

APPENDIX 4D & HALF YEAR FINANCIAL STATEMENTS

DTI Group Ltd
31 December 2018

RESULTS FOR ANNOUNCEMENT TO THE MARKET



Appendix 4D

Half year report Period ending on 31 December 2018

Name of entity

DTI Group Ltd

 ABN or equivalent company
 reference

15 069 791 091

The information contained in this report relates to the following years:

Current half-year ended	31 December 2018
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Previous half-year ended	31 December 2017
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Results for announcement to the market

				\$000s
Revenue	Increased	67.8%	To	13,808.3
Profit/(losses) after tax attributable to members	Decreased	95.7%	To	(229.8)
Profit/(losses) after tax attributable to owners of the parent	Decreased	95.7%	To	(229.8)

Dividend payments	Amount per security	Franked amount per security
<u>Year ended 30 June 2018</u> Final dividend (cents per share)	-	-
<u>Half year ended 31 December 2018</u> Interim dividend (cents per share)	-	-
Record date for determining entitlement to dividend	n/a	
Date the interim 2019 dividend is payable	n/a	

Net tangible assets	Current half year \$	Previous half year \$
Net tangible assets per ordinary security	\$0.06	\$0.09

Total interim dividend to be paid on all securities	Current half year \$	Previous half year \$
Ordinary securities	nil	nil

The above information should be read in conjunction with the attached Half Year Report for the period ending 31 December 2018.

This report is based on accounts that have been reviewed.



Peter Tazewell
CEO

Date: 25 February 2019



ASX announcement

25 February 2019

DTI Earnings Result – 1H FY19

Summary

- Revenue of \$13.8 million (1H FY18: \$8.2 million)
- EBITDA gain of \$0.31 million (1H FY18: \$6.0 million loss)
- Underlying EBITDA gain of \$0.06 million (1H FY18: \$3.5 million loss)
- NPAT loss of \$0.23 million (1H FY18: \$5.3 million loss)
- During the period DTI
 - commenced preparations for the ComEng refurbishment project in Melbourne;
 - continued equipment deliveries to Dart in Dallas;
 - commenced first delivery for the PRASA Project in South Africa; and
 - completed equipment deliveries for the Sydney Metro Project.
- Despite continued contract awards, the Contracted order book reduced to \$33.8 million due to high revenue reported
- DTI has been lost time injury ("LTI") free since 2015 and has a LTI frequency rate ("LTIFR") of zero

Financial Performance

DTI Group Ltd (DTI) today announced its results for the half-year ended 31 December 2018. DTI recorded an EBITDA gain of \$0.31 million (1H FY18: \$6.0 million EBITDA loss) on revenue of \$13.8 million (1H FY18: \$8.2 million). A stronger revenue performance has resulted in positive operated earnings (EBITDA). Costs associated with closing out legacy projects have declined from \$0.6 million 1H FY18 to \$0.35 million for 1H FY19.

DTI reported an interim net loss after tax of \$0.23 million for 1H FY19 compared to \$5.3 million loss for the previous corresponding period.

Financial Position

DTI has negligible debt and recorded net cash at 31 December of \$1.2 million and net trade working capital of \$11.5 million. DTI recorded negative cash from operations of \$2.9 million



ASX announcement

due to increased working capital associated with significant increases in revenue. Cash balance as at 21 February 2019 was \$3.5 million.

Pipeline and Order Book

DTI enjoys a contracted order book⁽¹⁾ in excess of \$33.8 million, as at 31 December 2018, and \$37.7 million including contracts under negotiation. During this period DTI has been successful in converting several multi-year contracts for the rail sector which should provide a strong revenue base for future years.

DTI has an identified opportunity pipeline in excess of \$374.7 million which is expected to be awarded over the next four to five years. The rail sector contributes in excess of 80 per cent of this pipeline with the balance in the bus and law enforcement sectors.

Outlook

The growth in transit infrastructure investment globally continues supporting DTI's growth in revenue and contracted work. DTI is well positioned to be continued to be awarded major contracts both globally and within Australia.

For further information please contact Peter Tazewell, Chief Executive Officer on +61 8 9273 2905 or email peter.tazewell@dti.com.au

About DTI Group

DTI develops and provides world-leading surveillance and commuter communication systems technology and services to the mobile transit industry worldwide. Core technology development and system design activities are undertaken from the Company's head office in Perth, Australia.

⁽¹⁾ Including Lol/LoA

Half-Year Report 31 December 2018

D T I G R O U P L T D

2019 Half-Year Report

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Directors' Report

The Directors of DTI Group Ltd ("DTI" or "Company") present herewith the financial report of the Company and its subsidiaries ("Group") for the half year ended 31 December 2018. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of the Directors of the Company in office during or since the end of the half-year are:

Greg Purdy

Non-Executive Chairman

Peter Tazewell

Managing Director

Glyn Denison

Non-Executive Director

Steve Gallagher

Non-Executive Director

Neil Goodey

Non-Executive Director

Richard Johnson

Executive Director

Jeremy King

Non-Executive Director

Andrew Lewis

Non-Executive Director

The abovenamed directors held office during and since the start of the half-year, except for:

- Mr Greg Purdy – appointed 16 October 2018
- Mr Steve Gallagher – appointed 16 October 2018
- Mr Andrew Lewis – appointed 16 October 2018
- Mr Richard Johnson – resigned 16 October 2018
- Mr Glyn Denison – resigned 20 November 2018
- Mr Jeremy King – resigned 17 January 2019

Principal activities

The principal activities of the consolidated entity during the course of the half-year were the operation of surveillance and commuter communication solutions and managed services for the global transit industry:

- Surveillance and Commuter Communication – specialised hardware systems, incorporating video, passenger information, audio, GPS tracking, communications and high-speed recording technology; supported by sophisticated device and data management software to provide comprehensive, fleet-wide, CCTV, communication and vehicle management solutions.
- Managed services – back-end control room communications and infrastructure comprising wide-area urban surveillance, driver development and risk mitigation, video management, vehicle data analysis and monitoring, schedule adherence analysis, IT infrastructure, help desk, technical support and monitoring, and first line maintenance.

Financial Review

Shareholder returns

		31 December 2018	31 December 2017
Operating Revenue	\$	13,808,293	8,227,147
EBITDA (pre-impairments)	\$	648,586	(3,444,363)
Impairments	\$	(333,598)	(2,582,724)
EBITDA (post-impairments)	\$	314,988	(6,027,087)
EBIT	\$	(232,743)	(7,359,956)
Net loss after tax	\$	(229,770)	(5,334,724)
Basic loss per share	cps	(0.001)	(4.28)

DTI has reported an after-tax loss for the first half-year ended 31 December 2018 of \$229,770 (31 December 2017: \$5,334,724 loss).

