
|---|
| IODM Singapore Pte Ltd, IODM (Hong Kong) Limited, IODM (USA) Limited, IODM (UK) Limited |
|---|

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

| |
|-----|
| N/A |
|-----|

Sign here:



Date: 23 February 2023

CEO

Print Name:

MARK REILLY



IODM Limited

ABN 28 102 747 133

Condensed consolidated half-year Financial
Reports

31 December 2022

Corporate Directory

Directors

Dr Paul Kasian (Non-Executive Chair)

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 23

385 Bourke Street

MELBOURNE VIC 3000

Australia

Telephone: + 61 3 8396 5890

Facsimile: + 61 8 9227 6390

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Share Registry

Boardroom Pty Limited

Level 8

210 George Street

SYDNEY NSW 2000

Australia

Telephone: 1300 737 760

Facsimile: + 61 2 9279 0664

Auditors

Crowe Audit Australia

Level 42

600 Bourke 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 2022. 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 Chair |
| Mr David Ireland | Non-Executive Director |
| Mr Anthony Smith | Non-Executive Director |
| Mr Brian Jamieson | Non-Executive Director |

RESULTS OF OPERATIONS

The net loss after tax of the Group for the half-year ended 31 December 2022 was \$970,260 (31 December 2021: loss of \$818,650).

REVIEW OF OPERATIONS

IODM is an Australian and global leader in providing best practice technology to businesses around the world. It uses digital technology to automate and streamline the accounts receivable process, data analytics and communications. The software is simple and quick to implement, easy to use and delivers immediate tangible efficiencies for businesses.

The Group's global reputation as a leading accounts receivable management solution has continued to grow over the last twelve months as the company increases its engagement with businesses in the UK, UAE and North America.

During the period, the Group received its first meaningful revenue share from the Convera partnership for the UK education sector following commencement of the new academic year in the UK. The company uploaded the invoice details of 47,500 students into the system. It is expected that a further 15,940 student's invoice details will be loaded into the system for the next university billing cycle due in February/March 2023, with a further 52,600 expected to be uploaded by 30 June 2023. The company will continue to earn revenue on a transaction-based model as payments are made by international students through the Convera payments platform. It is expected that the revenue from the university sector will begin to accelerate in the second half of the year as more universities upload their student invoice details to the system.

IODM's successful roll out of its platform to UK universities is about to commence in North America and accordingly the Group has decided to invest in support and onboarding in that region.

To accelerate the roll out the Group completed a share placement on 6 February 2023, where it raised \$2,250,000. The funds raised will be used to increase the onboarding capabilities in each region to ensure that new clients come to market quicker while further increasing the sales and technical teams to allow the Group to continue to deliver a global cutting-edge solution to its clients.

CORPORATE

The Company had no Board changes during the period ended 31 December 2022.

IODM Limited Directors' report

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.

Options previously granted under the Employee Share Plan exercised since 1 July 2022 and to the date of this report:

| Date | No of Shares | Placement | Price per Share | Total |
|-------------------|------------------|---------------------|-----------------|------------------|
| 6 September 2022 | 100,000 | Exercise of Options | 0.102 | \$10,200 |
| 14 September 2022 | 266,666 | Exercise of Options | 0.102 | \$27,200 |
| 14 September 2022 | 101,010 | Exercise of Options | 0.066 | \$6,667 |
| 19 October 2022 | 375,000 | Exercise of Options | 0.096 | \$36,000 |
| 28 October 2022 | 166,668 | Exercise of Options | 0.102 | \$17,000 |
| 21 December 2022 | 303,031 | Exercise of Options | 0.066 | \$20,000 |
| | 1,312,375 | | | \$117,067 |

EVENTS AFTER THE REPORTING DATE

On 6 February 2023 the Group completed a share placement of 6,250,000 shares to raise \$2,250,000 at 36 cents per share to increase the onboarding capabilities overseas to ensure that new clients come to market quicker while further increasing the sales and technical teams to allow the Group to continue to deliver a global cutting-edge solution to its clients.

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

Chair

23 February 2023

Auditor's Independence Declaration
Under Section 307C of The *Corporations Act 2001*
To The Directors of IODM Limited and its Controlled Entities

As lead auditor for the review of the half year financial report of IODM Limited for the half year ended 31 December 2022, I declare that to the best of my knowledge and belief, that there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) 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.

