

23 February 2021

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

By Email

Dear Sir

**APPENDIX 4D HALF-YEAR ACCOUNTS**

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

This announcement has been authorised for release by the Board.

Yours sincerely,



**Petrina Halsall**

Company Secretary

**IODM Limited**

For further information please contact

Tony Smith

Anthony.smith@iodm.com.au

**IODM Limited**

ABN: 28 102 747 133 ASX Code: IOD

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

Contact Details: 03 8396 5890 Email: [info@iodm.com.au](mailto:info@iodm.com.au) Website: [www.iodm.com.au](http://www.iodm.com.au)

# 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 2020

31 December 2019

## 2. Results for announcement to the market

AUD \$'000			
2.1 Revenues from continuing operations	Up	70% to	409
2.2 Loss from continuing operations after tax attributable to members	Down	17% to	(1,009)
2.3 Net loss for the period attributable to members	Down	17% to	(1,009)
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 2020	31 December 2019
Net tangible asset backing per ordinary security	-\$0.0005	-\$0.0006

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

### 4.1. Control gained over entities

IODM (Hong Kong) Ltd

### 4.2. Control lost over entities

N/A

## 5. Dividends

### Individual dividends per security

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

## 6. Dividend reinvestment plans

The dividend or distribution plans shown below are in operation.

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

## 7. Details of associates and joint entities

N/A
-----

## 8. Foreign entities

N/A
-----

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

N/A
-----



Sign here:

Date: 22 February 2021

CEO

Print Name:

MARK REILLY



**IODM Limited**

ABN 28 102 747 133

**Condensed half-year Financial Reports**  
**31 December 2020**

# 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 5

22 Albert Road

SOUTH MELBOURNE VIC 3205

Australia

Telephone: + 61 3 8396 5890

Facsimile: + 61 8 9227 6390

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

## Share Registry

Boardroom Pty Limited

Level 12

225 George Street

SYDNEY NSW 2000

Australia

Telephone: 1300 737 760

Facsimile: + 61 2 9279 0664

## Auditors

Crowe Audit Australia

Level 17

181 William Street

MELBOURNE VIC 3000

## Stock Exchange Listing

Australian Securities Exchange

ASX Code: IOD

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## IODM Limited Directors' report

The Directors of IODM Limited ("IODM" or "the Group") submit the financial report of the Group for the half-year ended 31 December 2020. 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 of the Group for the half-year ended 31 December 2020 was \$1,009,112 (31 December 2019: loss of \$1,215,551).

At the date of issue of this interim financial report, the impact of COVID-19 on the Group has not been material. As the future impact of COVID-19 on the overall economy is uncertain, management and the Directors will continue to assess and manage the financial effect COVID-19 has on the Group for the FY21 financial year.

### 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.

During the period, the Group continued to grow its revenue and cash receipts versus the previous period, revenue was up 71% and cash receipts up 66%. In addition, IODM measured where the business stood at the end of the calendar year versus the previous year and has reported substantial growth in all key areas.

The Group's global reputation as a leading accounts receivable solution has grown significantly over the last twelve months and the Group continues its expansion globally with subsidiaries incorporated in Singapore, Hong Kong and the USA. The Group completed a share placement in January 2021, where it raised \$1.75m to be used to fund an increase in sales and marketing expenditure globally to support the Western Union partnership and has allowed the Group to make the first of its overseas direct hires, being in the UK.

## IODM Limited Directors' report

### CORPORATE

The Company had no Board changes during the period ended 31 December 2020.

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. During the period ended 31 December 2020 312,500 Employee Share Options were granted under this Plan.

Options previously granted under the Employee Share Plan exercised since 1 July 2020 and to the date of this report:

Date	No of Shares	Placement	Price per Share	Total
7 July 2020	303,030	Exercise of Options	0.066	\$20,000

### EVENTS AFTER THE REPORTING DATE

On 5 January 2021 the Group completed a share placement of 11,666,667 shares to raise \$1,750,000 at 15 cents per share to assist the company in funding the expansion of sales and marketing globally.

On 12 February 2021 IODM (USA) Incorporated was incorporated. IODM Limited subscribed for 100% of its share capital on this date.

On 17 February 2021 the following entities were voluntarily liquidated:

Brazil Graphite Pty Limited (previously Paradigm NSW Pty Limited)

Paradigm Queensland Pty Limited

Tungsten NSW Pty Limited

Whilst the future impact of COVID 19 on the overall economy continues to be uncertain, management and the Directors will continue to assess and manage the financial effect COVID 19 has on the Group for the FY21 financial year.

