

# Appendix 4D

<b>Name of entity</b>	<b>Data#3 Limited</b>
<b>ABN</b>	31 010 545 267
<b>Reporting period</b>	<b>Half year ended 31 December 2022</b>
<b>Previous corresponding period</b>	Half year ended 31 December 2021

## Results for announcement to the market

<b>Results</b>				<b>\$'000</b>
Revenues from ordinary activities	up	16.7%	to	1,166,090
Profit from ordinary activities after tax attributable to members	up	38.1%	to	17,062
Net profit for the period attributable to members	up	38.1%	to	17,062

<b>Dividends</b>	<b>Amount per security</b>	<b>Franked amount per security</b>
<b>Current period</b>		
Interim dividend	10.00 cents	100%
<b>Previous corresponding period</b>		
Interim dividend	7.25 cents	100%

The record date for determining entitlements to the dividend is 17 March 2023. The dividend is payable on 31 March 2023.

## Brief explanation of the figures reported above

Please refer to the Review of Operations in the Directors' Report which begins on page 1 of the attached Interim Financial Report for the half year ended 31 December 2022.

<b>Net tangible assets per security</b>	<b>Current period</b>	<b>Previous period</b>
Net tangible asset backing per ordinary security	\$0.30	\$0.24

# Data#3 Limited

ABN 31 010 545 267

## Interim Financial Report

Half year ended 31 December 2022

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# Directors' report

Your directors present their report on Data#3 Limited and its subsidiaries (together referred to as "Data#3", "the group", or "we, our, or us") for the half year ended 31 December 2022.

## 1. Directors

The following persons were directors of Data#3 Limited for the entire half year and up to the date of this report:

Richard Anderson OAM  
Laurence Baynham  
Mark Esler  
Susan Forrester AM  
Mark Gray  
Leanne Muller

## 2. Review of operations

### The Information Technology market

The Australian Information Technology (IT) market has continued to experience solid growth, and this has allowed us to further cement our leadership position.

Technology and digital transformation are playing a leading role in Australia's economic future, with steady increases in demand from our corporate and public sector customers. Technology research and consulting firm Gartner forecasts spending on technology products and services in Australia to exceed \$117 billion in calendar year 2023, up 5.8% from 2022<sup>1</sup>.

Consequently, the pipeline of large integration project opportunities continues to build, and our services growth will continue to improve our margins and complement our software and infrastructure business units. These business units are highly interdependent on Data#3's services capability to ensure optimal customer outcomes, which is why services growth is central to our strategy.

While the supply chain challenges that we experienced in FY22 have extended into FY23, we have continued to operate our business effectively while maintaining high levels of service to our customers. Our performance continues to be underpinned by our leading market position, unrivalled supplier relationships, large long-term customer base and highly experienced and committed team.

### First half performance

We are particularly pleased with the first half performance, delivering another record result that reflects solid contributions from virtually all business units and regions.

We are also pleased to report we have seen a gradual improvement in the supply chain during the period. However, the estimated \$6 million profit backlog has not changed materially during the current period due to the increased volume of business. Consequently, the backlog has not impacted the underlying strength of the first half result. The supply chain delays have resulted in some partial order deliveries, which have temporarily inflated our inventory holdings and caused some delays in the collection of customer payments.

We have also focused on increasing our software and services revenues which are not impacted by the supply chain constraints and are largely recurring in nature.

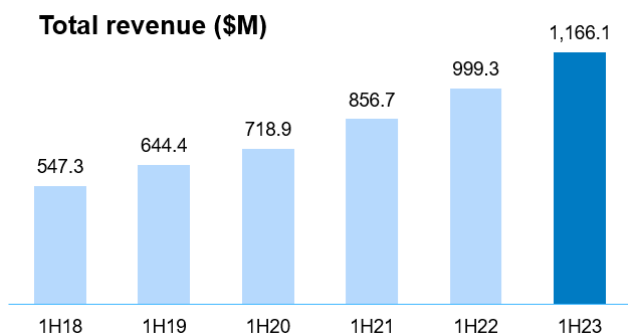
Total revenue increased by 16.7% to \$1.17 billion, with substantial multi-cloud (public and private cloud) growth. This provides greater opportunities for our service offerings and essential data for the solutions we provide to our customers.