Yours sincerely,



Crowe Audit Australia



Antony Barnett
Partner

23 February 2023
Melbourne

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 external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately-owned organisation and/or its subsidiaries.

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Condensed consolidated statement of profit or loss and other comprehensive income

for the half-year ended 31 December 2022

| | Notes | Half-year ended 31 Dec 2022 \$ | Half-year ended 31 Dec 2021 \$ |
|---|-------|---|---|
| Continued operations | | | |
| Revenue | 7 | 496,325 | 409,797 |
| Interest received | | 6 | 5 |
| Export market development grant | | 24,600 | 30,001 |
| Research and development tax offset income | | 400,046 | 406,312 |
| Total Revenue | | 920,977 | 846,115 |
| Administrative and Public Company expenses | | (188,516) | (150,324) |
| Accounting and audit fees | | (46,762) | (48,561) |
| Professional fees | | - | (5,774) |
| Consultants and Directors Fees | | (379,336) | (409,540) |
| Employee costs | | (840,042) | (635,491) |
| Superannuation | | (66,771) | (65,211) |
| Depreciation of plant and equipment | | (76,620) | (76,620) |
| Finance costs | | (10,642) | (10,334) |
| Share based payment expense | | (69,927) | (158,394) |
| Other expenses | | (212,621) | (104,516) |
| Loss before income tax | | (970,260) | (818,650) |
| Income tax expense | 8 | - | - |
| Loss after tax | | (970,260) | (818,650) |
| Other comprehensive income | | - | - |
| Items that will be reclassified subsequently to profit or loss | | | |
| Exchange difference on translation of foreign operations | | (1,735) | (314) |
| Total comprehensive loss for the year | | (971,995) | (818,964) |
| Basic and diluted loss per share (cents per share) | | (0.17) | (0.14) |

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 2022

| | Notes | As at 31 Dec 2022 \$ | As at 30 Jun 2022 \$ |
|--------------------------------------|-------|----------------------------|----------------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | 284,068 | 1,190,967 |
| Trade and other receivables | 9 | 320,937 | 154,724 |
| TOTAL CURRENT ASSETS | | 605,005 | 1,345,691 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 10 | 574,649 | 651,269 |
| TOTAL NON-CURRENT ASSETS | | 574,649 | 651,269 |
| TOTAL ASSETS | | 1,179,654 | 1,996,960 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 11 | 385,617 | 308,128 |
| Other liabilities | 12 | 12,253 | 36,158 |
| Lease liabilities | 13 | 159,447 | 154,519 |
| Employee benefit provisions | | 117,184 | 102,566 |
| TOTAL CURRENT LIABILITIES | | 674,501 | 601,371 |
| NON-CURRENT LIABILITIES | | | |
| Lease liabilities | 13 | 490,479 | 571,949 |
| Employee benefit provisions | | 8,128 | 24,593 |
| TOTAL NON-CURRENT LIABILITIES | | 498,607 | 596,542 |
| TOTAL LIABILITIES | | 1,173,108 | 1,197,913 |
| NET ASSETS | | 6,546 | 799,047 |
| EQUITY | | | |
| Issued capital | 14 | 13,544,939 | 13,435,372 |
| Reserves | | 2,391,160 | 2,322,968 |
| Accumulated losses | | (15,929,553) | (14,959,293) |
| TOTAL SURPLUS | | 6,546 | 799,047 |