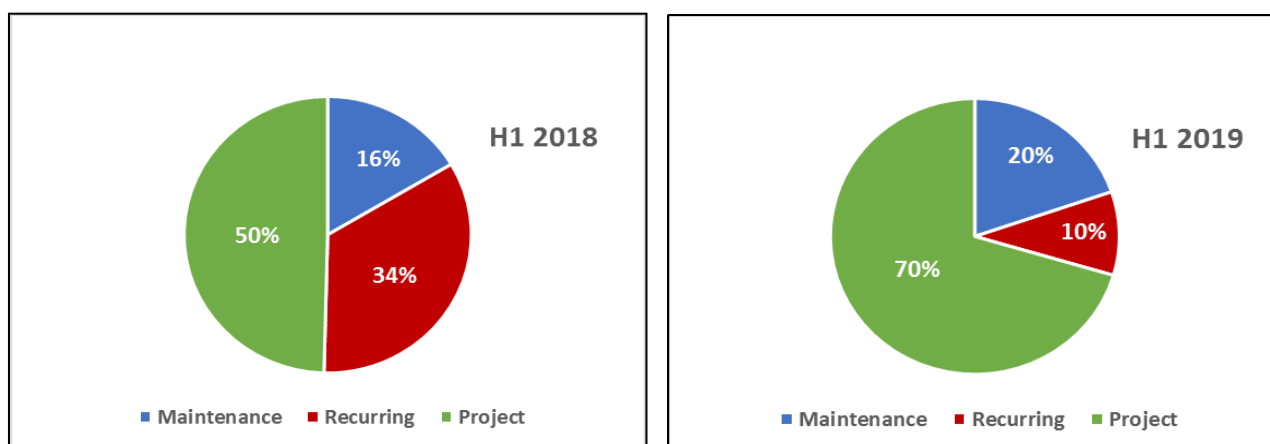
Revenue

DTI recorded first-half sales revenue of \$13,808,293, which represents an increase of 68 per cent compared to the previous year's first-half revenue of \$8,227,147. The increased revenue performance is attributed to acceleration of deliveries on some key projects.

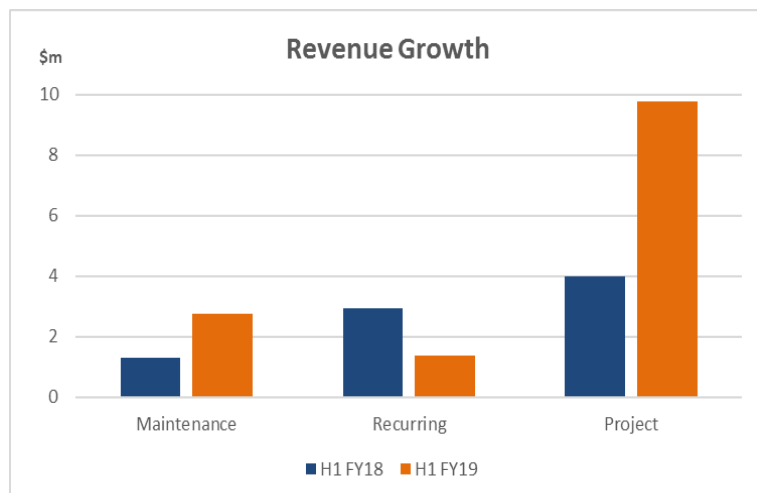
DTI's revenue is derived from three broad categories as set out below:

- **Maintenance:** ongoing maintenance services typically provided to a transit operator under contract;
- **Recurring:** ongoing sales of products and services to an operator that has installed DTI systems or vehicle manufacturer supplying vehicles to an operator; and
- **Project:** medium to long term projects where DTI is contracted to supply and/or install products and solutions to either a new-build vehicle fleet or as retro-fit to an existing fleet.

DTI's revenue split in these three categories is set out below:



DTI's growth in each revenue category is set out below:



DTI recorded \$2.7 million in maintenance revenue and \$1.4 million in recurring revenue, collectively 30 per cent of total sales revenue. Recurring revenue has decreased compared to FY18 due to the completion of a large bus build program in the US.

Project revenue is the largest source of DTI's revenue, and has increased significantly from \$4.2 million to \$9.8 million. Increased Project revenue is expected to result in increased recurring revenue in the future.

Underlying EBITDA

For the half-year period, the consolidated entity achieved a statutory EBITDA gain of \$0.315 million compared to the previous corresponding period EBITDA loss of \$6.0 million. Included in the statutory EBITDA is net non-recurring revenue and costs of \$0.12 million relating to one-off additional R&D grant income and impairments recorded on inventory and trade receivables.

	FY19 \$	FY18 \$
Statutory EBIT	(232,743)	(7,359,956)
Depreciation and amortisation	547,731	1,332,869
Reported EBITDA	314,988	(6,027,087)
Foreign exchange gain	(139,987)	(317,437)
Additional R&D income	(452,882)	
Impairment of Trade Receivables	73,598	482,136
Impairment of Inventory	260,000	2,010,820
Impairment of Development & Project costs		571,904
Underlying EBITDA	55,717	(3,279,664)

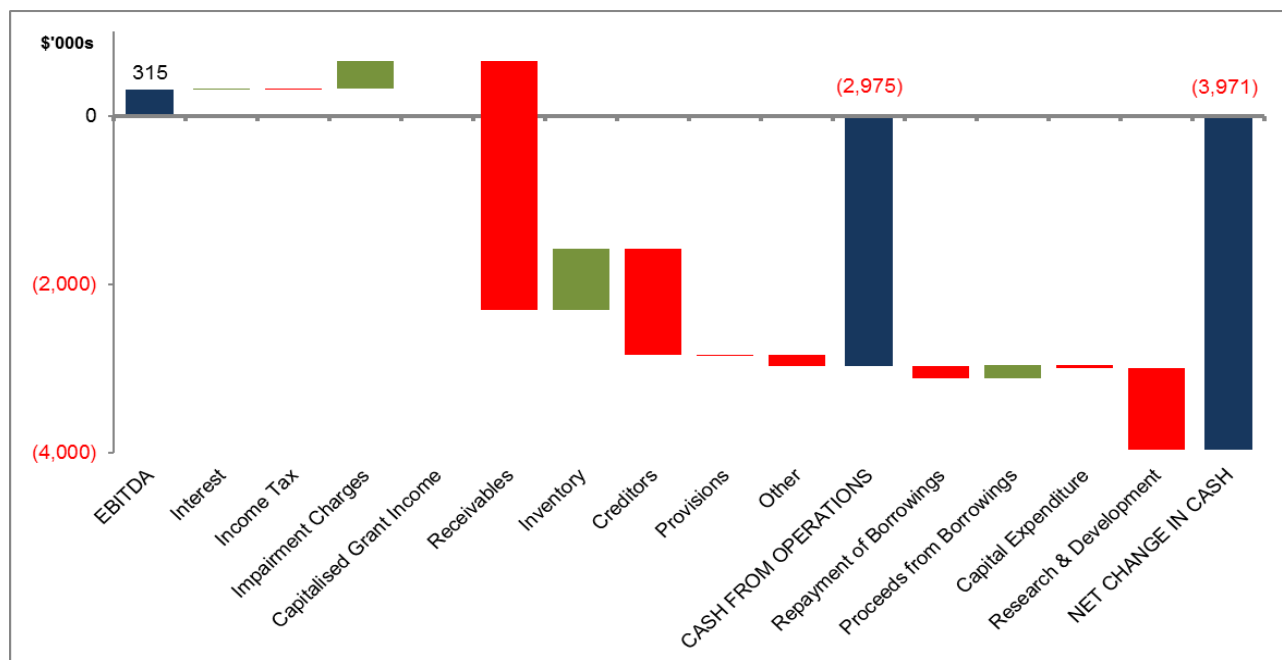
The resulting underlying EBITDA gain is \$0.055 million compared to the previous corresponding period underlying EBITDA loss of \$3.3 million.

