

IDT AUSTRALIA LIMITED  
ACN 006 522 970



# Annual Report

For the Year ended  
30 June 2025



# **IDT Australia Limited**

**ABN 66 006 522 970**

## **Annual Report - 30 June 2025**

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## Letter from the Chairman

Dear Shareholders,

The financial year ended 30 June 2025 marked a period of significant transition for IDT Australia Limited (IDT) as we emerge from the first phase of our strategic transformation journey that is supported by our “Rebuild Strategy”. This phase started three years ago with the primary aim of investing in the business to build unique world-class capabilities and lifting revenue.

The transformation was borne out of necessity. With excess capacity in our GMP manufacturing facility, our aim was simple but ambitious: to increase the utilisation rates at our facilities and to re-establish IDT Australia as a trusted and capable contract development and manufacturing organisation (CDMO) for high-value pharmaceutical programs. Over the past few years, we have invested heavily in our people and capabilities in pursuit of this mission.

We now enter the next phase of IDT’s transformation under our “Sustainability Strategy” to bring the Company to the path of sustainable profits. The journey to the second phase should have happened sooner and shareholders have been patient with us to achieve this milestone. However, the recent change in leadership at IDT will ensure that profitability remains front and centre as we progress to the next phase of growth.

## Strategic Focus

A significant part of the Rebuild Strategy involved ensuring our facility and technologies not only met, but exceeded, global compliance standards. We undertook critical upgrades and invested in license maintenance and expansion, allowing us to diversify our service offering in line with emerging global health megatrends.

In parallel, we built out a dedicated sales and project management team to secure new business, drive operational excellence, and ensure a seamless onboarding experience for our clients across our three key verticals: Active Pharmaceutical Ingredients (API) manufacturing, Specialty Orals and Advanced Therapies.

The heavy investments allowed IDT to successfully rebrand as the “go-to” partner in pharmaceutical development and manufacture by offering complete solutions and world-leading capabilities.

As a result, we’ve seen a material increase in facility utilisation from just 5% at the outset of our transformation, to circa ~35% by the end of FY25. This uplift includes new facility design and builds undertaken in collaboration with our clients and with the support of local government – a testament to our growing relevance and reputation.

## The Next Stage of Growth

With the Rebuild Strategy now at its conclusion, IDT enters the next chapter under our Sustainability Strategy. The key objective of this strategy is to leverage on what was built to take us into profitability and to maximise the earnings potential for the Company.

Our focus moving forward is clear: to deliver best-in-class CDMO solutions that address genuine unmet medical needs. We aim to build long-term, profitable contracts that create shared success for both IDT and our partners.

Our vision is to evolve from being the “go-to” CDMO to becoming the “best-in-class” CDMO in the Southern Hemisphere – a company recognised for reliably advancing medicine and solving global health challenges through innovation, quality, and execution.

Thank you for your continued support. Together, we are shaping an exciting and sustainable future for IDT Australia.

Yours sincerely,

A handwritten signature in blue ink that reads 'Mark Simari'.

Mark Simari  
Chairman

Directors	Mark Simari - Non-Executive Chairman Geoffrey Sam, OAM - Non-Executive Director Jane Ryan - Non-Executive Director
Company Secretary	Mark Licciardo
Registered Office and Principal Place of Business	45 Wadhurst Drive BORONIA, VICTORIA, 3155 Telephone +61 3 9801 8888 Facsimile +61 3 9837 6445
Share Register	MUFG Corporate Markets Tower 4, 727 Collins Street MELBOURNE, VICTORIA, 3000
Auditor	RSM Australia Partners Level 27, 120 Collins Street MELBOURNE, VICTORIA, 3000
Bankers	National Australia Bank Limited Level 28, 395 Bourke Street, MELBOURNE, VICTORIA, 3000  Scottish Pacific Business Finance Pty Ltd Level 16, 600 Bourke Street MELBOURNE, VICTORIA, 3000
Stock exchange listing	IDT Australia Limited shares are listed on the Australian Securities Exchange (ASX code: IDT)
Website	<a href="http://www.idtaus.com.au">www.idtaus.com.au</a>

The directors present their report, together with the financial statements for IDT Australia Limited (referred to hereafter as the 'Company') for the year ended 30 June 2025.

### Directors and Company Secretary

The following persons were directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

#### Director

Mark Simari - Non-Executive Chairman appointed Executive Chairman on 7 August 2025  
Jane Ryan - Non-Executive Director  
Geoffrey Sam OAM - Non-Executive Director

#### Company Secretary

Mark Licciardo

*Information about the Directors holding office at 30 June 2025:*

#### Mark Simari

**Qualifications:** Bachelor of Business (Accounting)

**Experience:** Mark is an experienced and accomplished professional in the health industry and has over 15 years' Board experience in a diverse range of organisations. Mark is currently Chairman of Careteq Limited (ASX:CTQ), Tali Digital Limited (ASX: TD1) and was the co-Founder of Paragon Care (ASX:PGC) and Managing Director from 2008 to 2018 and recently Non-executive Director from 2019 to 2022. He was instrumental in Paragon Care becoming one of the largest independent healthcare suppliers in the Australian and New Zealand Markets, creating a healthcare platform spanning across capital equipment, consumables, devices and service and maintenance.

**Other Current Directorships:** Executive Director of Careteq Limited and Executive Director of Tali Digital Limited, Toys "R" Us ANZ Limited and Xpon Technologies Group Ltd.

**Former Directorships in Last 3 Years:** Non-Executive Director of Paragon Care Ltd and Opyl Limited.

**Responsibilities:** Non-Executive Chairman of the Board, Member of Audit & Risk Committee, Member of Remuneration and Nomination Committee.

**Equity interests in Company:** 585,976 Fully Paid Ordinary Shares

#### Jane Ryan

**Qualifications:** BSc (Hons) PhD, MAICD

**Experience:** Dr Jane Ryan has over 30 years of international experience in the pharmaceutical and biotechnology industries where she has held executive roles in management of research and development programs as well as business development and alliance management. Jane has worked in Australia, the United States and United Kingdom. Throughout her career, she has led many successful fundraising campaigns and licensing initiatives including the winning of a \$230 million US Government contract.

**Other Current Directorships:** Non-Executive Director of Neuphoria Therapeutics Inc and Viral Vector Manufacture Facility Pty Ltd.

**Former Directorships in Last 3 Years:** Non-Executive Director of Robotic Surgery Evolutions Ltd, Anantara Lifesciences Ltd, MLSBio Pty Ltd and Bionomics Ltd.

**Responsibilities:** Non-Executive Director, Chair of Remuneration and Nomination Committee, Member of Audit & Risk Committee

**Equity interests in Company:** nil Fully Paid Ordinary Shares

#### Geoffrey Sam OAM

**Qualifications:** BCom (UNSW), MHA (UNSW), MA (Econ&SocStudies) (Manchester UK), FAICD

**Experience:** Geoff is currently the Chairperson and independent Non-executive Director of Earlypay Ltd (ASX:EPY). He has also held previous independent Non-executive Board positions with listed companies Money 3 Ltd, Hutchinsons Childcare Services Ltd and was Managing Director of Nova Health Ltd. He is the Co-Founder and Board member of Healthe Care Australia Pty Ltd, a privately owned health care company comprising a portfolio of 18 hospitals.

**Other Current Directorships:** Non-Executive Director of Earlypay Ltd, Change Financial Ltd and Biome Australia Limited.

**Former Directorships in Last 3 Years:** Non-Executive Director of Paragon Care Ltd

**Responsibilities:** Non-Executive Director, Chair of Audit & Risk Committee, Member of Remuneration and Nomination Committee.

**Equity interests in Company:** 1,302,169 Fully Paid Ordinary Shares

### *Information about the Secretary*

#### **Mark Licciardo**

**Qualifications:** Bachelor of Business degree in accounting, Graduate Diploma in Governance and Fellow of the Chartered Governance Institute, the Governance Institute of Australia and the Australian Institute of Company Directors.

**Experience:** Mark Licciardo was appointed Company Secretary on 3<sup>rd</sup> October 2022. Mark was the founder and Managing Director of Mertons Corporate Services, and following Mertons' acquisition by Acclime, is Managing Director, Listed Company Services for Acclime Australia. Acclime provides a range of professional services including company secretarial and corporate governance consulting to ASX listed and unlisted public and private companies. He is also a former Company Secretary of ASX listed companies Transurban Group and Australian Foundation Investment Company Limited.

Mark holds a Bachelor of Business Degree (Accounting) and a Graduate Diploma in Company Secretarial Practice, is a Fellow of the Australian Institute of Company Directors, the Governance Institute of Australia and the Institute of Company Secretaries and Administrators.

#### **Meetings of directors**

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2025, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Mark Simari	13	13	4	4	2	2
Jane Ryan	13	13	4	4	2	2
Geoff Sam	13	13	4	4	2	2

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

#### **Principal activities**

The principal activities of the Company through the course of the year were the supply of products and provision of research and development and other technical services within the pharmaceutical and allied industries.

#### **Significant changes in the state of affairs**

On 10 July 2024, the Company issued 78,108,255 shares at \$0.09 per share, raising \$7.0 million before costs. This related to the fully underwritten non-renounceable rights offer announced in June 2024.

On 4 September 2024 the company issued 254,146 Ordinary shares to employees for nil consideration as a short-term-incentives. These securities are subject to a 3-year on-sale restriction.

On 5 September 2024 the company issued 891,107 performance rights to senior management of the company under the Employee Share Plan approved by shareholders at the 2023 Annual General Meeting.

On 28 February 2025 131,428 performance rights lapsed because conditions were not, or become incapable of being, satisfied.

There were no other significant changes in the state of affairs of the Company during the financial year.

#### **Financial position and results**

The loss for the Company after providing for income tax amounted to \$8,063,000 (30 June 2024: \$5,413,000).

The Company's operating cash outflows for the year was \$9.6 million (30 June 2024: \$7.9 million outflow) and reported closing cash balance of \$0.5 million at 30 June 2025 (30 June 2024: \$4.4 million). On 23 January 2025, the Company secured an asset based loan facility of \$20 million from Scottish Pacific Finance Pty Ltd, with a minimum drawdown of \$10 million. The ScotPac loan is secured by mortgage over the Company's land, buildings, selected plant and equipment and debtors. The NAB loan facility was cancelled on 23 January 2025. These cash reserves and debt facility are available to support the Company's execution of strategies and projects and to extend production and manufacturing capabilities.

