

## ASX ANNOUNCEMENT

30 August 2023

### Growth in Key Verticals with IDT Poised for Further Success in FY24

#### Highlights:

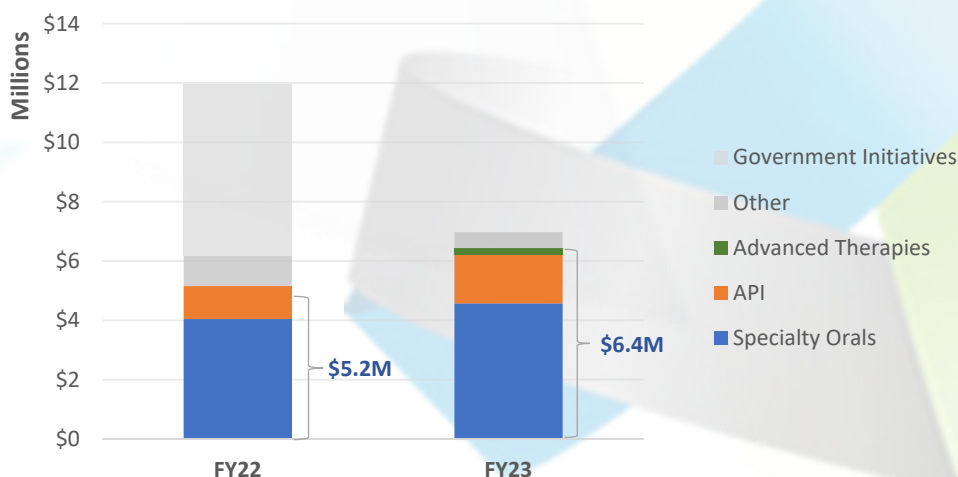
- FY23 revenue from IDT's three key verticals jumped 25% over the previous corresponding period (pcp) to \$6.4m
- IDT's turnaround strategy is yielding early positive results with the number of commercial contracts hitting a two-year high as its potential sale pipeline expands significantly
- Management's strategic pivot also enables IDT to capitalise on emerging and fast-growing markets, such as medicinal cannabis and psychedelic therapies
- IDT's \$7m capital raise and strong balance sheet ensures its turnaround plan is fully funded

IDT Australia Limited (ASX: IDT) (the "Company") is pleased to announce its full year profit results for the financial year 2023 (FY23) that demonstrated a marked improvement in its operating performance following the implementation of the Company's strategic pivot to focus on the integration of end-to-end pharmaceutical manufacturing.

IDT recorded growth across its three key business verticals in the period, which is a more accurate reflection of its operational performance. The three verticals are the manufacture of Active Pharmaceutical Ingredients (API), Specialty Orals and Advanced Therapies.

Revenue from the key verticals increased by 25% over the pcp to \$6.4 million as the number of commercial contracts climbed to a two-year high, a sign that IDT's turnaround strategy is gaining strong market traction and stimulating demand for its unique offering, even as total statutory revenue declined by 42% over the previous corresponding period (pcp) to \$7 million and net loss after tax increased to \$8.5 million (vs. FY22 loss of \$1.2 million).

Revenue from Key Business Verticals up 24% YoY



#### About IDT

IDT (ASX:IDT) is an Australian pharmaceutical manufacturing company based in Boronia, Victoria, Australia. The Company has extensive experience in the development and production of high potency and high containment pharmaceutical products for local and international clients. IDT's facilities are cGMP compliant and are regularly audited by the US FDA and Australian TGA. With an experienced team of specialists within world-class facilities, IDT provides a full-scale service for new drug development and scale-up, commercial active drug manufacture as well as a variety of oral and injectable finished drug dose forms.

It's important to note that the FY22 result was significantly bolstered by government COVID-19 related initiatives that were worth circa \$6 million. In fact, such government support and assistance were even higher in FY21 at circa \$12 million.

Additionally, increased investments relating to IDT Australia's strategic pivot to return the Company to growth, such as the expansion of its sales and marketing team, weighed on the bottom line in FY23.

These investments have already started producing results, highlighting a clear path back to growth for IDT. The business transformation program undertaken by the new senior management and board over the past year allows IDT to capitalise on emerging opportunities that have significant and fast-growing addressable markets, as detailed below.