The underlying EBITDA gain in 1H FY19 is primarily attributable to

- i) Increased revenue;
- ii) Reduction in costs associated with legacy projects;
- iii) Adjustment made to R&D Grant receivable - \$0.4 million.

Cash flow

During the period, DTI consumed \$2.98 million cash in operations (increased working capital) and invested \$0.97 million in capitalised research and development expenditure, and plant and equipment as detailed in the chart below.



Net working capital invested in the business will increase with higher revenue. DTI is focussed on improving commercial terms to ensure more efficient working capital.

DTI continues to support investment in research and development activities as it develops new products and services for the mass transit industry. \$0.97 million of research and development expenditure was incurred during the period compared to \$0.6 million in 1H FY18.

Financial Position

At 31 December 2018 DTI recorded net assets of \$14.5 million, including \$1.2 million in cash. The working capital metrics remain stable with current assets of \$18.3 million and current liabilities of \$5.5 million. DTI is focussed on improving this position through greater production efficiencies and cost reductions and rationalisation of inventory.

As DTI continues to grow its Project revenue base, increased working capital may be required as the Company increases revenue over time.

Review of principal business

Operational performance

DTI's contracted order book at 31 December 2018 was \$33.8 million. This is a reduction of nine per cent since 30 June 2018. As set out in Chart 1 below, DTI has achieved strong growth in its contracted order book since 2015 with the award of several multi-year projects. DTI's order book continues to be heavily weighted to the rail sector with approximately 94 per cent of booked work in this sector. Details of the development of DTI's order book over time are set out below. In addition, DTI has identified an additional \$3.9 million of work that is under final negotiation and is referenced as "Preferred".

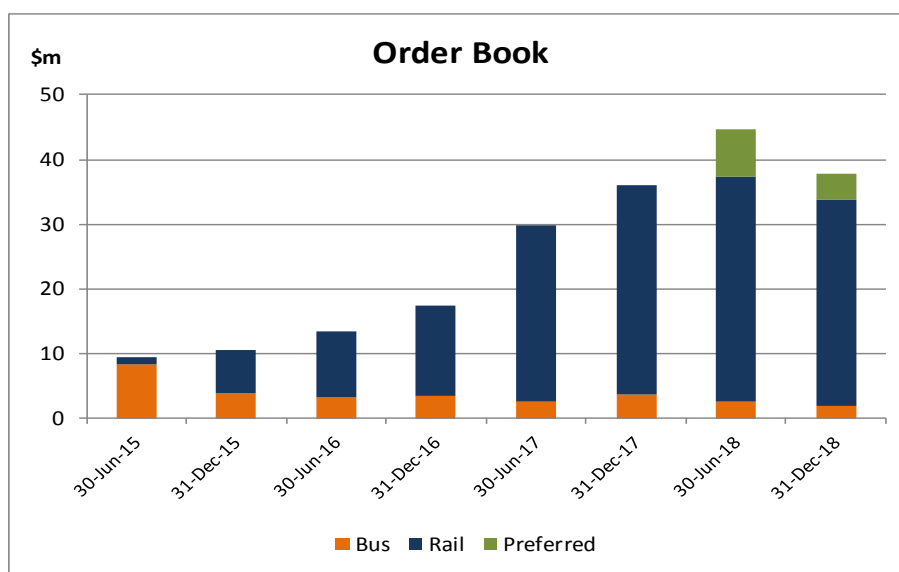


Chart 1: Order Book

The Board is encouraged by the success achieved in winning this level of work in what is a highly competitive sector. In addition, the opportunity pipeline of identified significant opportunities has remained stable at \$374.7 million. Of this amount, up to \$38 million of contracts are likely to be decided within six months.

Similar to the contracted order book, the opportunity pipeline also shows a strong bias to the rail sector, as set out in Chart 2, with approximately 83 per cent of identified opportunities in this sector. This is largely attributable to the development of rail specific products (Train Data Recorder, Passenger Information Display, Dynamic Route Map, Passenger Emergency Intercom, Driver Display Unit, Public Address and Passenger Counting). The rail sector is dominated by a smaller number of very large value opportunities, which makes it a favourable market to enter for DTI.

The bus market continues to be highly relevant to DTI with a larger number of smaller value contracts. A significant portion of DTI's recurring revenue base is sourced from the bus sector.

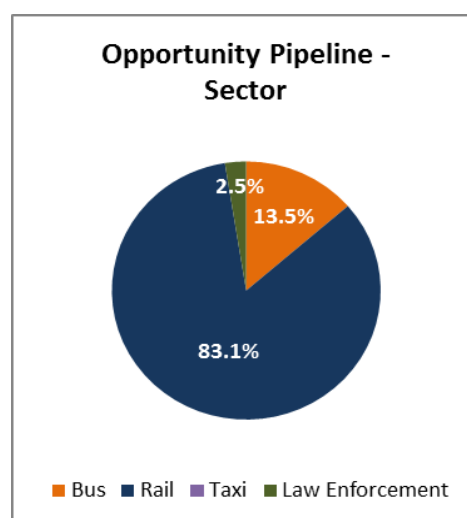
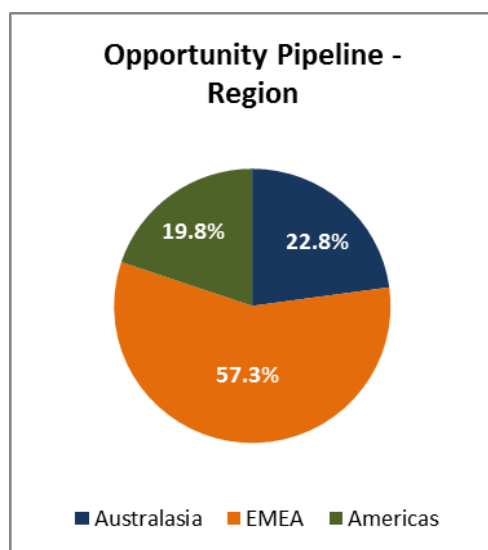


