



ASX ANNOUNCEMENT

21 February 2024

IDT Records Strong First Half Growth as its Strategic Pivot Gains Traction

Highlights:

- Total revenue including other income jumped 137% vs. 1HFY23 to \$5.8M as all business verticals recorded growth
- The API vertical was the standout with revenue surging more than 10x to \$2.8M as IDT's strategic pivot restimulates demand for this service
- The Specialty Orals (12.2%) and Advanced Therapies (673%) verticals delivered strong revenue growth
- Positive change in sales mix towards higher-margin services, namely API & Advanced Therapies
- Growth expected to continue through FY24 and beyond due to multiple tailwinds, including expanding sales pipeline, operating leverage and exposure to fast growing industry trends

IDT Australia Limited (ASX: IDT) (the "Company") is pleased to report strong growth across all its business verticals in the first half of financial year 2024 (**1HFY24**) on the back of its ongoing turnaround strategy.

The Company's total revenue for the six months ended 31 December 2023 jumped 137% to \$5.8 million when compared to the previous corresponding period (**PCP**).

Operating revenue for the half more than doubled to \$5.3 million from \$2.2 million in the PCP with IDT's three key verticals delivering growth in the period, particularly for the higher margin API and AT businesses.

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.

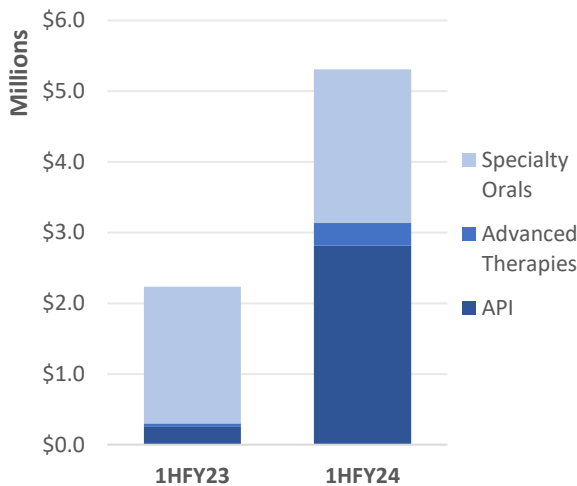


Growth of Key Verticals

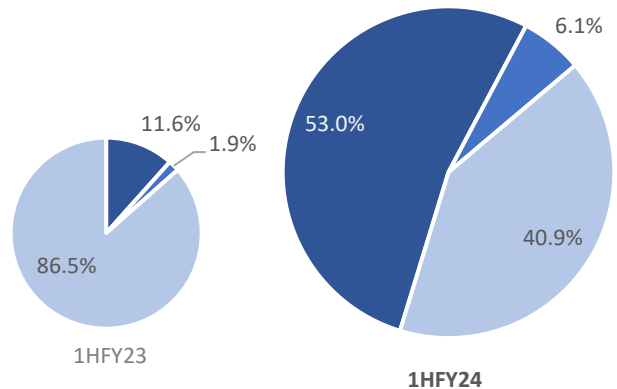
The API business was the standout in the period. Revenue from this vertical surged more than 10-fold to \$2.8 million in 1HFY24 vs. \$259K in the PCP. This legacy business had been underperforming for years, but IDT's strategy to build the AT and Orals verticals is driving renewed demand for this service as clients are increasingly looking for partners that can offer integrated solutions.

Meanwhile, the Orals vertical, which offers Good Manufacturing Practice (**GMP**) manufacturing services for medicinal cannabis (**medcan**), psychedelic medication and other central nervous system (**CNS**) treatments, posted interim revenue growth of 12.2% over the PCP to \$2.2 million.

Performance by Business Verticals



Growing Proportion of Higher Margin API and AT Revenue vs. Lower Margin Orals



A slowdown in medcan orders from one major customer, which is dealing with a temporary industry oversupply of old product that does not meet the new Therapeutic Goods Administration (**TGA**) GMP standard that came into effect on 1 July 2023, was more than offset by strong growth in demand for psychedelic and CNS treatments.

IDT believes orders for medcan will rebound in the near-term as demand for psychedelics continues to accelerate.

Finally, demand for IDT's AT services is ramping up strongly with interim revenue for this vertical jumping 673% over the PCP to \$323K. This business is leveraged to the rapidly

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growing development of antibody drug conjugate (**ADC**) and Messenger RNA (**mRNA**) technologies.

The AT vertical is expected to continue to grow strongly with the Company securing \$6.1 million in customer contracts in the past three months, including a significant contract for ADC linkers, and being awarded a Victorian government contract to invest in IDT's AT pipeline.

Outlook

IDT is well placed to deliver further robust growth and on track to deliver its first quarter of positive net operating cash flow before the end of calendar 2024 as it continues to execute on its strategic pivot to return the Company to profitability.

The Company's sales pipeline has expanded to over 188 leads and it has submitted proposals worth around \$25 million since the start of the current financial year, with more than 90% of the proposals submitted for its higher margin API and AT services.

"Our positive outlook is further underpinned by our strong operating leverage, success in capitalising on global emerging technologies shaping the global bio-pharmaceutical industry and organic growth in the sector we operate in," said Paul McDonald, IDT's Chief Executive Officer.

"We have worked hard to ensure IDT is perfectly positioned to benefit from these multiple and significant tailwinds, which will drive further growth for our Company in FY24 and for years to come."

Ends.../

Authorised by the Board of Directors of IDT Australia Limited.

For investor and media enquiries, please contact:

Brendon Lau

E: brendon@vantagepointpartners.com.au

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M: +61 409 341 613

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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.

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