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 2022**

| Note | Issued Capital | Share Based Payment Reserve | Foreign Currency Translation Reserve | Accumulated Losses | Total Equity |
|---|-------------------|--------------------------------------|---|-----------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2022 | 13,435,372 | 2,323,603 | (635) | (14,959,293) | 799,047 |
| Loss for the half-year | - | - | - | (970,260) | (970,260) |
| Exchange difference on translating foreign operations | - | - | (1,735) | - | (1,735) |
| Total comprehensive Income for the year | - | - | (1,735) | (970,260) | (971,995) |
| <i>Transactions with owners in their capacity as owners</i> | | | | | |
| Shares issued under exercise of options | 117,067 | - | - | - | 117,067 |
| Options issued to directors and employees | - | 69,927 | - | - | 69,927 |
| Transaction costs relating to issue of shares | (7,500) | - | - | - | (7,500) |
| Balance as at 31 December 2022 | 13,544,939 | 2,393,530 | (2,370) | (15,929,553) | 6,546 |
| Balance at 1 July 2021 | 11,065,154 | 1,932,988 | 1,162 | (12,561,413) | 437,891 |
| Loss for the half-year | - | - | - | (818,650) | (818,650) |
| Exchange difference on translating foreign operations | - | - | (314) | - | (314) |
| Total comprehensive Income for the year | - | - | (314) | (818,650) | (818,964) |
| <i>Transactions with owners in their capacity as owners</i> | | | | | |
| Shares issued under exercise of options | 263,233 | - | - | - | 263,233 |
| Options issued to directors and employees | - | 158,394 | - | - | 158,394 |
| Transaction costs relating to issue of shares | (5,000) | - | - | - | (5,000) |
| Balance as at 31 December 2021 | 11,323,387 | 2,091,382 | 848 | (13,380,063) | 35,554 |

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 2022

| | Half-year ended 31 Dec 2022 \$ | Half-year ended 31 Dec 2021 \$ |
|--|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Interest received and other income | 6 | 5 |
| Receipts from customers | 404,201 | 385,410 |
| Government grants | 424,646 | 436,313 |
| Interest paid and finance costs | (10,642) | (7,380) |
| Payments to suppliers and employees | (1,758,135) | (1,468,919) |
| NET CASH OUTFLOWS FROM OPERATING ACTIVITIES | (939,924) | (654,571) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Receipt of refundable security deposit | - | 43,402 |
| NET CASH INFLOWS FROM INVESTING ACTIVITIES | - | 43,402 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from options conversion | 117,067 | 263,233 |
| Share issue costs | (7,500) | (5,000) |
| Lease repayments | (76,542) | (17,277) |
| NET CASH INFLOWS FROM FINANCING ACTIVITIES | 33,025 | 240,956 |
| Net decrease in cash and cash equivalents | (906,899) | (370,213) |
| Cash and cash equivalents at beginning of half year | 1,190,967 | 651,125 |
| CASH AND CASH EQUIVALENTS AT END OF HALF YEAR | 284,068 | 280,912 |

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 December 2022

1. Corporate Information

The financial report consisting of the reviewed condensed consolidated financial statements of IODM Limited and its subsidiaries ("IODM" or "the Group") for the half-year ended 31 December 2022 was authorised for issue in accordance with a resolution of the directors on 23 February 2023. 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 Group's functional currency is \$AUD.

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 2022 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 2022 and considered together with any public announcements made by IODM Limited during the half-year ended 31 December 2022 in accordance with the continuous disclosure obligations of the ASX listing rules.

3. Significant accounting policies

The accounting policies applied by the Group in the condensed consolidated interim financial report are consistent with those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2022.

(a) Revenue

To determine whether to recognise revenue, the Group follows a 5-step process:

- 1 Identifying the contract with a customer
- 2 Identifying the performance obligations
- 3 Determining the transaction price
- 4 Allocating the transaction price to the performance obligations
- 5 Recognising revenue when/as performance obligation(s) are satisfied.

The Group recognises revenue from the following major sources:

- Implementation and customisation fees
- Licence fees

IODM Limited
Notes to the condensed consolidated financial statements
for the half-year ended 31 December 2022

- Referral commission fees
- Revenue share

Implementation and customisation fees

Revenue recognised at a point in time relates largely to the software licence implementation. The software licence implementation comprises between 10% - 50% of the total contract value and is recognised following the fulfillment of the performance obligation i.e. the setup.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Licence fees

Licence fee revenue is recognised over a period of time and largely relates to software licences sold under a subscription model, including support, hosting and maintenance services relating to access to the cloud-based software provided. The performance obligations are considered to be satisfied consistently over the life of the contract as the amount of work required to perform under those contracts does not vary significantly from month to month.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts within other liabilities in the statement of financial position (see Note 12). Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue is capable of being reliably measured.