Chart 2: Opportunity Pipeline by Transit Sector



DTI operates globally and its opportunity pipeline is categorised between Australasia; Europe, Middle East and Africa ("EMEA"); and Americas. Approximately 58 per cent of DTI's opportunity pipeline is sourced from the EMEA region, as set out in Chart 3, with the balance shared between Australasia (23 per cent) and the Americas (20 per cent).

With strong commitments to infrastructure spending by the governments of developed countries, DTI considers that there is significant potential for the Opportunity Pipeline to grow further.

DTI has successfully demonstrated its capacity to grow its revenues and order book from this opportunity pipeline.

Chart 3: Opportunity Pipeline by Region

The key contracts (including LoI) in the contracted order book, are expected to be delivered over the following time frame.

Project	Customer	Deliverable	Completion Period
DART – Phase II	Dallas Area Rapid Transit Authority	Retrofit of CCTV system	Six months
London Underground - Northern Line	Alstom Transport UK Limited	Retrofit of CCTV system	1 year
PRASA	Alstom Ubunye	Passenger information systems	10 years
ComEng	Metro Trains Melbourne	Retrofit CCTV/PIS	18 months

A key to DTI's success in growing its Order Book has been the ability to develop leading edge software and hardware solutions for customers from the Company's Perth manufacturing base.

DTI has also invested in achieving key technical accreditations such as the International Railway Industry Standard ("IRIS") Certification and the Environmental Testing Certification (ISO 17025) to complement its ISO 9001 accreditation.

Strategy and Outlook

DTI has been pursuing a strategy of developing surveillance, communication and passenger information products and solutions for the mass transit industry. DTI has been successful at entering new market sectors and enhancing its credentials with customers in key global markets through its innovative solutions.

DTI has a level of contracted revenue that will underpin revenue for the balance of FY19. In addition, DTI has been awarded a number of multi-year contracts which supports its ability to continue its strong revenue growth. DTI has an identified opportunity pipeline of \$374.7 million which relates to work that is expected to be awarded over the next five years, including approximately \$38 million expected to be decided in the next six months. The realisation of this opportunity pipeline is expected to provide a baseload of revenue for the Company from which it can continue to grow its market share and develop new products and solutions for its customers.

Auditor's independence declaration

The auditor's independence declaration, as required under section 307C of the Corporations Act 2001, is included on page 30 of the half-year report.

This Directors' report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the *Corporations Act 2001*.



Peter Tazewell
Managing Director
25 February 2019
Perth, Australia

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the half-year ended 31 December 2018

	Note	31 Dec 2018 \$	31 Dec 2017 \$
Sales revenue	2(ii)	13,808,293	8,227,147
Cost of goods sold		(10,315,940)	(7,312,332)
Gross margin		3,492,353	914,815
Operational overheads		(2,005,994)	(2,186,106)
Impairment costs	4	(333,598)	(3,064,860)
Other income		452,882	-
Corporate overheads		(1,290,655)	(1,690,936)
Depreciation/amortisation		(547,731)	(1,332,869)
Net interest and finance (loss)/gain		5,226	(24,710)
Net loss before tax		(227,517)	(7,384,666)
Tax benefit		(2,253)	2,049,942
Net loss after tax		(229,770)	(5,334,724)
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange differences		119,262	241,896
Total other comprehensive income / (loss)		119,262	241,896
Total comprehensive loss for the period		(110,508)	(5,092,828)
Total comprehensive loss is attributable to:			
Owners of DTI Group Ltd		(110,508)	(5,092,828)
Loss per share for loss attributable to the ordinary equity holders of the Company:			
Basic loss per share (cents per share)		(0.001)	(4.28)
Diluted loss per share (cents per share)		(0.001)	(4.28)

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

Consolidated Statement of Financial Position

as at 31 December 2018

	Note	31 Dec 2018 \$	30 Jun 2018 \$
Current assets			
Cash and cash equivalents		1,174,262	5,130,652
Trade and other receivables	5	9,424,018	7,335,246
Contract assets	2(ii)	325,871	-
Contract costs		826,866	-
Inventories		6,186,113	7,999,326
Other current assets		358,508	93,573
Total current assets		18,295,638	20,558,797
Non-current assets			
Property, plant and equipment		845,672	1,114,907
Intangible assets	6	1,053,478	315,806
Total non-current assets		1,899,150	1,430,713
Total assets		20,194,788	21,989,510
Current liabilities			
Trade and other payables		3,638,026	5,528,770
Contract liabilities	2(ii)	640,296	-
Borrowings	7	133,442	112,966
Provisions		1,130,994	1,156,059
Total current liabilities		5,542,758	6,797,795
Non-current liabilities			
Provisions		71,283	46,255
Deferred tax liabilities		63,522	63,522
Total non-current liabilities		134,805	109,777
Total liabilities		5,677,563	6,907,572
Net assets		14,517,225	15,081,938
Equity			
Contributed equity	8	30,955,098	30,955,098
Reserves		488,605	295,050
Accumulated losses		(16,926,478)	(16,168,210)
Total equity		14,517,225	15,081,938

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

for the half-year ended 31 December 2018

	Note	Contributed Equity \$	Employee Share Plan Reserve \$	Foreign Currency Translation Reserve \$	Accumula- ted Losses \$	Total \$
At 1 July 2018		30,955,098	324,985	(29,935)	(16,168,210)	15,081,938
Impact of changes in accounting policies	13				(528,498)	(528,498)
Restated equity at the beginning of the year		30,955,098	324,985	(29,935)	(16,696,708)	14,553,440
Loss for the period		-	-	-	(229,770)	(229,770)
Other comprehensive loss		-	-	119,262	-	119,262
Total comprehensive loss for the period		-	-	119,262	(229,770)	(110,508)
Transactions with owners in their capacity as owners						
Shares issued to employees		-	74,293	-	-	74,293
At 31 December 2018		30,955,098	399,278	89,327	(16,926,478)	14,517,225
At 1 July 2017		24,969,359	202,373	451,812	(4,783,899)	20,839,645
Loss for the period		-	-	-	(5,334,724)	(5,334,724)
Other comprehensive loss		-	-	241,896	-	241,896
Total comprehensive loss for the period		-	-	241,896	(5,334,724)	(5,092,828)
Transactions with owners in their capacity as owners						
Shares issued to employees		-	74,499	-	-	74,499
Issue of share capital		-	-	-	-	-
At 31 December 2017		24,969,359	276,872	693,708	(10,118,623)	15,821,316