## Review of operations

IDT Australia recorded a second consecutive year of revenue growth as it successfully completed the first stage of its strategic transformation program (Rebuild Strategy) and transitions to the second stage (Sustainability Strategy) of the turnaround.

IDT's total FY25 revenue jumped 40.6% year-on-year (YoY) to \$19.86 million and net loss increased 49% YoY to \$8.06 million, which includes the recognition of bad debts of circa \$1.2 million relating to two customers defaulting on payments in FY25. These are one-off items, and the Board, in conjunction with the company's finance and business development teams are reviewing all procedures in place to improve the review and due diligence undertaken on new clients to ensure the quality of contracted clients is increased and minimise events of this nature moving forward.

The topline growth is underpinned by IDT's "Rebuild Strategy", which focused on lifting the utilisation rate and re-establishing IDT as a trusted world-leading contract development and manufacturing organisation (CDMO) for high-value pharmaceutical programs.

The primary aim of the "Rebuild Strategy" is to increase revenue to generate cashflow for the business. As a result, plant utilisation increased from around 5% three years ago to around 35% at the end of FY25.

Business Vertical	FY2025 Revenue \$'M	FY2024 Revenue* \$'M	Increase %
Active Pharmaceutical Ingredient (API)	4.2	5.5	-23.6%
Speciality Orals (SO)	3.6	5.4	-33.4%
Advanced Therapies (AT)	6.6	1.4	+361.1%
Disbursements	4.8	0.9	+433.4%
Other Revenue	0.6	0.9	-28.1%
<b>TOTAL</b>	<b>19.9</b>	<b>14.1</b>	<b>+40.6%</b>

Importantly, the sharp increase in disbursement revenue bodes well for the outlook of the Company. Disbursements increased by 433.4% YoY to \$4.8 million in FY25. This covers raw material costs and new equipment, which IDT charges customers for with a modest margin. The jump in disbursements is largely associated with the start of new contracts and is typically a lead indicator on the future performance of the three verticals.

### Advanced Therapies

This vertical is the standout in FY25 with revenue increasing 361.1% YoY to \$6.6 million. If disbursements relating to contracts for this business were included, the increase would be 549.5% YoY to \$10.5 million.

The growth of this business is key to the next phase of growth for IDT under its transformation program, as it's leveraged to high-value, higher-margin contracts, such as Antibody Drug Conjugate (ADC) and messenger RNA (mRNA) technologies.

### API Manufacturing

Revenue from this vertical declined 23.6% YoY to \$4.2 million (or a decline of 19.4% to \$4.8 million including disbursements) as work orders from this business transition to Advanced Therapies or Specialty Orals to complete the manufacture of the finished drug.

The API vertical is an important part of IDT's integrated offering, which allows IDT to stand out from the competition. However, this means it is not unusual for revenue from this vertical to fluctuate depending on the stage of execution of contracts.

### Specialty Orals

This vertical focuses on neuromeds. Revenue from this business declined 33.4% YoY to \$3.6 million (or a decline of 30.5% to \$3.9 million if disbursements were included) as IDT turned to Advanced Therapies to drive the second stage of its transformation program. Most of the sales in Specialty Orals are for lower-margin medicinal cannabis products and demand for these drugs have been constrained due to a temporary oversupply issue.

However, Specialty Orals is expected to return to growth due to growing demand for psychedelics and other drugs to treat central nervous system (CNS) and neuroscience indications.



### ***Continuous Improvement***

IDT Australia is committed to delivering continuous improvement across the organisation, with initiatives driven by the executive team and supported by innovation from all levels of the workforce. Recent investments made in people and plant have been pivotal in launching the Company into the next phase of its strategic transformation program with the growth of the Advanced Therapies vertical and the digitisation of workflows, achieved through the use of a digital quality management system (eQMS) and the rollout of an electronic batch record system. The digitisation initiatives not only bolster IDT's compliance, traceability, and operational agility, but also delivers cost efficiencies that will help IDT reach its next milestone focusing on profitability.

### ***Material Business Risks to Strategy and Financial Performance in Future Periods***

The Company has identified a number of material risks that may affect the success of the business over the coming periods, including some that are not directly within its control. The Company's risk management approach involves the ongoing assessment, monitoring and reporting of risks that could impede the Company's progress in delivering its strategic priorities. These risks are outlined below, although it is important to note that as IDT Australia's business continues to grow and evolve, these risks and the Company's risk profile may change.

#### Customer acquisition and retention

Continued growth in revenue and profitability of the Company depends on a number of factors, including its ability to attract new customers on a sufficiently profitable basis, and retaining and increasing revenue from existing customers. Revenue growth is particularly dependent on the Company's reputation and ability to offer specialised expertise and manufacturing capabilities, on top of the provision of consistently high-quality customer service. The company remains focused on our core expertise and brand while expanding into new novel modes of manufacture to building onto our capability and experience.

#### Regulatory changes and compliance risks

IDT Australia operates in a highly regulated industry. The laws and regulations that govern the development, manufacture, distribution and sale of medicines are subject to constant review by governments and responsible authorities. Any change to the rules for the industry may have a positive or negative effect on the Company. Additionally, IDT Australia is subject to ongoing regulatory audits to maintain its GMP certification. Should the Company fail to pass any of these audits, it may lose its certification, which will have a material negative impact on its business.

#### Competition

The industry that IDT Australia operates in is subject to competitive pressures, both domestically and internationally. These competitors may have different cost structures and capabilities, which may provide them a competitive advantage over IDT Australia. Further, some of IDT Australia's offshore competitors may not be subject to the same rules and regulations that the Company is required to operate under. Depending on the circumstances, this may put IDT Australia at a significant disadvantage or advantage. Other competitive risks faced by the Company include price competition, competitor marketing campaigns, and mergers or acquisitions by competitors and possible new entrants to the Company's industry. The risks may have a negative impact on IDT Australia's growth and financial performance. The company continues to observe competitive market trends and responds as appropriate without being distracted from our core business.

#### Changes in technology

The Company operates in an industry in which technology evolves rapidly with medical advances. This means treatment preferences and trends are also constantly changing, and this could impact on customer demands for IDT Australia's offerings. To maintain its growth, the Company has to ensure it remains at the cutting edge of drug manufacturing technologies and its ability to do so may be constrained by factors including its available capacity, resources and capital to invest in innovation and design. This may adversely impact on the Company's financial performance.

#### Cyber security risks

IDT Australia retains a significant amount of sensitive customer and third-party information. These parties have high expectations regarding the protection of their information. Additionally, the legal and regulatory environment surrounding information security and privacy is increasingly complex and demanding. Failures or breaches of data protection systems can result in reputational damage, regulatory impositions and financial loss, including claims for compensation by customers or penalties by telecommunications regulators or other authorities. While IDT Australia exercises due care in protecting customer data, it is possible that these measures will not be enough to prevent unauthorised access to its systems and technologies. The company continues to work with our IT service provider to mitigate such risks by adapting to changing technologies to prevent cyber security risks.

#### Loss of key personnel

The Company's ability to be productive, profitable and competitive, and to implement its growth strategy, depends on the continued employment and performance of senior executives and management. IDT Australia's performance also depends on its ability to attract and retain skilled workers with the relevant industry and technical experience. The loss of a number of key personnel or the inability to attract additional personnel may have an adverse impact on its financial and operating performance. By proactively addressing the risk of losing key personnel through mitigation strategies, including employer brand building initiatives, building alliances with local universities, succession planning and knowledge management, the company aims to minimise disruptions, maintain continuity, and ensure sustained performance and growth.

#### Access to capital and debt

IDT Australia's ability to fund future growth and profitability may be affected by its ability to access funding from equity investors, credit markets and other financial institutions. This access is dependent on several factors, such as the Company's financial performance, but may also include factors that are outside its control, such as general economic and financial conditions. There is a risk that the Company may be unable to access debt or equity funding when required on favourable terms, or at all.

#### **Dividends**

There were no dividends paid, recommended or declared during the current or previous financial year.

#### **Company performance**

The table below sets out summary information about the Company's earnings and movements in shareholder wealth for the five years ended 30 June 2025.

	2025 \$000	2024 \$000	2023 \$000	2022 \$000	2021 \$000
Revenue	19,680	14,121	7,032	12,130	15,989
Net profit / (loss) before tax	(8,063)	(6,075)	(9,776)	(1,876)	966
Net profit / (loss) after tax	(8,063)	(5,413)	(8,498)	(1,160)	2,103
Share price at start of year	\$0.11	\$0.07	\$0.12	\$0.33	\$0.17
Share price at end of year	\$0.09	\$0.11	\$0.07	\$0.12	\$0.33
Final dividend	-	-	-	-	-
Basic earnings per share	(1.7c)	(1.6c)	(3.5c)	(0.5c)	0.9c
Diluted earnings per share	(1.7c)	(1.6c)	(3.5c)	(0.5c)	0.9c
# Shares on issue, 30 June	429,677,870	351,479,469	304,583,397	241,021,797	239,860,170
Market capitalisation, 30 June	\$38.24m	\$38.66m	\$19.80m	\$27.72m	\$77.95m

#### **Likely developments and expected results of operations**

Information on likely developments in the operations of the Company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Company.

#### **Environmental regulation**

The Company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

#### **Proceedings on behalf of the Company**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

#### **Indemnity and insurance of officers**

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

### **Indemnity and insurance of auditor**

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

### **Non-audit services**

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 30 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 30 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

### **Auditor**

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

### **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 immediately after this directors' report.

### **Matters subsequent to the end of the financial year**

On 7 August Paul McDonald resigned as CEO with immediate effect and Mark Simari was appointed as Executive Chairman.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

### Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Additional disclosures relating to key management personnel

#### *Principles used to determine the nature and amount of remuneration*

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Nomination and Remuneration Committee has engaged external remuneration consultants to structure an executive remuneration framework from FY2024 onwards. The Company used HaRe group and Brash Solutions in relation to this remuneration recommendation services. Brash Solutions was paid \$3,600 during the financial year

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

#### *Non-executive directors' remuneration*

IDT has a small and focussed Board which works closely with Executive management. Fees and payments to Directors reflect the demands made on, and the responsibilities of, the Directors. Directors' fees are reviewed annually by the Remuneration and Nomination Committee, considering comparative remuneration data for the industry and size of the Company to attract Directors with relevant expertise in our industry as well as Australian capital markets.