### 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**

**22 February 2021**



**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*  
TO 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 2020, 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.

Yours sincerely,



**CROWE AUDIT AUSTRALIA**



**DAVID MUNDAY**  
Partner

Melbourne, Victoria  
22 February 2021

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

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

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

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

for the half-year ended 31 December 2020

	Notes	Half-year ended 31 Dec 2020 \$	Half-year ended 31 Dec 2019 \$
<b>Continued operations</b>			
Revenue	7	409,089	239,892
Interest received		33	206
Export market development grant		23,174	-
Research and development tax offset income		262,823	200,276
<b>Total Revenue</b>		<b>695,119</b>	<b>440,374</b>
Administrative and Public Company expenses		(177,676)	(98,164)
Accounting and audit fees		(44,100)	(28,546)
Amortisation charge on intangibles		-	(2,082)
Professional fees		(2,705)	(15,671)
Consultants and Directors Fees		(446,302)	(387,770)
Employee costs		(679,827)	(514,929)
Superannuation		(57,806)	(47,765)
Depreciation of plant and equipment		(45,008)	(45,373)
Finance costs		(2,306)	(4,822)
Share based payment expense		(178,846)	(341,774)
Loss on forfeited security deposit		-	(7,500)
Other Expenses		(69,655)	(161,529)
<b>Loss before income tax</b>		<b>(1,009,112)</b>	<b>(1,215,551)</b>
Income tax expense	8	-	-
<b>Loss after tax</b>		<b>(1,009,112)</b>	<b>(1,215,551)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<b>(1,009,112)</b>	<b>(1,215,551)</b>
Basic and diluted loss per share (cents per share)		(0.18)	(0.23)

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

# IODM Limited

## Condensed consolidated statement of financial position

as at 31 December 2020

	Notes	As at 31 Dec 2020 \$	As at 30 Jun 2020 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		71,009	738,761
Trade and other receivables	9	132,945	152,816
<b>TOTAL CURRENT ASSETS</b>		<b>203,954</b>	<b>891,577</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	45,529	90,537
<b>TOTAL NON-CURRENT ASSETS</b>		<b>45,529</b>	<b>90,537</b>
<b>TOTAL ASSETS</b>		<b>249,483</b>	<b>982,114</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	360,938	203,410
Other liabilities	12	34,127	55,807
Lease liabilities	13	58,272	99,094
Employee Benefits		54,392	68,955
<b>TOTAL CURRENT LIABILITIES</b>		<b>507,729</b>	<b>427,266</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	13	-	8,691
Employee Benefits		30,539	29,637
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>30,539</b>	<b>38,328</b>
<b>TOTAL LIABILITIES</b>		<b>538,268</b>	<b>465,594</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>(288,785)</b>	<b>516,620</b>
<b>EQUITY</b>			
Issued capital	14	9,323,219	9,298,258
Reserves		1,754,107	1,575,261
Accumulated losses		(11,316,111)	(10,356,999)
<b>TOTAL SURPLUS/(DEFICIENCY)</b>		<b>(288,785)</b>	<b>516,620</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 2020

	Issued Capital	Share Based Payment Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2020	<b>9,298,258</b>	<b>1,575,261</b>	<b>(10,356,999)</b>	<b>516,520</b>
Loss for the half-year	-	-	(1,009,112)	<b>(1,009,112)</b>
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	<b>(1,009,112)</b>	<b>(1,009,112)</b>
<i>Transactions with owners in their capacity as owners</i>				
Shares issued under Share Placement	6,883	-	-	6,883
Shares issued under exercise of options	20,000	-	-	20,000
Options issued to directors and employees	-	178,846	-	178,846
Transaction costs relating to issue of shares	(1,922)	-	-	(1,922)
<b>Balance as at 31 December 2020</b>	<b>9,323,219</b>	<b>1,754,107</b>	<b>(11,366,111)</b>	<b>(288,875)</b>
Balance at 1 July 2019	<b>6,982,376</b>	<b>858,117</b>	<b>(7,936,175)</b>	<b>(95,682)</b>
Loss for the half-year	-	-	(1,215,551)	<b>(1,215,551)</b>
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	<b>(1,215,551)</b>	<b>(1,215,551)</b>
<i>Transactions with owners in their capacity as owners</i>				
Shares issued under Share Placement	624,883	-	-	624,883
Shares issued under exercise of options	205,750	-	-	205,750
Options issued to directors and employees	-	341,774	-	341,774
Transaction costs relating to issue of shares	(43,443)	-	-	(43,443)
<b>Balance as at 31 December 2019</b>	<b>7,769,566</b>	<b>1,199,861</b>	<b>(9,151,726)</b>	<b>(182,269)</b>