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

Consolidated Statement of Cash Flows

for the half-year ended 31 December 2018

	Note	31 Dec 2018 \$	31 Dec 2017 \$
Cash flows used in operating activities			
Receipts from customers		11,111,850	10,258,790
Payments to suppliers and employees		(14,090,276)	(13,839,087)
Interest received		9,583	1,635
Research and development grant received		-	2,690,218
Interest paid		(4,357)	(26,345)
Tax paid		(2,253)	(9,592)
Net cash outflow used in operating activities		(2,975,453)	(924,381)
Cash flows used in investing activities			
Payments for plant and equipment		(44,962)	(115,920)
Payments for intangible assets		(971,206)	(608,943)
Net cash outflow used in investing activities		(1,016,168)	(724,863)
Cash flows (used in)/from financing activities			
Proceeds from issues of shares		-	-
Share issue expenses		-	-
Proceeds from borrowings		167,909	1,000,000
Repayment of borrowings		(147,433)	(1,204,772)
Net cash (outflow) / inflow from financing activities		20,476	(204,772)
Net (decrease) / increase in cash and cash equivalents		(3,971,145)	(1,854,016)
Cash and cash equivalents at the beginning of the period		5,130,652	3,139,852
Effect of foreign exchange on opening balances		14,755	(69,074)
Cash and cash equivalents at the end of the period		1,174,262	1,216,762

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

Note 1: Basis of preparation of half-year report

This consolidated interim financial report for the half-year reporting period ended 31 December 2018 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2018 together with public announcements and documents made by the Company during the interim reporting period in accordance with the continuous disclosure obligations of the Corporations Act 2001 and ASX Listing Rules.

DTI is a for-profit company, limited by shares, incorporated in Australia and its shares have been publicly traded on the Australian Securities Exchange since 9 December 2014.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

(a) New and amended standards adopted by the group

A number of new or amended standards became applicable for the current reporting period and the group had to change its accounting policies and make retrospective adjustments as a result of adopting the following standards:

- AASB 9 *Financial Instruments* ("AASB 9"), and
- AASB 15 *Revenue from Contracts with Customers* ("AASB 15").

The impact of the adoption of these standards and the new accounting policies are disclosed in Note 2 and 11 below. The other standards did not have any impact on the group's accounting policies and did not require retrospective adjustments.

(b) Impact of standards issued but not yet applied by the entity

AASB 16 *Leases*

AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the group's operating leases. However, the group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the group's profit and classification of cash flows.

The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. The group does not intend to adopt the standard before its effective date.

(c) Critical estimates and judgements

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about judgements and estimates made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 2 – revenue recognition: Revenue from project-based services is recognised as a single combined performance obligation or separate distinct performance obligations;
- Note 2 – impairment of financial assets: key assumptions in determining the weighted average loss rate for measurement of expected credit loss allowance for trade receivables and contract assets

Note 2: New accounting policies

This note explains the impact of the adoption of AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers* on the group's financial statements and also discloses the new accounting policies that have been applied from 1 July 2018, where they are different to those applied in prior periods.

(i) AASB 9 *Financial Instruments*

The Group has adopted AASB 9 *Financial Instruments* with a date of initial application of 1 July 2018.

AASB 9 *Financial Instruments* replaces AASB 139's '*Financial Instruments: Recognition and Measurement*' requirements. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets. When adopting AASB 9, the Group elected not to restate prior periods. Rather, differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment are recognised in opening retained earnings as at 1 July 2018.

As a result of the adoption of AASB 9, the impairment of financial assets using the expected credit loss model applies now to the Group's trade receivables. For contract assets arising from AASB 15 and trade receivables, the Group applies a simplified model of recognising lifetime expected credit loss as these items do not have a significant financing component.

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Financial assets are classified according to their business model and the characteristics of their contractual cash flows and are initially measured at fair value adjusted for transaction costs (where applicable).

Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss (FVTPL)
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Equity instruments at FVTOCI

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Financial assets at amortised cost

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of 'hold to collect' contractual cash flows are accounted for at amortised cost using the effective interest method. The Group's trade and most other receivables fall into this category of financial instruments.

Impairment of financial assets

AASB 9's new forward looking impairment model applies to Group's investments at amortised cost and debt instruments at FVTOCI. The application of the new impairment model depends on whether there has been a significant increase in credit risk.

Trade and other receivables and contract assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward looking information to calculate the expected credit losses using a provision matrix.

On that basis, the loss allowance as at 1 July 2018 was determined as follows for both trade receivables and contract assets:

1 July 2018	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Credit impaired	Total
Expected loss rate	2.9%	5.6%	5.7%	10.2%	100%	
Gross carrying amount	\$4,424,757	\$451,810	\$416,912	\$301,504	\$364,038	\$5,959,021
Loss allowance	\$128,293	\$25,304	\$23,682	\$30,923	\$364,038	\$572,240

Impact of the new impairment model

For assets in the scope of the AASB 9 impairment model, impairment losses are generally expected to increase. The Group has determined that the application of AASB 9's impairment requirements at 1 July 2018 results in an additional impairment allowances as follows.

Loss allowance at 30 June 2018 under AASB 139	364,038
Additional impairment recognised at 1 July 2018 on:	
Trade and other receivables as at 30 June 2018	208,202
Loss allowance at 1 July 2018 under AASB 9	572,240

(ii) AASB 15 Revenue from Contracts with Customers

The Group has adopted AASB 15 *Revenue from Contracts with Customers* with a date of initial application of 1 July 2018. As a result, the Group has changed its accounting policy for revenue recognition as detailed below.

The Group has applied AASB 15 using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under AASB 118. The details of accounting policies under AASB 118 are disclosed separately if they are different from those under AASB 15 and the impact of changes is disclosed in Note 13.

A. Significant accounting policy

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer.

In the comparative period 31 December 2017, revenue was recognised at fair value of the consideration received net of the amount of GST or value added tax payable to the taxation authorities. Sales of products were recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards were considered passed to the buyer at the time of delivery of the goods to the customer or at the point where billing threshold has been met.

Service revenue was recognised when the fees in respect of services rendered were earned, usually when services had been provided to customers or as per terms and conditions of service contracts.