The Non-Executive Directors' annual base fee is currently \$77,000 and the Chair \$132,000, inclusive of superannuation contributions, as required under the Australian superannuation guarantee legislation. Total Non-Executive Directors' fees are determined within an aggregate Directors' fee pool limit, periodically referred for approval by shareholders. The current maximum aggregate Directors' fee pool for Non-Executive Directors is \$400,000.

### *Executive remuneration*

The Company aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the Company and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Company and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

The performance targets are set and approved by the Board at the beginning of the year. These targets include meeting set key objectives at the beginning of the year and individual achievement are measured against the target.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders value relative to the entire market and the increase compared to the Company's direct competitors. The Nomination and Remuneration Committee reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2025.

### *Entity performance and link to remuneration*

Remuneration for certain individuals is directly linked to the performance of the Company. A portion of cash bonus and incentive payments are dependent on defined earnings per share targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Nomination and Remuneration Committee. Refer to the section Company performance above in the Directors report for details of the earnings and total shareholders return for the last five years.

An agreed set of protocols were put in place to ensure that the remuneration recommendations would be free from undue influence from key management personnel. These protocols include requiring that the consultant not communicate with affected key management personnel without a member of the Nomination and Remuneration Committee being present, and that the consultant not provide any information relating to the outcome of the engagement with the affected key management personnel. The Board is also required to make inquiries of the consultant's processes at the conclusion of the engagement to ensure that they are satisfied that any recommendations made have been free from undue influence. The Board is satisfied that these protocols were followed and as such there was no undue influence.

### *Service agreements*

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements for the three C-suite KMP are as follows:

Name:	Paul McDonald
Title:	Chief Executive Officer
Agreement commenced:	1 March 2023
Term of agreement:	Permanent
Details:	Base salary for the year ending 30 June 2025 of \$324,360 plus superannuation to be reviewed annually by the Nomination and Remuneration Committee. 3 Month termination notice by either party, potential STI 50% and LTI \$150,000 as per Nomination and Remuneration Committee approval and KPI achievement.

Name: Mahendran Vasanthakumar  
Title: Chief Financial Officer  
Agreement commenced: 3 September 2023  
Term of agreement: 3 years  
Details: Base salary for the year ending 30 June 2025 of \$219,420 plus superannuation to be reviewed annually by the Nomination and Remuneration Committee. 3 Month termination notice by either party, potential STI 20% and LTI \$80,000 as per Nomination and Remuneration Committee approval and KPI achievement.

Name: Jimmy Sosic  
Title: Chief Operating Officer  
Agreement commenced: 12 October 2023  
Term of agreement: Permanent  
Details: Base salary for the year ending 30 June 2025 of \$248,400 plus superannuation to be reviewed annually by the Nomination and Remuneration Committee. 3 Month termination notice by either party, potential STI 20% and LTI \$80,000 as per Nomination and Remuneration Committee approval and KPI achievement.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

### Details of remuneration

#### Amounts of remuneration

Details of the remuneration of key management personnel of the Company are set out in the following tables.

	Cash salary and fees	Short-term benefits Cash bonus	Non- monetary	Post- employment benefits Super- annuation	Long-term benefits Long service leave	Share-based payments Shares granted as compensation	Total
2025	\$	\$	\$		\$	\$	\$
<i>Non-Executive Directors:</i>							
M. Simari, Chair	130,000	-	-	-	-	-	130,000
J Ryan	68,036	-	-	7,824	-	-	75,860
G Sam	68,697	-	-	7,162	-	-	75,859
<i>Other Key Management Personnel:</i>							
P McDonald, Chief Executive Officer <sup>1</sup>	324,360	30,000	-	47,135	28,482	-	429,977
J Sosic, Operations Director	248,400	15,000	360	30,291	8,627	-	302,678
Mr Vasanthakumar, Chief Financial Officer	219,420	10,000	360	26,383	10,072	-	266,235
P Thiyageas, Quality Director <sup>2</sup>	128,205	14,680	240	16,390	-	-	159,515
M Flanders, Director of Commercial & Business Development <sup>3</sup>	30,270	14,210	60	5,115	-	-	49,655
P Coutts, Head of People & Safety	177,650	10,200	360	21,603	5,136	-	214,949
R Caunce, Director - Quality <sup>4</sup>	60,480	-	120	6,955	980	-	68,535
A Thompson, Director of Commercial & Business <sup>5</sup>	55,000	-	90	6,325	917	-	62,332
Total key management personnel compensation	1,510,518	94,090	1,590	175,183	54,214	-	1,835,595



<sup>1</sup>Mr McDonald resigned as the CEO on 7 August 2025

<sup>2</sup>Ms Thiyageas was Director, Quality until 28 February 2025

<sup>3</sup>Mr Flanders was Director, Commercial & Business Development until 19 March 2025

<sup>4</sup>Mr Counce was appointed Director, Quality on 11 March 2025

<sup>5</sup>Mr Thompson was appointed Director, Commercial and Business Development on 1 April 2025.

Short-term incentive bonuses were paid on 14 August 2024 for performance in the FY24 financial year.

	Cash salary and fees	Short-term benefits Cash bonus	Non- monetary	Post- employment benefits Super- annuation	Long-term benefits Long service leave	Share-based payments Shares granted as compensation	Total
<b>2024</b>	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
M. Simari, Chair	120,000	-	-	-	-	-	120,000
J Ryan	63,064	-	-	6,937	-	-	70,001
G Sam	63,064	-	-	6,937	-	-	70,001
<i>Other Key Management Personnel:</i>							
P McDonald, Chief Executive Officer	318,000	67,304	-	42,383	22,623	-	450,310
Mr Vasanthakumar, Chief Financial Officer	212,000	-	180	23,320	6,199	60,000	301,699
P Thiyageas, Quality Director	183,500	22,660	180	22,678	6,044	-	235,062
J Susic, Operations Director <sup>1</sup>	239,394	-	180	26,333	4,335	20,000	290,242
A Nesci, Commercial & Portfolio Director <sup>4</sup>	-	20,000	69,793	6,783	-	-	96,576
M Flanders, Director of Commercial & Business Development <sup>2</sup>	173,404	7,091	180	19,854	4,072	-	204,601
P Coutts, Head of People & Safety <sup>3</sup>	124,885	-	180	13,737	2,081	-	140,883
	<u>1,497,311</u>	<u>117,055</u>	<u>70,693</u>	<u>168,962</u>	<u>45,354</u>	<u>80,000</u>	<u>1,979,375</u>

<sup>1</sup> Mr Susic was appointed COO from Director of Operations on 12 October 2023

<sup>2</sup> Mr Flanders was appointed Director of Commercial & Business Development from Head of Commercial - Business Development on 1 September 2023.

<sup>3</sup> Ms Coutts was appointed Head of People & Culture on 2 October 2023

<sup>4</sup> Ms Nesci was Commercial & Portfolio Director until 01 July 2023. The Non Monetary benefit relates to redundancy payment.

Short-term incentive bonuses were paid on 14 August 2023 for performance in the FY23 financial year.

Summary of the total incentives paid in relation to achievement of objectives established at the beginning of the previous financial year:

Name	Potential of fixed remuneration		Achievement of objectives set at the start of the year	
	2025	2024	2025	2024
P McDonald <sup>1</sup>	50.00%	50.00%	-	51.00%
J Sosic	20.00%	20.00%	-	-
M Vasanthakumar	20.00%	20.00%	-	-
P Coutts	20.00%	20.00%	-	-
R Caunce <sup>1</sup>	20.00%	-	-	-
M Thompson <sup>2</sup>	-	-	-	-
P Thiyageas <sup>3</sup>	-	20.00%	-	51.00%
M Flanders <sup>4</sup>	-	20.00%	-	51.00%

<sup>1</sup>Mr McDonald resigned as the CEO on 7 August 2025

<sup>2</sup>Mr Caunce was appointed Director, Quality on 11 March 2025

<sup>3</sup>Mr Thompson was appointed Director, Commercial and Business Development on 1 April 2025.

<sup>4</sup>Ms Thiyageas is no longer with the company.

<sup>5</sup>Mr Flanders is no longer with the company.

#### **Additional disclosures relating to key management personnel**

##### **Shareholding**

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Company, including their personally related parties, are set out below:

2025	Balance at the start of the year	Shares issued to employees	Other changes during the year	Disposals/ other	Balance at the end of the year
<b>Ordinary shares</b>					
<b>Non-executive Directors</b>					
M Simari	585,976	-	-	-	585,976
J Ryan	79,366	-	(79,366)	-	-
G Sam	1,053,537	-	248,632	-	1,302,169
<b>Other key management personnel</b>					
P McDonald	3,090,291	-	125,753	-	3,216,044
J Sosic	322,580	-	-	-	322,580
M Vasanthakumar	1,442,436	-	-	-	1,442,436
P Thiyageas	861,000	-	-	(861,000)	-
M Flanders	861,000	-	-	-	861,000
Total Holdings	8,296,186	-	295,019	(861,000)	7,730,205

##### **2025 KMP**

Performance Rights <sup>1</sup>	Performance Rights	Grant Date	Price	Vesting Date	Granted
P McDonald	Performance Rights	01/07/2024	\$0.105	30/09/2026	142,857
M Vasanthakumar	Performance Rights	01/07/2024	\$0.105	30/09/2026	85,714
J Sosic	Performance Rights	01/07/2024	\$0.105	30/09/2026	85,714
P Thiyageas <sup>2</sup>	Performance Rights	01/07/2024	\$0.105	30/09/2026	131,428
P Coutts	Performance Rights	01/07/2024	\$0.105	30/09/2026	98,571
					544,284