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<sup>1</sup> Gartner *IT spend forecast Australia 2023*

# Directors' report (continued)

## 2. Review of operations (continued)



Once again, this result clearly demonstrates the inherent strength and relevance of our offerings in an evolving market. Approximately 65% of our total revenue is recurring, derived from contracts to fulfil the essential IT requirements of government and large corporate customers.

Our product-related businesses achieved better than expected revenue growth, more than three times the broader market growth rate:

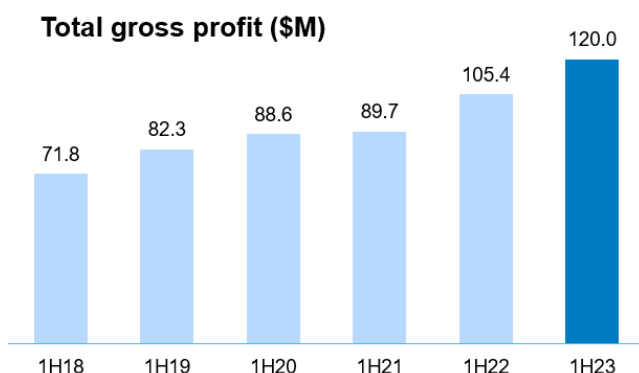
- Infrastructure sales increased by 18.4% to \$242.3 million.
- Software licensing revenues increased by 18.3% to \$766.5 million.
- Discovery Technology product revenues decreased from \$0.8million to \$0.5 million due to reduced activity in the retail sector.

Our combined Services revenue increased by 6.4% to \$155.1 million, reflecting a mixture of growth rates across the portfolio of businesses:

- Consulting revenues increased by 22.8% to \$15.9 million.
- Project Services revenues increased by 11.8% to \$36.3 million.
- Support Services revenues decreased by 6.0% to \$65.0 million due to a change in mix, with a reduction in Maintenance Services revenues offsetting strong growth in Managed Services revenues.
- People Solutions recruitment revenues increased by 22.5% to \$36.5 million.
- Other services revenues remained steady at \$1.4 million.

Other revenue increased from \$0.2 million to \$1.7 million, reflecting an increase in interest revenue from cash deposits.

Total gross profit (excluding other revenue) increased by 13.8% from \$105.4 million to \$120.0 million, and total gross margin decreased slightly from 10.6% to 10.3% due to the changes in sales mix.



In summary, the product-based gross profit increased by 4.2% to \$62.2 million, with gross margin decreasing from 7.0% to 6.2%.

Pleasingly, the services-based gross profit increased by 26.4% to \$57.8 million, with gross margin increasing from 31.4% to 37.3%, reflecting the growth in the higher margin Consulting and Managed Services revenues.

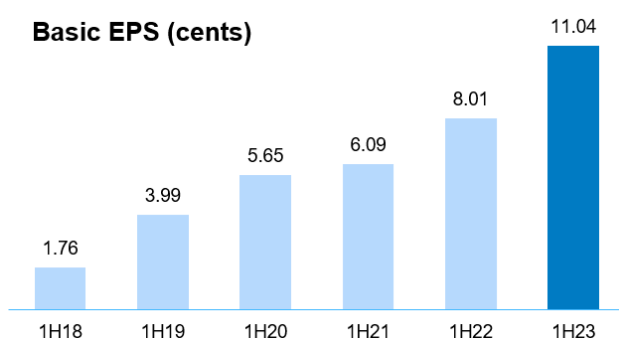
# Directors' report (continued)

## 2. Review of operations (continued)

The various pandemic-related impacts on our people continued to be well managed throughout the half, and we have also navigated the challenges associated with skills shortages. We have increased headcount, predominantly in our growing services teams, reflecting our leading market position, the attractiveness of our business as a place to work and the benefits of our People Solutions business. We are well placed to deliver on our committed project backlog and to win future work as a result of attracting this new talent.