B. Nature of goods and services

The following is a description of the principal activities from which the Group generates its revenue.

Products and services	Nature, timing of satisfaction of performance obligations and significant payment terms
Sale of goods only	The Group recognises revenue when the customers obtain control of the goods. This usually occurs when the goods are delivered. The amount of revenue recognised for goods delivered is adjusted for expected returns. Invoices are generated and revenue is recognised at that point in time. Invoices are usually payable within 45 days (credit term). No element of financing is deemed present as the sales are made within standard credit term, which is consistent with market practice. The Group's obligation to provide a refund or replacement for faulty products under the standard warranty terms is recognised as a provision.
Project-based services	Some contracts include multiple deliverables, such as the provision and installation and commission of hardware and software. These multiple deliverables form an integration service and could not be performed by another party, the goods and services represent a single combined performance obligation over which control is considered to transfer over time. This is because the provision of goods and services by the Group enhance an asset (i.e. trains or buses) that the customer controls as the asset is enhanced. Revenue is recognised overtime as the customisation or integration work is performed, using the cost to cost input method to estimate progress towards completion. When cost incurred is not proportionate to the entity's progress in satisfying the performance obligation, the input method is adjusted to recognise revenue only to the extent of that cost incurred (For example, goods

	have been delivered to the customers but installation has not commenced). Estimates of revenues, costs or extent of progress toward completion are revised if circumstances changes. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management. Customers usually pay according to the agreed invoicing schedule or contract milestones. If the goods and services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the goods and services rendered, a contract liability is recognised.
Maintenance and technical support	The Group provides maintenance and technical services. These services are usually bundled together with sales of products or provision of project services to customer. The maintenance and technical support can be obtained from other providers and do not significantly customise or modify the product sold. When these service is bundled together with other services provided by the Group, the Group performed a re-allocation of contract consideration based on the relative stand-alone selling prices of its bundled services. For maintenance and technical support, which is billed based on hourly basis, the Group recognises revenue as the services are performed.

C. Impact of initial adoption of AASB 15

Refer to Note 13.

D. Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market, major products/service lines and timing of revenue recognition.

	31 Dec 2018 \$
Primary geographical markets	
Australia	7,456,481
Europe	975,153
North America	5,376,658
	13,808,293
Major products/service lines	
Sale of products	4,556,695
Project-based services	6,483,585
Maintenance	2,768,013
	13,808,293
Revenue recognition	
at a point in time	4,556,695
over time	9,251,598
	13,808,293

E. Impact of adopting AASB 15 on current period financial statements

The following tables summarise the impact of adopting AASB 15 as compared to AASB 118 and related interpretations that were in effect before the changes on the Group's consolidated financial statements for the half year ending 31 December 2018.

(i) Consolidated statement of financial position (extracted)

		Impact of changes in accounting policies	
31 December 2018			
\$	As reported	Adjustments	Balances without adoption of AASB 15
Current assets			
Contract assets	325,871	(325,871)	-
Contract costs	826,866	(826,866)	-
Inventories	6,186,113	826,866	7,012,979
Total assets	20,194,788	(325,871)	19,868,917
Current liabilities			
Contract liabilities	640,296	(640,296)	-
Total liabilities	5,677,563	(640,296)	5,037,267
Net assets	14,517,225	314,425	14,831,650
Equity			
Accumulated losses	(16,644,678)	314,425	(16,330,253)
Reserves	488,605	-	488,605
Total equity	14,517,225	314,425	14,831,650

(ii) Consolidated statement of profit or loss and OCI (extracted)

		Impact of changes in accounting policies	
For the half year ended 31 December 2018			
\$	As reported	Adjustments	Balances without adoption of AASB 15
Sales revenue	13,808,293	(5,871)	13,802,422
Net loss after tax	(229,770)	(5,871)	(235,641)
Other comprehensive income	119,262	-	119,262
Total other comprehensive income / (loss)	119,262	-	119,262
Total comprehensive loss for the period	(110,508)	(5,871)	(116,379)

F. Contract balances and contract costs

Contract Assets

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional.

Contract Liabilities

The contract liabilities primarily relate to the advance consideration received from customers for project-based service, for which revenue is recognised based on the completion of its passenger information system

Contract Costs

Management expects that incremental costs incurred as a result of obtaining project-based contracts are recovered. These incremental costs of completing a particular project-based contract is capitalised as contract costs (Work-in-Progress) and expensed when the related revenue is recognized.

Note 3: Segment information

The CODM is the Chief Executive Officer (CEO) who monitors the operating results of the consolidated group and organises its business activities and product lines to serve the global mass transit industry. The performance of the consolidated group is evaluated based on Earnings before Interest, Taxes, Depreciation and Amortisation ("EBITDA") which is measured in accordance with the Group's accounting policies. The Group only has on reportable segment which is the transit industry.

The following is an analysis of the Group's revenue and results from continuing operations by the reportable segment.

Segment Revenues and Results		31 Dec 2018	31 Dec 2017
		\$	\$
Sales Revenue		13,808,293	8,227,147
Cost of Goods Sold		(10,315,940)	(7,312,332)
Gross Margin		3,492,353	914,815
Gross Margin		25%	11%
Impairment of Development and Project Costs		-	(571,904)
Impairment of Inventory		(260,000)	(2,010,820)
Impairment of Trade Receivables		(73,598)	(482,136)
Other Income		452,882	-
Operational Overheads	(2,005,994)		(2,186,106)
Corporate Overheads	(1,290,655)	(3,296,649)	(1,690,936)
EBITDA		314,988	(6,027,087)
Depreciation/amortisation		(547,731)	(1,332,869)
EBIT		(232,743)	(7,359,956)
Net Interest and finance loss		5,226	(24,710)
Net loss before tax		(227,517)	(7,384,666)
Tax benefit		(2,253)	2,049,942
Net loss after tax		(229,770)	(5,334,724)

Other Income at 31 December 2018 represents the part recognition of the financial year 2018 R&D Grant receivable. DTI has chosen not to accrue the equivalent income for the financial year 2019 at 31 December 2018 in the event DTI's full year income exceeds the allowable qualifying threshold of \$20 million in revenue for the financial year.

Segment Assets and Liabilities	31 Dec 2018 \$	30 Jun 2018 \$
Total Assets & Liabilities		
Consolidated total assets	20,194,788	21,989,510
Consolidated total liabilities	5,677,563	6,907,572
Geographical Assets		
Australia	12,240,197	14,670,741
Others	7,954,591	7,318,769
	20,194,788	21,989,510
Geographical Liabilities		
Australia	4,325,923	5,582,756
Others	1,351,640	1,324,816
	5,677,563	6,907,572

Major customers

DTI supplies goods and services to a broad range of customers in the transit industry. During the reporting period, two (2018: two) major customers accounted for in excess of 46 per cent (2018: 33 per cent) of group revenue.