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

**Condensed consolidated statement of cash flows**  
for the half-year ended 31 December 2020

	Half-year ended 31 Dec 2020 \$	Half-year ended 31 Dec 2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received and other income	32	206
Receipts from customers	477,091	288,773
Government grants	285,997	200,276
Interest paid and finance costs	(2,306)	(4,822)
Payments to suppliers and employees	(1,399,686)	(1,292,829)
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	<b>(638,872)</b>	<b>(808,396)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	-	624,883
Proceeds from options conversion	20,000	205,750
Share issue costs	(1,922)	(43,443)
Lease repayments	(46,958)	(47,731)
<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b>(28,880)</b>	<b>739,459</b>
Net increase/(decrease) in cash and cash equivalents	(667,752)	(68,937)
Cash and cash equivalents at beginning of half year	738,761	132,474
<b>CASH AND CASH EQUIVALENTS AT END OF HALF YEAR</b>	<b>71,009</b>	<b>63,537</b>

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

## **IODM Limited**

### ***Notes to the condensed consolidated financial statements for the half-year ended 31 December 2020***

#### **1. Corporate Information**

The financial report consisting of the audited consolidated financial statements of IODM Limited and its subsidiaries ("IODM" or "the Group") for the half-year ended 31 December 2020 was authorised for issue in accordance with a resolution of the directors on 22 February 2021. 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 2020 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 2020 and considered together with any public announcements made by IODM Limited during the half-year ended 31 December 2020 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 2020.

## **IODM Limited**

### ***Notes to the condensed consolidated financial statements for the half-year ended 31 December 2020***

#### **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 2020 of \$1,009,112 (2019 \$1,215,551) and incurred net cash outflows from operating activities of \$638,872 (2019 \$808,396). At 31 December 2020, the Group had a net deficit position of \$288,785 (30 June 2020 net asset position of \$516,620) and a current asset deficiency of \$303,775 (2019 current asset surplus of \$464,311).

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

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 are confident that the Group will be able to continue as a going concern for the following reasons:

- On 5 January 2021 the Group completed a share placement to one UK investor of 11,666,667 shares to raise and receive \$1,750,000 at 15 cents per share to assist the Group in its capital management and fund expansion of sales and marketing globally,
- As is prudent for a Group of this size and in the Group's current capital position, given that the company has been transforming from a software development company to a sales and marketing business, the Directors will continue to manage capital in the best interests of shareholders.
- In the event that the forecast growth in revenue is slower than anticipated, the Directors are confident they have the ability to raise additional funds through share issues and placements to sophisticated investors.
- Subsequent to the end of the reporting period, the Group has continued to sign-up additional customers, and has a significant pipeline of new opportunities.
- Based on the above the Group have prepared cash flow forecasts which demonstrate that the Group will generate sufficient cash flows to fund its activities for a period of not less than twelve months from the date of this report.

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

#### **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 2020***

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.

#### **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 2020

### 7. Revenue

	Half-year ended 31 Dec 20 \$	Half-year ended 31 Dec 19 \$
Implementation and customisation fees	20,236	16,750
Licence fees	388,853	223,142
<b>Total</b>	<b>409,089</b>	<b>239,892</b>
<b>Timing of Transfer of Goods and Services</b>		
Point in time	20,236	16,750
Over time	388,853	223,142
<b>Total</b>	<b>409,089</b>	<b>239,892</b>
<b>Primary Geographic Market</b>		
<b>Australia</b>		
Point in time	17,586	16,750
Over time	364,028	208,216
<b>New Zealand</b>		
Point in time	-	-
Over time	14,850	14,926
<b>United Kingdom</b>		
Point in time	2,650	-
Over time	9,975	-
<b>Total</b>	<b>409,089</b>	<b>239,892</b>

### 8. Income Tax

The Group has accumulated tax losses at 31 December 2020 amounting to \$6,093,702 that can be used to offset future taxable gains. The Group are investigating whether any of the accumulated tax losses pre 30 June 2016 of \$16,304,567 prior to the change in ownership are available to be used to offset future taxable gains. At 31 December 2020 no deferred tax asset has been recognised in respect of tax losses as it has not been determined whether the Group will generate taxable income against which the unused tax losses can be utilised.