We have continued to improve our operating leverage, as measured by our Internal Cost Ratio (Internal Staff Costs & Other Operating Expenses as a percentage of Gross Profit). Our internal staff costs increased by 12.3% from \$75.5 million to \$84.8 million, reflecting headcount growth and general remuneration increases. Other operating expenses increased by 6.6% from \$11.6 million to \$12.3 million with increases in travel and software amortisation expenses. With the proportionally higher growth in gross profit, the Internal Cost Ratio improved from 83% to 81%.

This solid improvement in operating leverage boosted the increase in earnings, with net profit before tax increasing by 32.4% from \$18.5 million to \$24.6 million and net profit after tax increasing by 38.1% from \$12.4 million to \$17.1 million. This represents basic earnings per share of 11.04 cents, an increase of 37.8% from 8.01 cents in the previous corresponding period.



The net cash flow from operating activities is typically an outflow in the first half due to the timing of receipts and payments around 30 June. The traditional May/June sales peak produces higher than normal collections before the end of June. These collections generate temporary cash surpluses which subsequently reverse after 30 June when the associated supplier payments occur. The first half net cash outflow from operating activities of \$88.8 million was less than the \$121.6 million outflow in the previous corresponding period because the temporary cash surplus at 30 June 2022 was lower than the previous year.

The key trade receivables indicator of average days' sales outstanding (DSOS) increased to 33.1 days, up from 26.8 days in the previous corresponding period, reflecting collection delays caused by the supply chain issues and associated partial order shipments. Despite the temporary increase, the DSOS remains at industry best practice levels, and the underlying risk of collection of overdue debtors remains low.

### Outlook

We are well positioned to capitalise on a growing market and industry tailwinds, in particular the opportunities for software and services. The supply chain constraints are expected to ease throughout calendar year 2023, which will gradually reduce the order backlog and see a return to more normal levels of inventory.

We have a robust business, no borrowings, solid long-term customer relationships, committed supplier partnerships, and a highly effective and productive team focussed on ongoing growth.

We are confident in our ability to continue to deliver on the company's long-term strategy and ensure Data#3 is well placed to contribute to and benefit from digital transformation trends over the next few years. We will continue to focus on driving growth in our services and software businesses to increase recurring revenues and improve our margins. According to Gartner, services and software will remain the most rapidly growing areas of the IT market in 2023<sup>2</sup>.

<sup>2</sup> Gartner *IT spend forecast Australia 2023*

# Directors' report (continued)

## 2. Review of operations (continued)

Consistent with previous practice, and given the ongoing supply chain uncertainties, we are unable to provide specific FY23 guidance at this stage. In line with previous years, we continue to expect a sales peak in the months of May and June and a profit skew in the second half. Our goal remains to deliver sustainable earnings growth.

## 3. Dividends

The directors have declared a fully franked dividend of 10.0 cents per share payable on 31 March 2023, an increase of 37.9% on the previous corresponding period, representing a payout ratio of 90.6%.

## 4. Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

## 5. Rounding of amounts

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to the "rounding off" of amounts in the directors' report and financial report. We have rounded off amounts in the directors' report and financial report to the nearest thousand dollars, or in certain cases to the nearest dollar, in accordance with that instrument unless otherwise noted.

This report is made in accordance with a resolution of the directors.



**L C Baynham**  
Director

Brisbane  
16 February 2023



Level 38, 345 Queen Street  
Brisbane, QLD 4000

Postal address  
GPO Box 1144  
Brisbane, QLD 4001

p. +61 7 3222 8444

The Directors  
Data#3 Limited  
555 Coronation Drive  
TOOWONG QLD 4066

### Auditor's Independence Declaration

In relation to the independent auditor's review for the half-year ended 31 December 2022, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Data#3 Limited and the entities it controlled during the period.