Referral commission fees

The Group may receive referral commission from Strategic Partners where an agreement has been entered into to mutually refer prospects. Revenue from referrals are recognised at a point in time for referral commission on setup fees and trail commissions. Commission is received on each approved product once it has been settled with the Strategic Partner.

Revenue share

The Group has a Revenue Share Agreement with Convera for the UK educational clients for international students making cross border payments using the Convera payment gateway from reminder notifications sent from the IODM platform.

Revenue is recognised at a point in time on a monthly basis to the extent that the performance obligations provided are satisfied each month. The transactional revenue share is conditional upon the following

- UK Educational client has a service agreement with Convera to incorporate the IODM offering
- IODM offering has been onboarded for the UK educational client
- Reminder notifications have been sent to international students for accommodation and tuition fees owing
- Student has successfully made a payment through the link on the reminder notification to the Convera payment platform

IODM Limited
Notes to the condensed consolidated financial statements
for the half-year ended 31 December 2022

Other Income

Research and Development Income/Export Market Development Grant

Research and Development Income and the Export Market Development Grants are recognised when there is reasonable assurance the grants will be received and all the attaching conditions complied with in accordance with AASB 120 – Accounting for Government Grants and Disclosure for Government Assistance.

4. 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 2022 of \$970,260 (2022 \$818,650) and incurred net cash outflows from operating activities of \$939,924 (2021 \$654,571). At 31 December 2022, the Group had a net asset position of \$6,546 (30 June 2022 \$799,047) and a current asset deficit of \$69,496 (30 June 2022 surplus of \$744,320).

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

- On 6 February 2023 the Group completed a share placement for 6,250,000 shares to raise and receive \$2,250,000 at 36 cents per share to assist the Group in its capital management and fund expansion of sales and marketing globally.
- The company is in the process of onboarding several UK universities, with the increased revenue expected to flow from those universities via Convera in the second half of the financial year.
- 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 but do not believe that this will be necessary.
- 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.

5. Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

IODM Limited

Notes to the condensed consolidated financial statements for the half-year ended 31 December 2022

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Share-based payment transactions

The Group recognises the cost of equity-settled transactions with employees by reference to the fair value of the equity instrument at the date at which they are granted. The fair value is determined using the assumptions of an independent expert which are detailed in Note 15. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next reporting period but may impact expenses and equity.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Income Tax

The amount of benefits brought to account or which may be realised in the future is based on tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

The Group has accumulated tax losses at 31 December 2022 amounting to \$15,645,259 (December 2021 \$13,846,449). The Group has an unrecognised deferred tax asset totalling \$3,995,275 (December 2021 \$3,541,930) on the basis that the group has not undertaken a formal assessment to determine that it is probable that future taxable profit will be available against which unused tax losses can be utilised.

6. Segment Information

For management purposes, the Group is organised into one main operating segment, which is the operation as a cloud based software as a service provider. All of the Group's activities are interrelated, and financial information is reported to the Board (Chief Operating Decision Makers) as a single segment.

Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the Financial Statements of the Group as a whole. Total revenue earned by the Group is generated in Australia, New Zealand and the United Kingdom and all of the Group's non-current assets reside in Australia.

IODM Limited
Notes to the condensed consolidated financial statements
for the half-year ended 31 December 2022

7. Revenue

| | Half-year ended 31 Dec 22 \$ | Half-year ended 31 Dec 21 \$ |
|---|---------------------------------------|---------------------------------------|
| Implementation and customisation fees | 10,000 | - |
| Licence fees | 400,868 | 409,797 |
| Referral commission | 1,721 | - |
| Revenue share | 83,736 | - |
| Total | 496,325 | 409,797 |
| Timing of Transfer of Goods and Services | | |
| Point in time | 93,736 | - |
| Over time | 402,589 | 409,797 |
| Total | 496,325 | 409,797 |
| Primary Geographic Market | | |
| Australia | | |
| Point in time | 10,000 | - |
| Over time | 372,214 | 376,815 |
| New Zealand | | |
| Point in time | - | - |
| Over time | 16,500 | 18,600 |
| United Kingdom | | |
| Point in time | 83,736 | - |
| Over time | 13,875 | 14,382 |
| Total | 496,325 | 409,797 |