2024	Balance at the start of the year	Shares issued to employees	Other changes during the year	Disposals/ other	Balance at the end of the year
<b>Ordinary shares</b>					
<b>Non-executive Directors</b>					
M Simari	355,206	-	230,770	-	585,976
J Ryan	79,366	-	-	-	79,366
G Sam	355,206	-	698,331	-	1,053,537
<b>Other key management personnel</b>					
P McDonald	2,390,106	-	700,185	-	3,090,291
J Sosic	-	322,580	-	-	322,580
M Vasanthakumar	13,157	967,740	461,539	-	1,442,436
P Thiyageas	861,000	-	-	-	861,000
M Flanders	861,000	-	-	-	861,000
Total Holdings	4,915,041	1,290,320	2,090,825	-	8,296,186

2024 Tranche	Grant Date	Share price per agreement (\$)	Issue price (\$)	Share price (\$)	Number of loan backed shares	Expected repayment date	Fair value of one share based payment	Fair Value (\$)
J Sosic	19/09/2023	\$0.062	\$0.062	\$0.062	322,580	19/09/2028	\$0.0191	6,161.28
M Vasanthakumar	19/09/2023	\$0.062	\$0.062	\$0.062	967,740	19/09/2028	\$0.0191	18,483.83
					1,290,320			24,645.11

*Option holding*

The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Company, including their personally related parties, is set out below:

2025

Director

Options<sup>1</sup>

	Grant Type	Grant Date	Exercise Price	Vesting Date	Granted	Expiry Date	Comments
M Simari	Unlisted options	07/08/2023	\$0.10	07/08/2023	2,000,000	07/08/2026	Approved Director Options
J Ryan	Unlisted options	07/08/2023	\$0.10	07/08/2023	1,000,000	07/08/2026	Approved Director Options
G Sam	Unlisted options	07/08/2023	\$0.10	07/08/2023	1,000,000	07/08/2026	Approved Director Options
M Simari	Unlisted options	07/08/2023	\$0.15	07/08/2023	2,000,000	07/08/2026	Approved Director Options
J Ryan	Unlisted options	07/08/2023	\$0.15	07/08/2023	1,000,000	07/08/2026	Approved Director Options
G Sam	Unlisted options	07/08/2023	\$0.15	07/08/2023	1,000,000	07/08/2026	Approved Director Options
M Simari	Unlisted options	07/08/2023	\$0.20	07/08/2023	2,000,000	07/08/2026	Approved Director Options
J Ryan	Unlisted options	07/08/2023	\$0.20	07/08/2023	1,000,000	07/08/2026	Approved Director Options
G Sam	Unlisted options	07/08/2023	\$0.20	07/08/2023	<u>1,000,000</u>	07/08/2026	Approved Director Options
					<u>12,000,000</u>		

<sup>1</sup>On 1 August 2023, at the Extraordinary General Meeting of the shareholders, the director options were approved by the shareholders: Mark Simari 6,000,000 shares, Jane Ryan 3,000,000 shares and Geoff Sam 3,000,000 shares.

*This concludes the remuneration report, which has been audited.*

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

*Mark Simari*

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Mark Simari  
Chairman

20 August 2025

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of IDT Australia Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'RSM'.**RSM AUSTRALIA PARTNERS**A handwritten signature in black ink that reads 'A L Whittingham'.**A L WHITTINGHAM**

Partner

Melbourne, Victoria

Dated: 20 August 2025

**IDT Australia Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2025**



	Note	2025 \$000	2024 \$000
<b>Revenue</b>			
Sales revenue	5	19,217	13,226
Other income	6	644	895
Total revenue and other income		<u>19,861</u>	<u>14,121</u>
<b>Expenses</b>	7		
Raw materials and consumables used		(6,119)	(2,808)
Employee benefits expense		(12,185)	(9,508)
Depreciation and amortisation expense		(861)	(925)
Bad debt write-off	12	(1,226)	7
Professional fees		(608)	(1,387)
Utilities and Maintenance expenses		(3,953)	(3,716)
Insurance expenses		(1,278)	(1,108)
Finance costs		(759)	(119)
Other expenses		(935)	(632)
Total expenses		<u>(27,924)</u>	<u>(20,196)</u>
<b>Loss before income tax benefit</b>		(8,063)	(6,075)
Income tax benefit	8	<u>-</u>	<u>662</u>
<b>Loss after income tax benefit for the year attributable to the owners of IDT Australia Limited</b>	25	(8,063)	(5,413)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Property revaluation net of tax		<u>-</u>	<u>1,987</u>
Other comprehensive income for the year, net of tax		<u>-</u>	<u>1,987</u>
<b>Total comprehensive loss for the year attributable to the owners of IDT Australia Limited</b>		<u>(8,063)</u>	<u>(3,426)</u>
		<b>Cents</b>	<b>Cents</b>
Basic loss per share	10	(1.89)	(1.55)
Diluted loss per share	10	(1.89)	(1.55)

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

	Note	2025 \$000	2024 \$000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	11	503	504
Trade and other receivables	12	6,670	5,373
Contract assets	13	1,407	1,888
Other financial assets	14	3,603	400
Inventories	15	3,026	1,681
R&D tax incentive receivable	16	309	561
Total current assets		15,518	10,407
<b>Non-current assets</b>			
Property, plant and equipment	17	21,402	20,964
Total non-current assets		21,402	20,964
<b>Total assets</b>		36,920	31,371
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	18	1,403	2,283
Contract liabilities	20	2,344	332
Borrowings	19	816	4,468
Employee benefits	21	722	674
Total current liabilities		5,285	7,757
<b>Non-current liabilities</b>			
Borrowings	19	9,589	-
Employee benefits	21	159	173
Total non-current liabilities		9,748	173
<b>Total liabilities</b>		15,033	7,930
<b>Net assets</b>		21,887	23,441
<b>Equity</b>			
Issued capital	22	64,188	57,700
Reserves	24	12,736	12,715
Accumulated losses	25	(55,037)	(46,974)
<b>Total equity</b>		21,887	23,441

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

**IDT Australia Limited**  
**Statement of changes in equity**  
**For the year ended 30 June 2025**



	Contributed Equity \$000	Asset Revaluation Reserve \$000	Share based Payment Reserve \$000	Accumulated Losses \$000	Total equity \$000
Balance at 1 July 2023	54,929	6,354	4,419	(41,561)	24,141
Loss after income tax benefit for the year	-	-	-	(5,413)	(5,413)
Other comprehensive income for the year, net of tax	-	1,987	-	-	1,987
Total comprehensive income for the year	-	1,987	-	(5,413)	(3,426)
<i>Transactions with owners in their capacity as owners:</i>					
Equity Capital raised (note 22)	3,039	-	-	-	3,039
Share based payment expense (note 23)	-	-	25	-	25
Cancellation of loan funded shares (note 23)	-	-	(70)	-	(70)
Costs of raising Capital (note 22)	(268)	-	-	-	(268)
Balance at 30 June 2024	57,700	8,341	4,374	(46,974)	23,441

	Contributed Equity \$000	Asset Revaluation Reserve \$000	Share based Payment Reserve \$000	Accumulated Losses \$000	Total equity \$000
Balance at 1 July 2024	57,700	8,341	4,374	(46,974)	23,441
Loss after income tax expense for the year	-	-	-	(8,063)	(8,063)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(8,063)	(8,063)
<i>Transactions with owners in their capacity as owners:</i>					
Issuance of fully paid ordinary shares (note 22)	7,030	-	-	-	7,030
Share based payment expense (note 23)	-	-	21	-	21
Costs of raising Capital (note 22)	(542)	-	-	-	(542)
Balance at 30 June 2025	64,188	8,341	4,395	(55,037)	21,887

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

	Note	2025 \$000	2024 \$000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		21,768	9,507
Payments to suppliers and employees (inclusive of GST)		(28,030)	(19,394)
Income tax refund received		490	386
		(5,772)	(9,501)
Interest received		93	102
Interest and other finance costs paid		(573)	(203)
Net cash used in operating activities	26	(6,252)	(9,602)
<b>Cash flows from investing activities</b>			
Payments for investments in term deposits		(3,203)	(400)
Payments for property, plant and equipment		(1,300)	(694)
Net cash used in investing activities		(4,503)	(1,094)
<b>Cash flows from financing activities</b>			
Proceeds (net of costs) from issue of equity	22	6,653	3,039
Proceeds from borrowings		10,225	4,947
Repayment of borrowings		(6,124)	(1,219)
Net cash from financing activities		10,754	6,767
Net decrease in cash and cash equivalents		(1)	(3,929)
Cash and cash equivalents at the beginning of the financial year		504	4,433
Cash and cash equivalents at the end of the financial year	11	503	504

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

## Note 1. Material accounting policy information

The material accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 1.1 Statement of Compliance

These financial statements are general purpose financial statements prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations, and comply with International Financial Reporting Standards and other requirements of the law.

For the purposes of preparing the financial statements, the Company is a for-profit entity.

### 1.2 Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

#### *Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

#### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

All amounts are presented in Australian dollars unless otherwise noted.

### 1.3 Impairment of Non-Current Assets

For all except goodwill and indefinite life intangibles, non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is based on the market capitalisation of the company.

### 1.4 New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Boards ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not mandatory have not yet been adopted.

### 1.5 Foreign Currency Translation

Transactions in currencies other than the Company's functional currency are recognised at the rates of exchange prevailing at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date.

Foreign exchange gains and losses resulting from settlement of such transactions and translation at period end exchange rates of foreign currency monetary assets and liabilities are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

### 1.6 Rounding of Amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.



## Note 1. Material accounting policy information (continued)

### 1.7 Reclassification of Contract Assets

The Company classifies billable work-in-progress not yet invoiced as Contract Assets. The amount at 30 June 2024 is \$1.9m (2023: \$0.2m) and has been restated from Inventory to Contract Assets in the Statement of Financial Position. This does not impact on the Profit or Cash flows.