*Pitcher Partners*

**PITCHER PARTNERS**

*J. Evans*

**JASON EVANS**  
Partner

Brisbane, Queensland  
16 February 2023

**Brisbane Sydney Newcastle Melbourne Adelaide Perth**

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

for the half year ended 31 December 2022

		Half year to December	
	Note	2022	2021
		\$'000	\$'000
<b>Revenue</b>			
Revenue from contracts with customers	3	1,164,401	999,089
Other		1,689	208
		1,166,090	999,297
<b>Expenses</b>			
Changes in inventories of finished goods		14,089	2,700
Purchase of goods		(961,243)	(796,381)
Employee and contractor costs directly on-charged		(52,008)	(42,393)
Other cost of sales on services		(45,202)	(57,570)
Other employee and contractor costs		(84,828)	(75,538)
Telecommunications		(1,022)	(1,143)
Rent		(850)	(940)
Travel		(644)	(67)
Professional fees		(864)	(803)
Depreciation and amortisation		(3,129)	(2,450)
Finance costs		(593)	(736)
Other		(5,238)	(5,432)
		(1,141,532)	(980,753)
<b>Profit before income tax</b>		24,558	18,544
Income tax expense		(7,496)	(6,191)
<b>Profit for the half year attributable to owners of Data#3 Limited</b>		17,062	12,353
Other comprehensive income for the half year, net of tax			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		244	125
<b>Total comprehensive income for the half year attributable to owners of Data#3 Limited</b>		17,306	12,478
<b>Earnings per share for profit attributable to the ordinary equity holders of the company:</b>			
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share		11.04c	8.01c
Diluted earnings per share		11.01c	7.98c

The accompanying notes form part of these financial statements.



## Condensed consolidated balance sheet

as at 31 December 2022

	31 December 2022 \$'000	30 June 2022 \$'000
<b>Current assets</b>		
Cash and cash equivalents	42,455	149,459
Trade and other receivables	234,944	527,888
Contract assets	4,951	5,776
Inventories	47,167	33,078
Other	8,723	3,955
<b>Total current assets</b>	<b>338,240</b>	<b>720,156</b>
<b>Non-current assets</b>		
Trade and other receivables	216	1,072
Property and equipment	3,283	3,388
Right-of-use assets	22,749	23,585
Deferred tax assets	6,149	5,292
Intangible assets	16,278	17,394
<b>Total non-current assets</b>	<b>48,675</b>	<b>50,731</b>
<b>Total assets</b>	<b>386,915</b>	<b>770,887</b>
<b>Current liabilities</b>		
Trade and other payables	239,479	622,698
Contract liabilities	46,359	49,710
Lease liabilities	3,354	3,002
Current tax liabilities	1,411	705
Provisions	7,827	7,236
<b>Total current liabilities</b>	<b>298,430</b>	<b>683,351</b>
<b>Non-current liabilities</b>		
Lease liabilities	21,814	22,643
Provisions	3,419	3,196
<b>Total non-current liabilities</b>	<b>25,233</b>	<b>25,839</b>
<b>Total liabilities</b>	<b>323,663</b>	<b>709,190</b>
<b>Net assets</b>	<b>63,252</b>	<b>61,697</b>
<b>Equity</b>		
Contributed equity	11,861	10,313
Share-based payments reserve	(275)	559
Foreign currency translation reserve	(199)	(443)
Retained earnings	51,865	51,268
<b>Total equity</b>	<b>63,252</b>	<b>61,697</b>

The accompanying notes form part of these financial statements.