IODM Limited
Notes to the condensed consolidated financial statements
for the half-year ended 31 December 2022

8. Income Tax

The Group has accumulated tax losses at 31 December 2022 amounting to \$15,645,259 (December 2021 \$ 13,846,449). The Group has an unrecognised deferred tax asset totalling \$3,995,275 (December 2021 \$3,541,930) on the basis that the group has not undertaken a formal assessment to determine that it is probable that future taxable profit will be available against which unused tax losses can be utilised.

| 9. Trade and other receivables | 31 Dec 2022 | 30 Jun 2022 |
|---------------------------------------|------------------------|------------------------|
| | \$ | \$ |
| Current | | |
| Trade receivables | 111,291 | 12,906 |
| Accrued revenue | 944 | - |
| Prepayments | 97,598 | 30,714 |
| Other receivables | 111,104 | 111,104 |
| Total | 320,937 | 154,724 |

IODM Limited
Notes to the condensed consolidated financial statements
for the half-year ended 31 December 2022

| 10. Property, Plant and Equipment | Buildings | Office Equipment | IT Equipment | Total |
|--|------------------|-------------------------|---------------------|-----------------|
| | \$ | \$ | \$ | \$ |
| Gross carrying amount | | | | |
| Balance at 1 July 2022 | 804,509 | - | - | 804,509 |
| Additions | - | - | - | - |
| Disposals | - | - | - | - |
| Balance at 31 December 2022 | 804,509 | - | - | 804,509 |
| Amortisation and impairment | | | | |
| Balance at 1 July 2022 | (153,240) | - | - | (153,240) |
| Depreciation | (76,620) | - | - | (76,620) |
| Balance at 31 December 2022 | (229,860) | - | - | (76,620) |
| Carrying amount 31 December 2022 | 574,649 | - | - | 574,649 |
| Gross carrying amount | | | | |
| Balance at 1 July 2022 | - | - | - | - |
| Additions | 804,509 | - | - | 804,509 |
| Disposals | - | - | - | - |
| Balance at 30 June 2022 | 804,509 | - | - | 804,509 |
| Amortisation and impairment | | | | |
| Balance at 1 July 2021 | - | - | - | - |
| Depreciation | (153,240) | - | - | (153,240) |
| Balance at 30 June 2022 | (153,240) | - | - | (153,240) |
| Carrying amount 30 June 2022 | 651,269 | - | - | 651,269 |

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

| | 31 Dec 2022 | 30 June 2022 |
|--|--------------------|---------------------|
| | \$ | \$ |
| Buildings | 574,649 | 651,269 |
| Total right-of-use assets | 574,649 | 651,269 |
| Depreciation charge on right-of-use assets | 31 Dec 2022 | 30 June 2022 |
| | \$ | \$ |
| Buildings | 76,620 | 153,240 |
| | 76,620 | 153,240 |

IODM Limited
Notes to the condensed consolidated financial statements
for the half-year ended 31 December 2022

| 11. Trade and other payables | 31 Dec 2022 | 30 Jun 2022 |
|-------------------------------------|------------------------|------------------------|
| | \$ | \$ |
| Trade creditors | 220,195 | 104,661 |
| GST payable | 67 | 3,101 |
| Accruals | 62,130 | 136,728 |
| Employee benefits payable | 103,225 | 63,638 |
| Total | 385,617 | 308,128 |

| 12. Other liabilities | | |
|------------------------------|---------------|---------------|
| Unearned revenue | 12,253 | 36,158 |
| Total | 12,253 | 36,158 |

| 13. Leasing | | |
|---------------------------------|----------------|----------------|
| Lease liabilities (current) | 159,447 | 154,519 |
| Lease liabilities (non-current) | 490,479 | 571,949 |
| | 649,926 | 726,468 |

Future minimum lease payments at 31 December 2022 were as follows:

| | 31 Dec 2022 | 30 Jun 2022 |
|-------------------|------------------------|------------------------|
| | \$ | \$ |
| Within one year | 171,392 | 168,469 |
| One to five years | 502,274 | 588,713 |
| Finance charges | (23,740) | (30,714) |
| | 649,926 | 726,468 |