Note 4: Impairment Costs

	31 Dec 2018 \$	31 Dec 2017 \$
Inventory	260,000	2,010,820
Capitalised research and development	-	571,904
Trade receivables	73,598	482,136
	333,598	3,064,860

Note 5: Trade and other receivables

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

	31 Dec 2018 \$	30 Jun 2018 \$
Trade receivables (net of impairment)	7,566,315	5,959,021
Accrued debtors	246,652	218,056
R&D grant/income tax receivable	1,611,051	1,158,169
	9,424,018	7,335,246

Impaired trade receivables

At 31 December 2018 current trade receivables of the Group with a value of \$400,654 were impaired.

<i>Movements in the provision for impairment of receivables</i>	31 Dec 2018 \$	30 Jun 2018 \$
Balance at the beginning of financial period	364,038	7,651
Additional impairment recognised from AASB 9 initial adoption – Note 2(i)	208,202	-
Additional impairment recognised during the period	73,598	383,015
Bad debt written off	(245,184)	-
Amount recovered	-	(26,628)
Balance at the closing of financial period	400,654	364,038

Note 6: Intangible assets

	Development Costs \$	Goodwill \$	Patents \$	Total \$
At 31 December 2018				
Cost (gross carrying amount)	941,980	-	509,547	1,451,527
Accumulated amortisation	(189,989)	-	(208,060)	(398,049)
Impairment expense	-	-	-	-
R&D grant income	-	-	-	-
Net carrying amount	751,991	-	301,487	1,053,478
Movements in carrying amounts				
Balance at 1 July 2018	-	-	315,806	315,806
Additions	941,980	-	25,805	967,785
Amortisation expense (net)	(189,989)	-	(40,124)	(230,113)
Impairment expense	-	-	-	-
R&D grant income	-	-	-	-
Net carrying amount	751,991	-	301,487	1,053,478
At 30 June 2018				
Cost (gross carrying amount)	15,833,540	2,432	483,742	16,319,714
Accumulated amortisation	(7,271,345)	-	(167,936)	(7,439,281)
Impairment expense	(5,422,597)	(2,432)	-	(5,425,029)
R&D grant income	(3,139,598)	-	-	(3,139,598)
Net carrying amount	-	-	315,806	315,806
Movements in carrying amounts				
Balance at 1 July 2017	5,291,134	2,432	314,310	5,607,876
Additions	2,755,014	-	55,668	2,810,682
Amortisation expense	(2,473,972)	-	(54,172)	(2,528,144)
Impairment expense	(5,161,141)	(2,432)	-	(5,163,573)
R&D grant income not recognisable	(810,719)	-	-	(810,719)
R&D grant income not received	399,684	-	-	399,684
Net carrying amount	-	-	315,806	315,806

(a) Development costs

Development costs are carried at cost less accumulated amortisation and accumulated impairment losses. The total amount of development costs of \$751,991 has been subject to impairment testing. If an impairment indication arises, the recoverable amount is estimated, and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount. The Board has determined that no impairment is required as at 31 December 2018.

(b) Goodwill

Goodwill has been externally acquired and is carried at cost less accumulated impairment losses. The goodwill arose on the acquisition of the remaining 50.5 per cent of Virtual Observer Pty Ltd on 28 June 2012 and represents the difference between the purchase price and the net liabilities. Goodwill has been fully impaired as at 30 June 2018.

(c) Patents

Patents have been externally acquired and are carried at cost less accumulated impairment losses. This intangible asset has been assessed as having a useful life and is amortised using the straight-line method over a period of 10 years. The patents have been granted for between fifteen and twenty years by the relevant government agency. If an impairment indication arises, the recoverable amount is estimated, and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

Note 7: Borrowings

In December 2015 and April 2016, the Company negotiated chattel mortgage loans with ANZ Banking Group Ltd to finance the purchase of specialised technical equipment for research and development. The total amount utilised under the facility is \$112,966 at interest rates of 3.99 per cent and 3.90 per cent respectively. The loans are repayable monthly over a 36-month period and will be fully repaid in April 2019.

In October 2018, the Company financed its insurance premiums through Monument Premium Funding with the funds to be repaid within the next 12 months.

Note 8: Contributed equity

	31 Dec 2018 No.	31 Dec 2018 \$	30 Jun 2018 No.	30 Jun 2018 \$
Ordinary shares				
Balance at the beginning of financial period	213,388,875	30,955,098	124,671,579	24,969,359
Issued of share capital	–	–	88,670,271	6,206,919
Capital raising costs	–	–	–	(221,180)
Shares exercised under employee share plan	–	–	47,025	–
Balance at the end of the financial period*	213,388,875	30,955,098	213,388,875	30,955,098

*Balance excludes 1,952,975 Treasury Share held in trust for DESP.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Employee Share Plan

The DTI Employee Share Plan (DESP) has been established by the Board to permit shares to be issued by the Company to employees for no cash consideration and has been put in place by the Company. All permanent employees (excluding directors) who have been continuously employed by the group for a period of at least one year are eligible to participate in the scheme. Employees may elect not to participate in the scheme.

The shares are recognised at the closing share price on the grant date (31c on 15 April 2016) as an issue of treasury shares by the trust and as part of employee benefit costs over the period the shares vest. The shares vest one third per year on the anniversary date of 15 April for three years with final vesting date being in April 2019. Following this final vesting date the DESP will be retired and replaced by a new Employee Equity Plan (DTI Group Limited Equity Plan) that was approved on 20 November 2018 at DTI's Annual General Meeting of Shareholders.

DTI Capital Pty Ltd (Trustee), a wholly owned subsidiary of the Company, has been appointed by the Company to act as the trustee of the DESP. The Company issued 2,000,000 DESP shares to the Trustee on 15 April 2016 to hold for the benefit of employees until the DESP shares cease to be subject to any vesting conditions, at which time the DESP shares will be transferred to the employee or sold on behalf of the employee, with the sale proceeds remitted to the employee. As at 31 December 2018, 47,025 shares had vested with eligible employees and transferred to them, 933,642 shares had vested with eligible employees, but remain registered with the Trustee, 545,333 had been allocated to eligible employees and not yet vested and 474,000 shares remain unallocated.

Treasury shares are shares in the Company that are held by DTI Capital Ltd for issuing shares under the DESP. The shares are held as treasury shares until they are vested. Forfeited DESP shares may be reallocated in subsequent grants.