### 1.8 Revenue recognition

The company recognises revenue as follows:

Revenue from contracts with customers arises mainly from development and manufacturing of Active Pharmaceutical Ingredients (API), formulation and manufacture of Speciality Orals (medicinal cannabis) and Advanced Therapies, in Finished Dose Forms (FDF) as well as provision of Research & Development services. To determine whether to recognise revenue, the Company follows a 5-step process:

- (1) Identifying the contract with a customer
- (2) Identifying the performance obligations
- (3) Determining the transaction price
- (4) Allocating the transaction price to the performance obligations
- (5) Recognising revenue when/as performance obligations are satisfied.

Revenue is recognised either at a point in time or over time, when the Company satisfies performance obligations by transferring the promised goods or services to its customers.

The Company recognises contract liabilities for consideration received in respect to unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

The Company has two key types of arrangements with Clients; 1) Fee for Service Revenue generated in accordance with a Scope of Works agreed with clients before project commencement and recognised over the term of the project as specific performance obligations are completed (i.e. over time), 2) Manufacturing activities, particularly manufacture of Active Pharmaceutical Ingredients, manufacture of Speciality Oral products and Advanced Therapies, conducted based on supply agreements and purchase orders received from clients. Revenue from these activities is recognised after product has been released by Quality Assurance and shipped in accordance with client instructions (i.e. point in time). It must also be probable that the economic benefits of the transaction will flow to the Company and the amount of revenue can be measured reliably.

In some instances the Company acts as an agent for the customer and incurs the cost of freight of the goods. The freight charges are on-charged to the customer and the mark up on freight charges is recognised as revenue when the transfer of goods occurs.

#### *Other Revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

#### *Government Grants*

Government grants are recognised when they are received or when the right to receive payment is established.

#### *R&D Tax Incentive*

The entity applies the R&D Tax Incentive in accordance with AASB 120 Government Grants, recognising the benefit over the periods in which the related R&D costs are incurred. This approach ensures alignment between the recognition of grant income and the matching of associated expenditure.

### 1.9 Income tax

The income tax expense or benefit for the period is the tax payable / receivable on the current period's taxable income / (loss) based on the notional income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and unused tax losses.

## Note 1. Material accounting policy information (continued)

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

### 1.10 Cash at bank and on hand

For purposes of the statement of cash flows, cash and cash equivalents include bank deposits which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis.

### 1.11 Total trade and other receivables

Trade receivables represent amounts receivable relating to the provision of goods and services pursuant to a valid purchase order or contract for product or services. Receivables are recognised at the full value receivable and do not require re-measurement because they are due for settlement within 60 days of invoice date.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

### 1.12 Current Tax Assets

The Company incurs eligible expenditure to support a R&D Tax Incentive Claim. The estimated amount of claim is recognised as a current tax asset and recognised and disclosed as other income in the year that the R&D was incurred.

### 1.13 Inventories

Inventories are valued at the lower of cost and net realisable value with the cost determined on a first-in-first-out basis. Net realisable value reflects the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

Subsequent to initial measurement, balances held in inventory are reviewed at least annually and a provision raised where future use is no longer considered probable, principally due to reasons of obsolescence or product dating.

### 1.14 Property, Plant and Equipment

Freehold land and buildings are shown at revalued amounts being the fair value (level 3) at date of revaluation less subsequent depreciation for buildings. The most recent fair value measurement by independent valuers was 20 November 2023. The valuation conforms to Australian Valuation Standards and was calculated based on the fair value of the land and depreciated replacement cost of the buildings. As revaluations are performed regularly, carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

The revaluation increase arising on the revaluation of land and buildings is accumulated in the revaluation reserve within equity. Decreases that offset previous increases of the same asset are recognised against revaluation reserve directly in equity; all other decreases are to be recognised in profit or loss.

Plant and equipment, including Right of Use Assets, are measured at cost less accumulated depreciation and any impairment adjustments which may have been identified. The cost of non-current assets constructed or developed by the Company includes the costs of all materials used in construction, direct labour on the project and an appropriate proportion of directly attributable variable and fixed overheads.

AASB 16 Leases provides the lessee with the choice of whether to recognise short-term or low value leases on the balance sheet. Under the Company's policy, photocopiers and printers are treated as short term or low value leases, which qualify for the low value lease exemption.

Depreciation is recognised so as to write off the cost or valuation of assets, other than land, over their estimated useful lives, net of their residual values, using the straight-line method, as follows:

- Buildings	40 years
- Plant & Equipment	3-15 years

Estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Plant is regularly overhauled through an ongoing cyclical maintenance program. Routine operating maintenance, repair costs and minor renewals are charged as expenses as incurred.

## Note 1. Material accounting policy information (continued)

An item of property, plant and equipment is derecognised upon disposal or where no future economic benefits are expected to arise from continued use. Any gain or loss arising on disposal or retirement is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

### 1.15 Intangible Assets

#### a) Internally generated Intangible Assets

Research expenditure is recognised as an expense as incurred.

An internally generated intangible asset arising from development is recognised as a non-current asset where all of the following conditions can be demonstrated:

- technical feasibility of completing the project that it will be available for use or sale;
- intention to complete the intangible asset and use it or sell it;
- the intangible asset will generate probable future economic benefits for the Company;
- availability of adequate technical, financial and other resources to complete the development; and
- the ability to measure reliably the expenditure attributable to the development of the asset.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date the asset first met the recognition criteria listed above. Development expenditures that do not meet all of these criteria are recognised in profit or loss in the period in which incurred.

Development costs previously recognised as an expense may not be recognised as an asset in a subsequent period.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation from the date the intangible asset first meets the recognition criteria. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any change accounted for on a prospective basis.

#### b) Impairment of intangible assets

Assets with finite lives are subject to amortisation and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they may be impaired. An impairment loss is recognised in the statement of comprehensive income for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units), other than goodwill that is monitored at the segment level. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash generating units, and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

### 1.16 Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities settled. The relevant tax rate is applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets will only be recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. In addition to the above deferred tax assets recognised, the Company has further unrecognised tax losses relating to prior period tax losses.

### 1.17 Contract liabilities

Fee for Service Revenue generated in accordance with a Scope of Works agreed with clients before project commencement and recognised over the term of the project as specific performance obligations are completed (i.e. over time). In some cases the client may pay for services before the work is conducted and this revenue is deferred until earned.

## Note 1. Material accounting policy information (continued)

Contractual milestones have been received in accordance with the Company's long-term distribution agreements. As such milestones relate to the performance of the contract, revenue is recognised over the term of the distribution contract.

### 1.18 Employee Benefits

The provision for employee entitlements represents annual leave, vested long service leave and an estimate of the future value of long service leave which has not yet vested but is expected to be payable to employees.

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they can be reliably measured.

Liabilities recognised in respect of short term employee benefits are classified as current liabilities and measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of long-term employee benefits are classified as non-current liabilities and measured at the present value of the estimated future outflows to be made by the Company in respect of services provided by employees up to reporting date.

### 1.19 Share-based Payments

Directors, Executive Management and selected staff may be offered shares in the Company at the current market value at the date of issue, funded by an interest free limited recourse loan from the Company. These limited recourse loan funded shares are measured and accounted for as options in accordance with the substance, and no asset is recognised for the loan. Grants within the framework of the Employee Share Plan (ESP) are determined by the CEO together with the Remuneration and Nomination Committee and are subject to approval by the Board.

Amounts disclosed for emoluments relating to these shares are the assessed fair values at issue date determined using the Binomial method taking into account the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the arrangement.

The ESP provides an annual value of up to \$1,000 of shares may be issued to eligible employees for no consideration. The value of shares issued is recognised in the income statement as employee benefit costs at the time the shares are granted. Such shares may not be sold until the earlier of three years after issue or cessation of employment with the Company.

In all other respects ESP shares rank equally with other fully-paid ordinary shares on issue.

### 1.20 Earnings Per Share

(i) Basic Earnings per Share - Basic earnings per share is determined by dividing the profit or loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted Earnings per Share - Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

## Note 2. Critical accounting judgements, estimates and assumptions

Preparation of these financial statements requires the Company to make estimates and judgements that may affect the reported values of assets, liabilities, revenues and expenses. Management continually evaluates estimates and judgements based on historical experience and other factors it believes to be reasonable under the circumstances, including expectations of future events that may have a financial impact on the entity.

The following critical judgements have been made in application of the Company's accounting policies and have the most significant effect on amounts recognised in the Company's financial statements.

### Valuation of non-current assets (being property, plant and equipment and finite life intangibles assets)

The Company applies AASB 136 Impairment of Assets to test the carrying value of non-current assets and impairment. Judgement is applied to make estimates of future cash flows to support assessment of the appropriateness of the carrying value. Criteria considered include anticipated future sales prices, market size and expected share, future exchange rates and the discount rate.

## Note 2. Critical accounting judgements, estimates and assumptions (continued)

In making these judgements, the Company makes reasonable and supportable assumptions to represent management's estimate of the conditions that will exist over the useful life of the asset. Amongst other factors the Company evaluates technical feasibility, the cost to complete the project, existence of an attractive commercial market, potential launch dates and sales expectations to conclude on the value of expected future economic benefits which would be expected to flow to the entity in order to calculate discounted cash flows.

Balanced estimates of these criteria have been made but key sensitivities could include more competitive market conditions which could result in higher than expected discounting required to achieve targeted market share.

At any time should the estimated value of future economic benefits relative to the asset's carrying value be considered insufficient relative to net book value, the Company would recognise impairment in accordance with AASB 136 Impairment of Assets.

### Income taxes

Deferred tax assets are recognised for deductible temporary differences and tax losses as management considers that it is probable that future taxable profits will be available to utilise those temporary differences. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the usage of each item, product expiry date and other factors that affect inventory obsolescence.

### Share-based payments

The issuance of shares to employees are at market rates and funded by interest-free limited recourse loans to the Company. The fair values of such arrangements utilises the Binomial method and therefore includes elements of judgment and estimate in determining certain input factors such as an estimate of share price volatility. Performance rights issued to employees are valued at the Company's share price on the date of grant.

### Timing of revenue recognition

Revenue is recognised either at a point in time or over time, when the Company satisfies performance obligations by transferring the promised goods or services to its customers. See note 1.8 for further details.

### Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 12, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

## Note 2. Critical accounting judgements, estimates and assumptions (continued)

### Fair value measurement hierarchy

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

### Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

## Note 3. Operating segments

The Company has identified one reportable segment, that is: Development and Manufacture of Active Pharmaceutical Ingredients (API) and Finished Dose Forms (FDF). The segment details are therefore fully reflected in the body of the financial statements. Refer to note 1 for further information on the accounting policy.



#### Note 4. Going concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the company incurred a loss of \$8.06 million (2024: \$5.4 million) and a net cash outflow from operating activities of \$6.3 million for year ended 30 June 2025 (2024: \$9.6 million).

The Directors believe that it is foreseeable that the company will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The Company has cash reserves of \$4.1 million, which included term deposits of \$3.6m, as of 30 June 2025;
- As at 30 June 2025 the Company had full unrestricted access to an unused debt facility of \$9.15m
- The Company has prepared a cashflow forecast for the next twelve months which indicates that they will significantly improve their operating cash outflow position.

The Directors have considered a cash flow forecast and the projected revenue and are satisfied that the Company will operate as a going concern and continue to meet its financial obligations for the foreseeable future.

Based on the cash flow forecast and the above funding arrangements, the Directors are satisfied that the going concern basis of preparation is appropriate.

#### Note 5. Revenue

	2025 \$'000	2024 \$'000
Service revenue recognised over time	19,217	13,226
Sale of goods transferred at a point in time	-	-
	<u>19,217</u>	<u>13,226</u>

##### Disaggregation of revenue

The disaggregation of revenue from contracts with customers recognised over time is as follows:

	2025 \$'000	2024 \$'000
Active Pharmaceutical Ingredients	4,792	5,493
Advanced Therapies	10,483	1,436
Speciality Orals	3,942	5,396
Disbursement & Misc. Revenue	-	901
	<u>19,217</u>	<u>13,226</u>

##### Geographical regions:

	2025 \$'000	2024 \$'000
Australia	15,292	9,818
Asia	119	158
Europe	45	630
USA	3,761	2,620
	<u>19,217</u>	<u>13,226</u>

During the reporting period, revenue from one external customer, represented more than 10% of the Company's total revenue. The total revenue from this customer amounted to \$6,171,238 relating to Advanced Therapies.

**Note 6. Other income**

	2025 \$000	2024 \$000
Interest income	96	102
R&D tax incentive	238	533
Government grants	310	260
	<u>644</u>	<u>895</u>

**Note 7. Expenses**

	2025 \$000	2024 \$000
Loss from ordinary activities before income tax expense includes the following expenses:		
Cost of goods sold	10,751	5,835
Depreciation of property, plant and equipment	861	925
Share-based payments expense (net)	(42)	(55)
Research costs	710	441
Repairs and maintenance	727	831
Superannuation	1,163	922
Net foreign currency loss	43	(4)
Bad debt write-off	1,226	-

**Note 8. Income tax benefit**

	2025 \$000	2024 \$000
<i>Numerical reconciliation of income tax benefit and tax at the statutory rate</i>		
Loss before income tax benefit	<u>(8,063)</u>	<u>(6,075)</u>
Tax at the statutory tax rate of 25%	(2,016)	(1,519)
Current year tax losses not recognised	1,475	1,445
Current year temporary differences not recognised	431	(764)
Non-deductible expenses	<u>110</u>	<u>176</u>
Income tax benefit	<u>-</u>	<u>(662)</u>

The company income tax rate used in 2025 is 25% (2024: 25%).

**Note 9. Deferred tax**

As at 30 June 2025 the Company has gross carried forward tax losses amounting to \$39m (2024: \$33m) and a further \$12.3m (2024: \$12.3m) capital losses which have not been recognised as assets in these financial statements.



**Note 10. Loss per share**

	2025 \$000	2024 \$000
Loss after income tax attributable to the owners of IDT Australia Limited	(8,063)	(5,413)
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	427,380,411	348,222,341
Weighted average number of ordinary shares used in calculating diluted earnings per share	427,380,411	348,222,341
	<b>Cents</b>	<b>Cents</b>
Basic loss per share	(1.89)	(1.55)
Diluted loss per share	(1.89)	(1.55)

At 30 June 2025 there are 32,675,709 options and performance rights on issue which have the potential to be dilutive. These have not been included in the determination of diluted earnings per share.

**Note 11. Cash and cash equivalents**

	2025 \$000	2024 \$000
<i>Current assets</i>		
Cash at bank and on hand	503	504

**Note 12. Trade and other receivables**

	2025 \$000	2024 \$000
<i>Current assets</i>		
Trade receivables	5,422	4,282
Less: Allowance for expected credit losses	(135)	(163)
	5,287	4,119
Prepayments	1,383	1,254
	6,670	5,373

*Allowance for expected credit losses*

The entity has recognised a loss of \$135k in profit or loss in respect of the expected credit losses and has recognised a loss of \$1.2 million in profit or loss in respect of the bad debts written off, for the year ended 30 June 2025.

## Note 12. Trade and other receivables (continued)

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2025 %	2024 %	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Not overdue	2.50%	2.50%	3,035	2,121	75	53
0 to 3 months overdue	2.50%	2.50%	2,309	1,638	58	41
3 to 6 months overdue	2.50%	2.50%	78	242	2	6
Over 6 months overdue	-	22.28%	-	281	-	63
			<u>5,422</u>	<u>4,282</u>	<u>135</u>	<u>163</u>

### Age of receivables which are past due:

	2025 \$000	2024 \$000
0-30 days	4,598	3,049
30-60 days	608	518
60-90 days	137	192
90+ days	78	523
	<u>5,421</u>	<u>4,282</u>

The average collection period for invoices is 30-60 days from invoice date and interest is not charged on overdue balances.

## Note 13. Contract assets

	2025 \$000	2024 \$000
<i>Current assets</i>		
Contract assets	<u>1,407</u>	<u>1,888</u>

Contract assets comprises billable work-in-progress not yet invoiced.

## Note 14. Other financial assets

	2025 \$000	2024 \$000
<i>Current assets</i>		
Other financial assets	<u>3,603</u>	<u>400</u>

Other financial assets are composed of various term deposits. The most significant term deposits are \$2,000,000 and \$1,000,000 at interest rates of 4.86% and 4.54% respectively, maturing 18 of August 2025.

**Note 15. Inventories**

	2025 \$000	2024 \$000
<i>Current assets</i>		
Raw Materials - at cost	3,118	1,510
Finished Goods	102	383
Less: Provision for stock obsolescence	(194)	(212)
	3,026	1,681

	2025 \$000	2024 \$000
Raw Materials - at cost		
Balance at 1 July	1,512	1,353
Purchases during the year	4,431	2,068
Inventory recognised as expense during the year	(2,825)	(1,909)
Balance at 30 June	3,118	1,512
Finished Goods	102	383
Less: Provisions	(194)	(214)
Total inventory at 30 June	3,026	1,681

**Note 16. R&D tax incentive receivable**

	2025 \$000	2024 \$000
<i>Current assets</i>		
R&D tax incentive receivable	309	561

**Note 17. Property, plant and equipment**

	2025 \$000	2024 \$000
<i>Non-current assets</i>		
Land (at fair value)	13,775	13,775
Buildings (at fair value)	3,700	3,425
Less: Accumulated depreciation	(217)	(126)
	17,258	17,074
Plant and equipment - at cost	28,009	27,036
Less: Accumulated depreciation	(24,588)	(23,818)
Capital works in progress	723	672
	4,144	3,890
	21,402	20,964

## Note 17. Property, plant and equipment (continued)

### Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Capital Work in Progress \$000	Freehold Land \$000	Buildings \$000	Plant & Equipment \$000	Total \$000
Balance at 1 July 2024	672	13,775	3,299	3,218	20,964
Additions	1,300	-	-	-	1,300
Transfers	(1,249)	-	275	974	-
Depreciation expense	-	-	(92)	(770)	(862)
Balance at 30 June 2025	723	13,775	3,482	3,422	21,402

  

	Capital Work in Progress \$000	Freehold Land \$000	Buildings \$000	Plant & Equipment \$000	Total \$000
Balance at 1 July 2023	521	11,125	3,388	3,512	18,546
Additions	693	-	-	-	693
Revaluation increments	-	2,650	-	-	2,650
Transfers	(542)	-	-	542	-
Depreciation expense	-	-	(89)	(836)	(925)
Balance at 30 June 2024	672	13,775	3,299	3,218	20,964

### Valuations of land and buildings

The basis of the valuation of freehold land and buildings is fair value. The freehold land and buildings were last revalued on 29 November 2023 based on independent assessments by Charter Kech Cramer a member of the Australian Property Institute having recent experience in the location and category of land and buildings being valued. The directors do not believe that there has been a material movement in fair value since the latest revaluation date. Valuations are based on current prices for similar properties in the same location and condition.

The level 3 unobservable inputs and sensitivity are as follows:

Description	Unobservable inputs	Range	Sensitivity
Land and buildings	Yield	4.95% - 6.52% range	0.5% change would result in an increase or decrease in fair (or result in impairment) value by \$5,953,000
Land and buildings	Market Net Annual Income	\$130 - \$150 psm per annum	0.5% change would result in an increase or decrease in fair (or result in impairment) value by \$3,165,000

### Security for Borrowings

The bank overdraft, lease and business loan facilities are secured by the following:

- A Registered Mortgage over property situated at 39 Wadhurst Drive, Boronia
- A Registered Mortgage over property situated at 41 Wadhurst Drive, Boronia
- A Registered Mortgage over property situated at 43-49 Wadhurst Drive, Boronia
- A Registered Mortgage over property situated at 53-57 Wadhurst Drive, Boronia
- A Registered Mortgage over property situated at 68 Wadhurst Drive, Boronia

#### Note 18. Trade and other payables

	2025 \$000	2024 \$000
<i>Current liabilities</i>		
Trade payables	747	661
Accrued expenses	468	1,188
Other payables	188	434
	<u>1,403</u>	<u>2,283</u>

Refer to note 28 for further information on financial risk management.