### **Specialty Orals**

Specialty Orals is the largest contributor to Group revenue in FY23. Revenue from this vertical increased 13% over the pcp to \$4.6 million, with the growth reflecting how well positioned the business is to capitalise on two large and expanding opportunities – Medicinal Cannabis and Psychedelic Therapies.

#### *Medicinal Cannabis*

IDT's medicinal cannabis manufacturing volumes continued to expand and has added significant growth to the Specialty Orals vertical. The Company has identified future expansion opportunities and increased the line capacity within its manufacturing facilities.

Further, the Company has developed internal medicinal cannabis assets and looks to extract value from these assets and the knowhow it developed over the years. The new TGA regulation of the industry from 1 July 2023 to ensure sustainable growth for the sector will also benefit IDT as it stands prepared to actively support the industry with Good Manufacturing Practice (GMP) manufacturing.

#### *Psychedelic Therapies*

IDT welcomes the inclusion of psychedelics to Australia's Safe Assessment Space (SAS) program. The Company has developed synthetic process manufacturing for both psilocybin and MDMA and continues to build supply opportunities as it continues to seek domestic and international collaborators.

IDT Australia holds relevant licences and has qualified manufacturing facilities ready with capacity. It will drive future growth through GMP manufacture of psychedelics.

### **Advanced Therapies**

This business vertical recorded revenue of over \$200K in FY23 as the Company continues to receive interest in its sterile manufacturing and to collaborate with research groups within the advanced therapies space to assist in drug translation of medicine opportunities to biotech and large pharmaceutical development programs.

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IDT completed a sterile license extension in April 2023 to include clinical trial manufacture and release. This is a significant step in its journey to establish the Company as a leading manufacturer of advanced therapies and has allowed IDT to progress to small volume clinical trials through to blinding and labelling.

The Company has received several project proposals for sterile injectable product development and GMP manufacturing for clinical trials. IDT estimates revenue will continue to grow until it reaches capacity within the advanced therapies/sterile facility.

### **API Manufacturing**

This is IDT's most established vertical, which is currently undergoing a revival following years of underperformance. Revenue from API improved 48.3% over the pcp to \$1.7 million as this vertical is complementary to Speciality Orals and Advanced Therapies.

This integration increases its strategic value when compared to API being a standalone business, as it was in the past. Drug developers who are looking for a contract manufacturer for their high value treatments are increasingly favouring to partner companies like IDT who can offer a more complete end-to-end solution.

### **Group Outlook**

The early success of IDT's strategic pivot positions the Company for further success in the new financial year and beyond. The investments it made in FY23 as part of the business reset has enabled IDT to substantially grow the pipeline of potential sales leads for all three verticals.

Further, the recent \$7 million capital raise via a share placement to institutional and sophisticated investors and share purchase plan to existing shareholders ensures the Company is sufficiently funded to execute on its turnaround strategy.

"The achievements we've made over the past year gives me confidence in the outlook for the Company. We are excited about what the next 12 months will bring as IDT is well placed to return to a period of sustained growth," said the Chief Executive Officer of IDT, Paul McDonald.

"On behalf of the board and management, I also like to take the opportunity to thank shareholders for their patience and continued support as we turn the page and embark on a new phase of growth for our Company."

Ends..../

Authorised by the Board of Directors of IDT Australia Limited.

**For investor and media enquiries, please contact:**

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### **Forward-looking statements**

This announcement contains or may contain forward-looking statements that are based on IDT Australia's beliefs, assumptions, and expectations and on information currently available to IDT Australia.

All statements that address operating performance, events, or developments that IDT Australia or its directors expect or anticipate will occur in the future are forward-looking statements, including, without limitation, statements as to the expectations of IDT Australia or the market it operates in. IDT Australia believes that these forward-looking statements are reasonable as and when made. You should not place undue reliance on forward-looking statements because they speak only as of the date when made. IDT Australia does not assume any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. No assurance or guarantee is, or should be taken to be, given in relation to, and no reliance should be placed on, the future business performance or results of IDT Australia or the likelihood that the current assumptions, estimates or outcomes will be achieved. Actual results, developments or events could differ materially from those disclosed in the forward-looking statements.

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