### 9. Trade and other receivables

	31 Dec 2020 \$	30 Jun 2020 \$
<b>Current</b>		
Trade receivables	15,620	20,856
GST receivable	-	2,131
Prepayments	73,923	39,427
Other receivables	43,402	90,402
<b>Total</b>	<b>132,945</b>	<b>152,816</b>

**IODM Limited**  
**Notes to the condensed consolidated financial statements**  
**for the half-year ended 31 December 2020**

<b>10. Property, Plant and Equipment</b>	<b>Buildings</b>	<b>Office Equipment</b>	<b>IT Equipment</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Gross carrying amount				
Balance at 1 July 2020	174,011	15,122	13,791	202,924
Additions	-	-	-	-
Disposals	-	-	-	-
<b>Balance at 31 December 2020</b>	<b>174,011</b>	<b>15,122</b>	<b>13,791</b>	<b>202,924</b>
Amortisation and impairment				
Balance at 1 July 2020	(87,005)	(11,591)	(13,791)	(112,387)
Depreciation	(43,503)	(1,505)	-	(45,008)
<b>Balance at 31 December 2020</b>	<b>(130,508)</b>	<b>(13,096)</b>	<b>(13,791)</b>	<b>(157,395)</b>
<b>Carrying amount 31 December 2020</b>	<b>43,508</b>	<b>2,026</b>	<b>-</b>	<b>45,529</b>
Gross carrying amount				
Balance at 1 July 2019	-	15,122	13,791	28,913
Adjustment on transition to IFRS 16	174,011	-	-	174,011
Additions	-	-	-	-
Disposals	-	-	-	-
<b>Balance at 30 June 2020</b>	<b>174,011</b>	<b>15,122</b>	<b>13,791</b>	<b>202,924</b>
Amortisation and impairment				
Balance at 1 July 2019	-	(8,580)	(13,426)	(22,006)
Depreciation	(87,005)	(3,011)	(365)	(90,381)
Balance at 30 June 2020	(87,005)	(11,591)	(13,791)	(112,387)
<b>Carrying amount 30 June 2020</b>	<b>87,006</b>	<b>6,541</b>	<b>-</b>	<b>90,537</b>
<b>Included in the net carrying amount of property, plant and equipment are right-of use assets as follows:</b>				
	<b>31 Dec 2020</b>			
	<b>\$</b>			
Buildings	43,508			
Office Equipment	2,026			
IT Equipment	-			
<b>Total right-of-use assets</b>	<b>130,508</b>			
<b>Depreciation charge on right-of-use assets</b>				
	<b>31 Dec 2020</b>			
	<b>\$</b>			
Buildings	43,503			
Office Equipment	1,505			
IT Equipment	-			
	<b>45,008</b>			

**IODM Limited**  
**Notes to the condensed consolidated financial statements**  
**for the half-year ended 31 December 2020**

<b>11. Trade and other payables</b>	<b>31 Dec 2020</b>	<b>30 Jun 2020</b>
	<b>\$</b>	<b>\$</b>
Trade creditors	157,232	118,458
Accruals	135,088	74,816
Employee benefits payable	68,618	10,136
<b>Total</b>	<b>360,938</b>	<b>203,410</b>

<b>12. Other liabilities</b>		
Unearned revenue	34,127	55,807
<b>Total</b>	<b>34,127</b>	<b>55,807</b>

<b>13. Leasing</b>		
Lease liabilities (current)	58,272	99,094
Lease liabilities (non-current)	-	8,691
	<b>58,272</b>	<b>107,785</b>

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

Future minimum lease payments at 31 December 2020 were as follows:

	<b>31 Dec 2020</b>	<b>30 Jun 2020</b>
	<b>\$</b>	<b>\$</b>
Within one year	58,354	101,295
One to five years	-	9,424
Finance charges	(82)	(2,934)
	<b>58,272</b>	<b>107,785</b>

**IODM Limited**  
**Notes to the condensed consolidated financial statements**  
**for the half-year ended 31<sup>st</sup> December 2020**