#### Note 19. Borrowings

	2025 \$000	2024 \$000
<i>Current liabilities</i>		
Premium Funding	816	718
Bank Loan	-	3,750
	<u>816</u>	<u>4,468</u>
<i>Non-current liabilities</i>		
Bank loans	<u>9,589</u>	<u>-</u>

The company utilises a Premium Funding facility to pay its annual Insurance Premium. This facility has a 10 month term with an interest rate applicable of 2.75%.

In 2024 the company held a loan facility with NAB of \$5 million which expired on the 31st of October 2025, with a floating interest rate of 6.035% and a Facility Fee of 1.0%.

On 23 January 2025, the Company secured an asset-based loan facility of \$20 million from Scottish Pacific Finance Pty Ltd, with a minimum drawdown of \$10 million and a minimum term of 36 months. The ScotPac loan is secured by mortgage over the Company's land, buildings, selected plant and equipment and debtors. The NAB loan facility was cancelled on 23 January 2025.

#### Assets pledged as security

The loan is secured by mortgages over the Company's land, buildings and term deposit.

#### Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	2025 \$000	2024 \$000
Total facilities	<u>19,234</u>	<u>5,000</u>
Used at the reporting date	<u>10,084</u>	<u>3,750</u>
Unused at the reporting date	<u>9,153</u>	<u>1,250</u>

**Note 20. Contract liabilities**

	2025 \$000	2024 \$000
<i>Current liabilities</i>		
Contract liabilities - customer paid inventory	2,271	332
Customer deposits	73	-
	<u>2,344</u>	<u>332</u>

*Reconciliation*

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$2,271,000 as at 30 June 2025 (\$332,000 as at 30 June 2024) and is expected to be recognised as revenue in future periods as follows:

Reconciliation of the written down value at the beginning and end of the current and previous financial year are set out below:

	2025 \$000	2024 \$000
Opening Balance	332	829
Payments received in advance	3,992	-
Transfer to revenue - performance obligations satisfied	(2,053)	(497)
Ending Balance	<u>2,271</u>	<u>332</u>

*Unsatisfied performance obligations*

The 30 June 2025 balance of \$2,271,000 (\$332,000 as at 30 June 2024) represents customer paid inventory on hand and this will be recognised as revenue as and when consumed.

	2025 \$000	2024 \$000
Within 6 months	1,362	332
6 to 12 months	909	-
12 to 18 months	-	-
	<u>2,271</u>	<u>332</u>

**Note 21. Employee benefits**

	2025 \$000	2024 \$000
<i>Current liabilities</i>		
Employee entitlements	<u>722</u>	<u>674</u>
<i>Non-current liabilities</i>		
Employee entitlements	<u>159</u>	<u>173</u>

**Note 22. Issued capital**

	2025 Shares	2024 Shares	2025 \$000	2024 \$000
Ordinary shares - fully paid	<u>429,677,870</u>	<u>351,479,469</u>	<u>64,188</u>	<u>57,700</u>

## Note 22. Issued capital (continued)

The following movements in ordinary shares were recorded during the past two years are as follows:

	30 June 2025 Shares	30 June 2024 Shares	30 June 2025 \$000	30 June 2024 \$000
Balance brought forward as at 1 July	351,479,469	304,583,397	57,700	54,929
Issuance of fully paid ordinary shares	78,108,255	46,753,752	7,030	3,039
Cost of raising Capital	-	-	(542)	(268)
Employee share plan issues	254,146	1,290,320	-	-
Forfeited employee shares	(164,000)	(1,148,000)	-	-
	<u>429,677,870</u>	<u>351,479,469</u>	<u>64,188</u>	<u>57,700</u>

### Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

## Note 23. Share-based payments

An employee share option plan (ESP) has been established by the Company and approved by shareholders at a general meeting, whereby the Company may, at the discretion of the Board, grant options over ordinary shares in the Company to certain key management personnel of the Company. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board.

The ESP was refreshed at the Annual General Meeting held on 23 November 2023.

During the year ended 30 June 2025, the Company issued 254,146 ordinary shares on 4 September 2024 under the rules of the ESP approved at the Annual General Meeting held on 28 November 2022. (2024: 1,290,320). On 5 September 2024, 891,107 ordinary shares with a vesting date of 30 September 2026 were issued under Performance Rights Plan as part of the ESP approved at the Annual General Meeting held on 23 November 2023.

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expenses were as follows:

	2025 \$000	2024 \$000
Net value of shares issued/(forfeited) under employee share plan	<u>21</u>	<u>(45)</u>

### Movement in number of shares under Employee Share Plan

	2025 Number	2024 Number
Opening balance	7,180,388	13,086,345
Employee Share Plan granted during the year	254,146	1,290,320
Forfeited during the year	(164,000)	(1,148,000)
Loan Settlement during the year	(1,025,000)	(164,000)
Employee Free Share vested during the year	(645,146)	-
Adjustment relating to prior years	-	(5,884,277)
	<u>5,600,388</u>	<u>7,180,388</u>

Set out below are summaries of options granted under the plan:

**2025**

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
23/02/2021	22/02/2026	\$0.210	385,000	-	-	-	385,000
03/03/2022	02/03/2027	\$0.200	300,000	-	-	-	300,000
09/03/2023	08/03/2028	\$0.061	4,231,000	-	(1,025,000)	(164,000)	3,042,000
19/09/2023	18/09/2028	\$0.062	1,290,320	-	-	-	1,290,320
			<u>6,206,320</u>	<u>-</u>	<u>(1,025,000)</u>	<u>(164,000)</u>	<u>5,017,320</u>
Weighted average exercise price			\$0.070	\$0.000	\$0.061	\$0.061	\$0.080

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.06 years (2024: 3.05 years).

The fair value of options granted on 23 February 2021, 3 March 2022 and 9 March 2023 is estimated using Black Scholes option-pricing model.

The fair value of options granted on 19 September 2023 is estimated using Hoadley option-pricing model.

For the options on hand at the end of the financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows.

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
23/02/2021	22/02/2026	\$0.210	\$0.210	0.72%	-	0.60%	\$0.210
03/03/2022	02/03/2027	\$0.200	\$0.200	0.95%	-	1.83%	\$0.200
09/03/2023	08/03/2028	\$0.060	\$0.060	0.95%	-	3.50%	\$0.061
19/09/2023	18/09/2028	\$0.060	\$0.060	77.00%	-	3.94%	\$0.020

**Note 24. Reserves**

	2025 \$000	2024 \$000
Asset revaluation reserve	8,341	8,341
Share-based payments reserve	4,395	4,374
	<u>12,736</u>	<u>12,715</u>

**Asset revaluation reserve**

The reserve is used to recognise increments and decrements in the fair value of land and buildings, excluding investment properties.

**Share-based payments reserve**

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.



**Note 25. Accumulated losses**

	<b>2025</b> <b>\$000</b>	<b>2024</b> <b>\$000</b>
Accumulated losses at the beginning of the financial year	(46,974)	(41,561)
Loss after income tax benefit for the year	<u>(8,063)</u>	<u>(5,413)</u>
Accumulated losses at the end of the financial year	<u><u>(55,037)</u></u>	<u><u>(46,974)</u></u>

**Note 26. Reconciliation of loss after income tax to net cash used in operating activities**

	<b>2025</b> <b>\$000</b>	<b>2024</b> <b>\$000</b>
Loss after income tax benefit for the year	(8,063)	(5,413)
Adjustments for:		
Depreciation and amortisation	860	925
Share-based payments	(42)	(55)
Bad debt write-off	1,226	-
Loan establishment fees	206	-
Income tax benefit	-	(662)
Change in operating assets and liabilities:		
Movement in receivables	(514)	(3,739)
Movement in inventories	(1,346)	(307)
Movement in current tax asset	253	(147)
Movement in payables	(878)	158
Movement in other provisions	35	135
Movement in unearned revenue	<u>2,011</u>	<u>(497)</u>
Net cash used in operating activities	<u><u>(6,252)</u></u>	<u><u>(9,602)</u></u>

**Note 27. Dividends**

There were no dividends paid, recommended or declared during the current or previous financial year.

**Note 28. Financial risk management**

The Company has exposure to market, credit and liquidity risks from the use of financial instruments. This note presents information about the Group's exposure to each of these risks, its objectives, policies and processes for measuring and managing risk. The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Company has adopted a Strategic Risk Management Framework through which it manages risks and aims to develop a disciplined and constructive control environment and action plans for risks that cannot be effectively managed through the use of controls. The Audit Committee oversees how management monitors compliance with the Company's Strategic Risk Management Framework in relation to the changing risks faced by the Company.

**Note 28. Financial risk management (continued)**

2025  
\$000

2024  
\$000

The Company holds the following financial instruments:

**Liquid Financial Assets**

Cash and cash equivalents	503	504
Term deposits	3,603	400
Trade and other receivables	6,670	5,373
Total financial assets	10,776	6,277

**Financial Liabilities**

Trade and other payables	(1,403)	(2,283)
Borrowings, current and non-current	(816)	(4,468)
Total financial liabilities	(2,219)	(6,751)

Net financial position	8,557	(474)
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**Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or value of its holdings in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the financial return.

**(i) Foreign currency risk**

At reporting date, the Company had the following exposures to foreign currency, converted to AUD:

	Assets		Liabilities	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
US dollars	-	-	7	-
Euros	-	88	5	97
	-	88	12	97

**Foreign currency sensitivity analysis**

The Company had net liabilities denominated in foreign currencies of \$9,069 as at 30 June 2025 (2024:\$184,124 net assets). Based on this exposure, had the Australian dollars weakened by 5% against these foreign currencies with all other variables held constant, the Company's profit before tax for the year would have been \$453 higher (2024: \$9,206 lower). A sensitivity of 10% has been selected as this is considered reasonable taking in to account the current level of exchange rates and the volatility observed both on a historical basis and on market expectations for future movements. The analysis is performed on the same basis for 2023. There is no impact on equity.

**(ii) Interest rate risk**

Interest earned on cash at bank is determined in accordance with published bank interest rates. The Company's exposure to interest rate risk is confined to cash assets and borrowings through loan facilities, the effective weighted average interest rate for which is set out below.