IODM Limited
Notes to the condensed consolidated financial statements
for the half-year ended 31st December 2022

14. Issued capital

| | 31 Dec 22 | 30 June 21 |
|--------------------------------|-------------------|-------------------|
| (a) Issued and paid up capital | \$ | \$ |
| Ordinary shares fully paid | 13,544,939 | 13,435,372 |

| | 31 Dec 2022 | | 30 Jun 2021 | |
|---|--------------------|-------------------|--------------------|-------------------|
| | Number of | \$ | Number of | \$ |
| (b) Movements in ordinary shares on issue | shares | | shares | |
| Opening Balance | 581,894,866 | 13,435,372 | 571,273,908 | 11,065,154 |
| Shares issued under exercise of options | 1,312,375 | 117,067 | 3,529,292 | 294,133 |
| Shares issued under Share Placement | - | - | 7,091,666 | 2,127,150 |
| Transaction costs on share issues | - | (7,500) | - | (51,065) |
| | 583,207,241 | 13,544,939 | 581,894,866 | 13,435,372 |

15. Share based payments

The Employee Share Option Plan is part of the remuneration package of the Group's directors, senior management and employees. Options under this plan will vest if the participant remains employed for the agreed vesting period. No options were granted during the period.

The fair value of options previously 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. Once vested, the options remain exercisable for 12 – 36 months. When exercisable, each option is convertible into one ordinary share. The exercise price is set at the share option grant date.

The following details movement in share options during the reporting period

| | Number of Options |
|--|-------------------|
| Outstanding at 1 July 2022 | 11,315,178 |
| Granted | - |
| Forfeited | - |
| Exercised | 1,312,375 |
| Outstanding at 31 December 2022 | 10,002,803 |
| | |
| Exercisable at 31 December 2022 | 8,336,418 |

In total \$69,927 (2021: \$158,394) 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 based payment reserve for the half year ended 31 December 2022.

IODM Limited
Notes to the condensed consolidated financial statements
for the half-year ended 31st December 2022

16. Subsidiaries

The condensed consolidated financial statements incorporate the assets, liabilities and results of IODM Limited and the following subsidiaries:

| Name of Entity | Country of Incorporation | Equity Holding | |
|---|--------------------------|----------------|------|
| | | 2022 | 2021 |
| The Debtor Management Hub Pty Ltd | Australia | 100% | 100% |
| The Innovative Online Debt Management Trust | Australia | 100% | 100% |
| Brazil Graphite Pty Limited (previously known as Paradigm NSW Pty Limited)* | Australia | N/A | 100% |
| Paradigm Queensland Pty Limited* | Australia | N/A | 100% |
| Tungsten NSW Pty Limited* | Australia | N/A | 100% |
| IODM Singapore Pte Ltd | Singapore | 100% | 100% |
| IODM (Hong Kong) Limited | Hong Kong | 100% | 100% |
| IODM (USA) Limited | United States | 100% | 100% |
| IODM (UK) Limited | United Kingdom | 100% | 100% |

*Deregistered on 22 February 2022

17. Events after the reporting date

On 6 February 2023 the Group completed a share placement of 6,250,000 shares to raise \$2,250,000 at 36 cents per share to increase the onboarding capabilities overseas to ensure that new clients come to market quicker while further increasing the sales and technical teams to allow the Group to continue to deliver a global cutting-edge solution to its clients.

18. Related parties

There have been no significant changes to the arrangements with related parties. Refer to the full 2022 Annual Report for details.

IODM Limited
Directors' Declaration

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 2022 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
23 February 2023

Independent Auditor's Review Report to The Members of IODM Limited

Conclusion

We have reviewed the half-year financial report of IODM Limited (the Company) and its subsidiaries (collectively the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2022, the condensed consolidated statement of 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 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 IODM Limited and its subsidiaries does not comply with the Corporations Act 2001 including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Directors Responsibilities for The Half-Year Financial Report

The directors of IODM Limited and its subsidiaries 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 external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. 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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Auditor's responsibilities for the review of the half-year 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 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.

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

Crowe Audit Australia

A handwritten signature in blue ink, appearing to be "Antony Barnett".

Antony Barnett
Partner

23 February 2023
Melbourne