**14. Issued capital**

	31 Dec 20	30 June 20
(a) Issued and paid up capital	\$	\$
Ordinary shares fully paid	9,323,218	9,298,258

	31 Dec 2020		30 Jun 2020	
	Number of shares	\$	Number of shares	\$
<b>(b) Movements in ordinary shares on issue</b>				
Opening Balance	559,304,211	9,298,258	514,289,481	6,982,376
Shares issued under exercise of options	303,030	20,000	24,500,000	407,000
Shares issued under Share Placement	-	6,883	20,523,730	1,980,883
Transaction costs on share issues	-	(1,922)	-	(72,001)
	<b>559,607,241</b>	<b>9,323,219</b>	<b>559,394,211</b>	<b>9,298,258</b>

**15. Share based payments**

The Group issued 312,500 share options over ordinary shares under its employee share option plan throughout the half-year ended 31 December 2020. The Employee Share Option Plan is part of the remuneration package of the Group's directors, senior management and sales personnel. Options under this plan will vest if the participant remains employed for the agreed vesting period.

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

Grant date	<b>07-Aug-20</b>
No of Options	312,500
Vesting period ends*	Refer below
Share price at date of grant	\$0.165
Volatility	100%
Weighted average expected option life at grant	3.9 years
Dividend yield	0%
Weighted average risk-free investment rate	0.35%
Weighted average exercise price	\$0.192
Weighted average fair value per option at grant date	\$0.108

\*Granted options vest as follows

- One third on 30 June 2021
- One third on 30 June 2022
- One third on 30 June 2023

**IODM Limited**  
**Notes to the condensed consolidated financial statements**  
**for the half-year ended 31<sup>st</sup> December 2020**

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

The following details movement in share options during the reporting period

	Number of Options
Outstanding at 1 July 2020	12,491,666
Granted	312,500
Forfeited	-
Exercised	303,030
<b>Outstanding at 31 December 2020</b>	<b>12,501,136</b>
Exercisable at 31 December 2020	3,860,858

In total \$178,846 (2019 \$341,774) of share-based payment expenses (all of which related to equity-settled share-based payment transactions) have been included in profit or loss and credited to share option reserve.

#### 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	
		2020	2019
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	100%	100%
Paradigm Queensland Pty Limited	Australia	100%	100%
Tungsten NSW Pty Limited	Australia	100%	100%
IODM Singapore Pte Ltd	Singapore	100%	N/A
IODM (Hong Kong) Limited	Hong Kong	100%	N/A

On 28 August 2020 IODM (Hong Kong) Limited was incorporated. IODM Limited subscribed for 100% of its share capital on this date. Refer to Note 17 below.

#### 17. Events after the reporting date

On 5 January 2021 the Group completed a share placement of 11,666,667 shares to raise \$1,750,000 at 15 cents per share to assist the company in funding the expansion of sales and marketing globally.

On 12 February 2021 IODM (USA) Incorporated was incorporated. IODM Limited subscribed for 100% of its share capital on this date.

On 17 February 2021 the following entities were voluntarily liquidated

Brazil Graphite Pty Limited (previously Paradigm NSW Pty Limited)

Paradigm Queensland Pty Limited

Tungsten NSW Pty Limited

Whilst the future impact of COVID 19 on the overall economy continues to be uncertain, management and the Directors will continue to assess and manage the financial effect COVID 19 has on the Group for the FY21 financial year.

**18. Related parties**

There have been no significant changes to the arrangements with related parties. Refer to the full 2020 Annual Report for details.

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

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

In the opinion of the directors:

- (a) the financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the financial position of the Group as at 31 December 2020 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**  
22 February 2021

## 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 ("Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2020, 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 2020 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.

### MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 4 in the financial report which indicates that the Group incurred a net loss after tax of \$1,009,112 and incurred net cash outflows from operating activities of \$638,872 during the half year ended 31 December 2020. As at that date, the Group's total liabilities exceeded its total assets by \$288,785 and its current liabilities exceeded its current assets by \$303,775. As stated in Note 4, these events or conditions, along with other matters as set forth in Note 4, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### RESPONSIBILITY OF THE DIRECTORS FOR THE FINANCIAL REPORT

The directors of the 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 the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.*

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## AUDITOR'S RESPONSIBILITY 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 2020 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.



**CROWE AUDIT AUSTRALIA**



**DAVID MUNDAY**  
Partner

Melbourne, Victoria  
22 February 2021