## Condensed consolidated statement of changes in equity

for the half year ended 31 December 2022

Attributable to owners of Data#3 Limited

	Contributed equity	Share-based payment reserve	Foreign currency translation reserve	Retained earnings	Total shareholders' equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2022</b>					
<b>Balance at 30 June 2022</b>	10,313	559	(443)	51,268	61,697
Profit for the half year	-	-	-	17,062	17,062
Other comprehensive income for the half year, net of tax	-	-	244	-	244
<b>Total comprehensive income for the half year</b>	-	-	244	17,062	17,306
<i>Transactions with owners in their capacity as owners:</i>					
Payment of dividends	-	-	-	(16,465)	(16,465)
Issue of shares under employee share schemes	1,548	(1,548)	-	-	-
Employee share schemes – value of employee services	-	471	-	-	471
Employee share schemes – movement in deferred tax	-	243	-	-	243
	1,548	(834)	-	(16,465)	(15,751)
<b>Balance at 31 December 2022</b>	11,861	(275)	(199)	51,865	63,252
<b>2021</b>					
<b>Balance at 30 June 2021</b>	8,278	1,825	(657)	46,859	56,305
Profit for the half year	-	-	-	12,353	12,353
Other comprehensive income for the half year, net of tax	-	-	125	-	125
<b>Total comprehensive income for the half year</b>	-	-	125	12,353	12,478
<i>Transactions with owners in their capacity as owners:</i>					
Payment of dividends	-	-	-	(14,663)	(14,663)
Issue of shares under employee share schemes	2,035	(2,035)	-	-	-
Employee share schemes – value of employee services	-	420	-	-	420
Employee share schemes – movement in deferred tax	-	40	-	-	40
	2,035	(1,575)	-	(14,663)	(14,203)
<b>Balance at 31 December 2021</b>	10,313	250	(532)	44,549	54,580

The accompanying notes form part of these financial statements.

## Condensed consolidated cash flow statement

for the half year ended 31 December 2022

		Half year ended December	
	Note	2022 \$'000	2021 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		1,542,140	1,310,997
Payments to suppliers and employees (inclusive of GST)		(1,608,611)	(1,403,653)
GST paid		(15,800)	(18,714)
Interest received		1,457	176
Interest and other borrowing costs paid		(579)	(715)
Income tax paid (net of refunds)		(7,402)	(9,702)
Net cash outflow from operating activities	4	(88,795)	(121,611)
<b>Cash flows from investing activities</b>			
Payments for property and equipment		(465)	(357)
Payments for software assets		-	(1,834)
Net cash outflow from investing activities		(465)	(2,191)
<b>Cash flows from financing activities</b>			
Payment of dividends		(16,465)	(14,663)
Proceeds from issue of shares		1,548	2,035
Payments for shares acquired by the Data#3 Employee Share Trust		(1,548)	(2,035)
Repayment of principal on lease liabilities		(1,523)	(1,385)
Net cash outflow from financing activities		(17,988)	(16,048)
<b>Net decrease in cash and cash equivalents held</b>			
		(107,248)	(139,850)
Cash and cash equivalents at the beginning of the reporting period		149,459	204,323
Effect of exchange rate changes on cash and cash equivalents		244	125
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>42,455</b>	<b>64,598</b>

The accompanying notes form part of these financial statements.

# Notes to the condensed consolidated financial statements

## Note 1. Significant accounting policies

### Basis of preparation of interim financial report

We have prepared this general purpose interim financial report for the half-year reporting period ended 31 December 2022 in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report and accordingly should be read in conjunction with our annual report for the year ended 30 June 2022 and any public announcements we have made during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

We adopted the following revised accounting standards on 1 July 2022:

**AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments** – the standard amends existing accounting standards, in particular these accounting standard amendments which are relevant to our group:

- AASB 3 – to update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- AASB 9 – to clarify the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.
- AASB 137 – to specify the costs that an entity includes when assessing whether a contract will be loss-making.

The adoption of this revised accounting standard had no material effect on the consolidated financial statements for the half-year reporting period ended 31 December 2022 or our accounting policies.

**IASB Amendments to IFRS 3 Business Combinations** – the amendments update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The adoption of this revised accounting standard had no material effect on the consolidated financial statements for the half-year reporting period ended 31 December 2022 or our accounting policies.