On 20 November 2018 during the Annual General Meeting of Shareholders, it was resolved that DTI would be permitted to issue performance rights, options and restricted shares under a new DTI Group Limited Equity Plan. The Company has established the Plan to assist in the motivation, retention and reward of employees and replaces the DESP.

The Plan is designed to align the interests of executives and employees with the interests of shareholders by providing an opportunity for the participants to receive any equity interest in the Company. At the date of this report 273,000 shares and 925,000 Performance Rights have been granted under this plan.

Performance rights

Pursuant to DTI Group Limited Equity Plan the Company has granted 925,000 performance rights to executives to align remuneration with the creation of shareholder value over the long-term.

The performance rights have a three-year vesting period and will be subject to a relative total shareholder return hurdle (RTSR Hurdle), which compares the total shareholder return performance of the Group with each of the entities within the S&P/ASX Small Ordinaries Index.

Company's RTSR percentile rank against comparator group	Vesting percentage
Less than 50 th	Nil
At 50 th	50%
Between 50 th and 75 th	50 – 100% on a straight-line basis
At 75 th	100%

During the half year ended 31 December 2018, no performance rights have vested. The share-based payment expense recognized for the half year ended 31 December 2018 was \$5,396. The fair value of the performance rights is \$32,375.

Note 9: Going Concern

The half-year financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Group recorded a loss after tax of \$0.2 million for the half year ended 31 December 2018 (31 December 2017: \$5.3 million loss) and had operating cash outflows of \$2.9 million (31 December 2017: \$0.9 million). Although at 31 December 2018, its trade working capital (excluding cash, contract costs, contract liabilities, provisions and borrowings) increased by \$2.7 million to \$12.6 million (June 2018: \$9.9 million), the Group's cash and cash equivalents decreased from 30 June 2018 by \$3.9 million to \$1.2 million at 31 December 2018 (30 June 2018: \$5.1 million).

Notwithstanding the above, the financial statements have been prepared on the basis that the entity is a going concern for the following reasons:

- The Group currently has sufficient cash resources to fund its requirements;
- The Group has received a R&D refund of \$1.6 million subsequent to year end;
- The Group has \$11 million of working capital (excluding the R&D refund receivable) which it can realise to fund future working capital requirements; and
- The Group is focused on improving commercial terms to reduce working capital requirement

Therefore, the directors confirm that they have reviewed the Group's financial position and are of the opinion that there are sufficient funds to meet the entity's working capital requirements and continue as a going concern as at the date of this report.

Note 10: Contingent liabilities

There have been no changes in contingent liabilities or contingent assets since the end of the previous annual reporting period, 30 June 2018.

Note 11: Subsequent events

No matters or circumstance have arisen that have significantly affected, or may significantly affect, the operations of DTI, the results of those operations or the state of affairs of DTI in subsequent years that is not otherwise disclosed in this report.

Note 12: Fair value measurement of financial instruments

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values.

The estimated fair value of financial instruments has been determined by the Company using available market information and appropriate valuation methods. The estimates presented are not necessarily indicative of the amounts that will ultimately be realised by the Company upon maturity or disposal. The use of different market assumptions and/or estimation methods may have a material effect on the estimated fair value amounts.

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

Note 13: Impact on the statement of financial position as at 1 July 2018 due to changes in accounting policies

The following table summarises the impact on the statement of financial position as at 1 July 2018 due to changes in accounting policies:

Statement of financial position (extract)	30 June 2018	AASB 9 (i)	AASB 15 (ii)	1 July 2018 Restated
	\$	\$	\$	\$
Current assets				
Trade and other receivables	7,335,246	(208,202)	-	7,127,044
Contract costs	-	-	1,036,774	1,036,774
Inventories	7,999,326	-	(1,036,774)	6,962,552
Total current assets	20,558,797	(208,202)	-	20,350,595
Current liabilities				
Contract liabilities	-	-	320,296	320,296
Total current liabilities	6,797,795	-	320,296	7,118,091
Net assets	15,081,938	(208,202)	(320,296)	14,553,440
Equity				
Accumulated losses	(16,168,210)	(208,202)	(320,296)	(16,696,708)
Total equity	15,081,938	(208,202)	(320,296)	14,553,440

(i) The Group was required to revise its impairment methodology under AASB 9 for its trade receivables balance. The impact of the change in impairment methodology on the Group's trade receivables and retained earnings is shown above.

(ii) Accounting for project-based service

In previous reporting period, the consideration received for non-refundable retainer fee is recognised as revenue when invoice is raised with associated cost capitalised under inventory. Under AASB 15, the non-refundable retainer fee is reversed to contract liabilities and only release to revenue based on the progress of the project when the project commenced.

The associated costs relating to cost to fulfil the project contract is previously recognised in inventories. Under AASB15, these costs are reclassified to contract costs. These costs are amortised based on the progress of the related projects, consistent with the pattern of recognition of the associated revenue.

Directors' Declaration

In the opinion of the directors of the Company:

- (a) The financial statements and notes as set out on pages 10 to 26 are in accordance with the Corporations Act 2001 and:
 - (i) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001 and other mandatory professional reporting requirements.
 - (ii) give a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date.
- (b) In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of directors and is signed for and on behalf of the directors by:



Peter Tazewell
Managing Director

25 February 2019, Perth, Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of DTI Group Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of DTI Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes comprising a statement of 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 half-year financial report of the Group is not in accordance with the Corporations Act 2001 including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2018 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Directors' responsibility for the Half-Year Financial Report

The directors of the company 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 is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, 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 2018 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.



Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Dean Just', is written over a faint, handwritten 'BDO' in the same ink.

Dean Just

Director

Perth, 25 February 2019

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF DTI GROUP LIMITED

As lead auditor for the review of DTI Group Limited for the half-year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of DTI Group Limited and the entities it controlled during the period.



Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth, 25 February 2019

Corporate directory

Directors	Greg Purdy	Non-Executive Chairman
	Peter Tazewell	Managing Director and Chief Executive Officer
	Steve Gallagher	Non-Executive Director
	Neil Goodey	Non-Executive Director
	Andrew Lewis	Non-Executive Director
Company Secretary	Raj Surendran	
Registered and Principal Office	31 Affleck Road Perth Airport WA 6105 Telephone: (08) 9479 1195 Facsimile: (08) 9479 1190 Website: www.dti.com.au	
Auditor	BDO Audit (WA) Pty Ltd 38 Station Street Subiaco WA 6008	
Share Registrar	Computershare Investor Services Pty Limited Yarra Falls 452 Johnston Street Abbotsford Vic 3067	
Bankers	Bankwest Division of Commonwealth Bank of Australia Bankwest Place 300 Murray Street Perth WA 6000	
Stock Exchange Listing	DTI Group Ltd shares are listed on the Australian Securities Exchange (ASX code: DTI)	