**IASB Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets** – the amendments specify which costs a company includes when assessing whether a contract will be loss making. IAS 37 defines an onerous contract as one in which the unavoidable costs of meeting the entity's obligations exceed the economic benefits to be received under that contract. Unavoidable costs are the lower of the net cost of exiting the contract and the costs to fulfil the contract. The amendment clarifies the meaning of 'costs to fulfil a contract'. The adoption of this revised accounting standard had no material effect on the consolidated financial statements for the half-year reporting period ended 31 December 2022 or our accounting policies.

**IASB Annual Improvements to IFRS 9 Financial Instruments and the Illustrative Examples accompanying IFRS 16 Leases** – the amendment to IFRS 9 addresses which fees should be included in the 10% test for derecognition of financial liabilities. The amendment to Illustrative Example 13 that accompanies IFRS 16 removes the illustration of payments from the lessor relating to leasehold improvements. The reason for the amendment is to remove any potential confusion about the treatment of lease incentives. The adoption of this revised accounting standard had no material effect on the consolidated financial statements for the half-year reporting period ended 31 December 2022 or our accounting policies.

The accounting policies adopted in this interim financial report are the same as those applied in the previous financial year and the corresponding interim reporting period.

### Rounding of amounts

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to the "rounding off" of amounts in the directors' report and financial report. We have rounded off amounts in the directors' report and financial report to the nearest thousand dollars, or in certain cases to the nearest dollar, in accordance with that instrument unless otherwise noted.

## Note 2. Segment information

Our business is conducted primarily in Australia. Our management team makes financial decisions and allocates resources based on the information it receives from our internal management system. We attribute sales to an operating segment based on the type of solution provided to the customer. Revenue from customers domiciled in Australia comprised 99% of external sales for the half year ended 31 December 2022 (2021: 99%).

The sale of product and services is highly integrated into the IT solutions that each of our business units deliver to its customers. Each business unit services a similar customer base, applies similar methods to distribute those products and services to customers, and operates within a similar economic and regulatory environment. On this basis, we have determined that separate reporting of our business units does not add significantly to the understanding of them because there is significant overlap of product and services within each business unit, and there are frequent changes between the business units, resulting in the business units having characteristics that are so similar that they are expected to have the same future outcome. As a result, we have concluded that the company has only one reportable segment, which is that of value-added IT reseller and IT solutions provider. These solutions typically comprise a combination of infrastructure, software and service elements.

The company's revenue, results and assets for this reportable segment can be determined by reference to Note 3, the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income and the Condensed Consolidated Balance Sheet.

## Note 3. Revenue

### Disaggregation

We derive revenue from the following business units:

Business unit	Half year to December	
	2022	2021
	\$'000	\$'000
Infrastructure Solutions (a)	242,559	204,969
Software Solutions (b)	767,004	648,296
Business Aspect (c)	15,917	12,962
Project Services (d)	36,297	32,462
Support Services (e)	64,997	69,163
People Solutions (f)	36,455	29,751
Discovery Technology (g)	1,172	1,486
Total revenue from contracts with customers	1,164,401	999,089

- (a) Infrastructure Solutions includes sales of hardware, device-as-a-service and managed print services.
- (b) Software Solutions includes volume licensing and public cloud subscription services.
- (c) Business Aspect provides management and information technology consulting services.
- (d) Project Services include the design and implementation of technology solutions.
- (e) Support Services include managed services and maintenance services.
- (f) People Solutions includes the provision of contractors and permanent staff.
- (g) Discovery Technology provides wi-fi analytic services and wi-fi infrastructure.

Management exercises judgment in determining the categorisation of revenues as there is an increasing tendency for manufacturers to bundle various elements in the products and services that we resell – for example, some infrastructure offerings include software and/or bundled services, and support offerings can include software licenses.

### Timing

We recognise revenue from services over time, and all other external revenue is recognised at a point in time. Services revenue recognised over time comprises less than 10% of our total revenue.

# Notes to the condensed consolidated financial statements

## Note 4. Cash flow statement information

### Reconciliation of net profit to net cash flow from operations

	2022 \$'000	2021 \$'000
Profit for the half year	17,062	12,353
Depreciation and amortisation	3,567	2,888
Unwinding of discount on provisions	14	21
Bad and doubtful debts	333	22
Excess and obsolete inventory	338	76
Non-cash employee benefits expense – share-based payments	471	420
Other	1	(19)
Change in operating assets and liabilities		
Decrease in receivables and contract assets	294,292	247,820
Decrease in inventories	(14,427)	(2,776)
(Increase)/decrease in other operating assets	(4,768)	643
(Increase)/decrease in net deferred tax assets	(614)	415
Decrease in payables	(383,219)	(376,273)
Decrease in contract liabilities/unearned income	(3,351)	(3,793)
Decrease in other operating liabilities	-	(1)
Increase/(decrease) in current tax liabilities	706	(3,927)
Increase in provision for employee benefits	800	520
Net cash outflow from operating activities	(88,795)	(121,611)

## Note 5. Dividends

Details of dividends paid are as follows:

Record date	Payment date	Type	Amount per security	Franked amount per security	Total dividend \$'000
16/09/2021	30/09/2021	Final	9.5 cents	9.5 cents	14,663
17/03/2022	31/03/2022	Interim	7.25 cents	7.25 cents	11,190
16/09/2022	30/09/2022	Final	10.65 cents	10.65 cents	16,465

### Dividends not recognised at the end of the half year

Since the end of the half year, the directors have declared an interim dividend of 10.0 cents per fully paid ordinary share, fully franked based on tax paid at 30%. The aggregate amount of the interim dividend to be paid on 31 March 2023 out of retained earnings at the end of the half year, but not recognised as a liability at the end of the half year, is \$15,460,000.

# Notes to the condensed consolidated financial statements

## Note 6. Share-based payments

On 1 September 2022 ordinary shares were issued to the Data#3 Employee Share Trust ("the share trust"), which in turn provided the shares to executives whose rights vested under the Data#3 Long Term Incentive Plan. Data#3 Limited provided the funds to the share trust to enable the acquisition of shares. The rights were granted on 21 October 2019 and 13 November 2019 and fully vested on 30 June 2022. Other details of the share issuance are set out below.

Number of rights converted to shares	249,999
Share price of shares issued	\$6.191

The share-based payment equity reserve decreased by \$1.5 million in relation to this issuance of shares.

## Note 7. Subsequent events

No material and unusual events have occurred after the end of the half year that could affect the financial position and performance of Data#3 Limited or any of its subsidiaries.

## Note 8. Contingent liabilities

There have been no material changes in contingent liabilities from those disclosed in the June 2022 annual report.

## Directors' declaration

In the opinion of the directors:

- (a) the financial statements and notes set out on pages 6 to 13 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standards and the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the group's financial position as at 31 December 2022 and of its performance for the half year ended on that date; and
- (b) there are reasonable grounds to believe that Data#3 Limited 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 directors.



**L C Baynham**  
Director

Brisbane  
16 February 2023



**INDEPENDENT AUDITOR'S REVIEW REPORT****To the Members of Data#3 Limited****Report on the Half-Year Financial Report****Conclusion**

We have reviewed the half-year financial report of Data#3 Limited ("the Company") and its controlled entities ("the Group"), which comprises the condensed consolidated balance sheet as at 31 December 2022, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement 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 the Group does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

**Basis for 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 Company 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.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Brisbane Sydney Newcastle Melbourne Adelaide Perth

 **bakertilly**  
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WARWICK FACE  
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ROBYN COOPERFELICITY CRIMSTON  
CHERYL MASON  
KIERAN WALLISMURRAY GRAHAM  
ANDREW ROBIN  
KAREN LEVINE

## INDEPENDENT AUDITOR'S REVIEW REPORT, CONTINUED

### Responsibility of the Directors for the Financial Report

The directors of the Group 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.

### 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 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Pitcher Partners*

PITCHER PARTNERS

*J. Evans*

JASON EVANS

Partner

Brisbane, Queensland

16 February 2023

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