**Note 28. Financial risk management (continued)**

As at the reporting date, the Company had the following variable rate borrowings and interest rate swap contracts outstanding:

	2025		2024	
	Weighted average interest rate %	Balance \$000	Weighted average interest rate %	Balance \$000
Cash at bank	1.32%	503	0.20%	504
Term deposit	4.59%	3,603	5.00%	400
Bank facility	10.06%	(9,589)	6.03%	(3,750)
Premium funding facility	1.75%	(816)	2.75%	(718)
Net exposure to cash flow interest rate risk		<u>(6,299)</u>		<u>(3,564)</u>

An increase or decrease of 0.50% in interest rates applied for 12 months to the cash balances at reporting date would have increased or decreased profit or loss by \$19,263 (2024: \$17,820), if all other variables, including foreign currency rates, remain constant. The analysis is performed on the same basis for 2024.

**Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in a financial loss to the Company. Credit risk is closely managed and the Company has procedures to deal with credit worthy counterparties. Customer credit worthiness is reviewed on an ongoing basis and exposure to any one customer is monitored. Potential credit loss is regularly reviewed and assessed and a provision for expected credit losses would be raised if there was any evidence the debt was no longer collectible. The Company does not carry a material level of overdue debtor balances.

**Allowance for expected credit losses**

The Company has recognised a loss of \$136,000 (2024: \$163,000) in profit or loss in respect of the expected credit losses for the year ended 30 June 2025.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2025 %	2024 %	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Not overdue	2.50%	2.50%	3,034	2,121	76	53
0 to 3 months overdue	2.50%	2.50%	2,309	1,638	58	41
3 to 6 months overdue	2.50%	2.50%	78	242	2	6
Over 6 months overdue	30.00%	22.28%	-	281	-	63
			<u>5,421</u>	<u>4,282</u>	<u>136</u>	<u>163</u>

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year. The entity wrote off \$1.2 million trade receivables in the year ended 30 June 2025.

## Note 28. Financial risk management (continued)

### Liquidity risk

Liquidity risk arises from the financial liabilities of the Company and is the risk that the Company is not able to pay its financial liabilities as when they fall due. The ultimate responsibility for liquidity risk management rests with the Board of Directors which has established a framework for management of the Company's requirements over time through continuous monitoring of historical and anticipated cash flows and scenario analysis. The Company manages liquidity risk by maintaining cash reserves and reserve borrowing facilities.

Rolling 18 month cash flow forecasts are prepared each month. Strategic planning also includes liquidity considerations and based on current strategies, no funding shortfalls have been identified.

In addition to funds on deposit, the Company has \$10.3 million undrawn banking facilities.

### Remaining contractual maturities

The following tables detail the Company's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate %	1 year or less \$000	Between 1 and 2 years \$000	Between 2 and 5 years \$000	Over 5 years \$000	Remaining contractual maturities \$000
<b>2025</b>						
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	747	-	-	-	747
Other payables	-	204	-	-	-	204
<i>Interest-bearing - variable</i>						
Bank loans	10.06%	-	9,589	-	-	9,589
Other loans	1.75%	816	-	-	-	816
Total non-derivatives		1,767	9,589	-	-	11,356
<b>2024</b>						
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	661	-	-	-	661
Other payables	-	433	-	-	-	433
<i>Interest-bearing - variable</i>						
Bank loans	6.03%	-	3,750	-	-	3,750
Other loans	2.75%	718	-	-	-	718
Total non-derivatives		1,812	3,750	-	-	5,562

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

### Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

## Note 29. Key management personnel disclosures

Disclosures relating to key management personnel are disclosed in the remuneration report included in the directors' report.

**Note 29. Key management personnel disclosures (continued)**

*Directors*

The following persons were directors of IDT Australia Limited during the financial year:

Mark Simari, Non-Executive Chairman  
Jane Ryan, Non-Executive Director  
Geoffrey Sam OAM, Non-Executive Director

*Other key management personnel*

The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, during the financial year:

P McDonald, Chief Executive Officer  
J Sosic, Chief Operating Officer  
Mr Vasanthakumar, Chief Financial Officer  
P Thiyageas, Quality Director  
M Flanders, Director of Commercial & Business Development  
P Coutts, Head of People & Safety  
M. Thompson, Director of Commercial & Business Development  
R Counce, Director of Quality

*Compensation*

The aggregate compensation made to directors and other members of key management personnel of the Company is set out below:

	2025 \$	2024 \$
Short-term employee benefits	1,606,198	1,685,059
Post-employment benefits	175,183	168,962
Long-term benefits	54,214	45,354
Share-based payments	-	80,000
	<u>1,835,595</u>	<u>1,979,375</u>

**Transactions of Directors and Key Management Personnel Concerning Shares**

Aggregate numbers of shares acquired and disposed of by Directors or Key Management Personnel were as follows:

	2025 Shares	2024 Shares
Ordinary shares acquired by Directors and KMP	374,385	1,290,320
Ordinary shares disposed by Directors and KMP	940,366	-

Other than shares issued as described in note 23, the terms and conditions of other transactions relating to shares were on the same basis as similar transactions with other shareholders.

Aggregate numbers of shares of IDT Australia Limited held directly, indirectly or beneficially by Directors or KMP holding office at balance date were as follows:

	2025	2024
Ordinary shares	7,730,205	8,296,186

There were no other transactions or contracts between the Company and Directors and Key Management Personnel in 2025 (2024: nil).

### Note 30. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Company:

	2025 \$	2024 \$
<i>Audit services - RSM Australia Partners</i>		
Audit or review of the financial statements	122,000	95,000
Other services	34,700	31,200
	<u>156,700</u>	<u>126,200</u>

#### Other services

During the year RSM Australia Partners was paid for non-audit services in relation to Taxation and R&D Tax incentive scheme related services.

### Note 31. Related party transactions

#### Key management personnel

Disclosures relating to key management personnel are set out in note 29 and the remuneration report included in the directors' report.

#### Receivable from and payable to related parties

There were no receivables from or payables to related parties at the current or previous reporting period.

#### Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

### Note 32. Commitments and contingencies

The directors are of the opinion that there are no significant commitments and contingencies requiring disclosure for the company as at 30 June 2025 (30 June 2024: nil).

### Note 33. Events after the reporting period

On 7 August Paul McDonald resigned as CEO with immediate effect and Mark Simari was appointed as Executive Chairman.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

IDT Australia Limited does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, section 295(3A)(a) of the Corporations Act 2001 does not apply to the entity.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

*Mark Simari*

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Mark Simari  
Chairman

20 August 2025



**RSM Australia Partners**

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## INDEPENDENT AUDITOR'S REPORT To the Directors of IDT Australia Limited

### Opinion

We have audited the financial report of IDT Australia Limited (the Company), which comprises the statement of financial position as at 30 June 2025, the of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and the directors' declaration.

In our opinion the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit 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* (the Code) that are relevant to our audit of the 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 report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Key Audit Matters (continued)**

Key Audit Matter	How our audit addressed this matter
<b>Revenue recognition</b> Refer to Note 5 in the financial statements	
<p>The Company's revenue is primarily derived through contract manufacturing across three key revenue verticals.</p> <p>AASB 15 <i>Revenue from Contracts with Customers</i> requires revenue to be recognised either over time or at a point in time as performance obligations associated with the revenue are achieved.</p> <p>The recognition of revenue from transactions is considered a key audit matter, due to the judgement involved in determining the timing of when performance obligations have been met, which can involve management estimates and assumptions.</p> <p>Revenue recognition is a presumed fraud risk under Australian Auditing Standards.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of IDT's revenue recognition policies and assessing compliance with AASB 15;</li> <li>• Performing test of details on a sample of contracts with customers and corroborating the revenue recognised to various elements in the contracts and;</li> <li>• Reviewing the completeness and accuracy of accrued income and deferred revenue balances recorded at the reporting date;</li> <li>• Reviewing revenue transactions before and after year-end to ensure revenue is recognised in the correct period; and</li> <li>• Evaluating the disclosures included in the financial statements for appropriateness and consistency with accounting standards.</li> </ul>
<b>Valuation of property, plant &amp; equipment</b> Refer to Note 17 in the financial statements	
<p>Land and buildings are accounted for using the revaluation model under AASB 116 <i>Property, Plant and Equipment</i>, whereby valuations are obtained cyclically, and revaluations are taken through the asset valuation reserve.</p> <p>This area is a key audit matter due to the judgement involved in determining the fair value of the land and buildings.</p> <p>Additionally, the Company holds significant plant and equipment which is idle in the factory and not currently in use. This increases the risk that the recoverable value of property, plant &amp; equipment is below the carrying value, triggering an impairment.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of the Company's accounting policies and assessing compliance with AASB 116;</li> <li>• Obtaining the most recent independent valuation reports completed for Land &amp; Buildings and Plant &amp; Equipment;</li> <li>• Reviewing management's assessment of any subsequent material changes in fair value of land &amp; buildings and plant &amp; equipment, and the assessment for any indicators of impairment, with reference to recently completed sales of comparable commercial &amp; industrial property and changes in interest rates; and</li> <li>• Evaluating the disclosures included in the financial statements for appropriateness and consistency with AASB 116.</li> </ul>

## Key Audit Matters (continued)

Key Audit Matter	How our audit addressed this matter
<b>Going concern</b> Refer to Note 4 in the financial statements	
<p>As disclosed in the financial statements, the Company incurred a loss of \$8.1 million and a net cash outflow from operating activities of \$6.3 million for the year ended 30 June 2025.</p> <p>This has been identified as a key audit matter due to the nature of the business, its reliance on available cash reserves and funding facilities, and its recent history of operating losses.</p> <p>Management is required to assess the Company's ability to continue as a going concern. This assessment is primarily based on assumptions made by the Directors in preparing budgets and cash flow forecasts. These forecasts incorporate the Directors' expectations regarding the timing and magnitude of future cash flows and operating results.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Reviewing the financial performance and current financial position of the Company and assessing key ratios;</li> <li>• Reviewing management's cash flow forecast for the expected performance for the period covering 12-months from the date of signing the financial statements, including assessing the mathematical accuracy of the forecasts;</li> <li>• Critically assessing and challenging key assumptions and estimates applied within the forecasts against available evidence, and considering the historical reliability of the Company's cashflow forecast process;</li> <li>• Reviewing Board minutes, ASX announcements and other publicly available information to obtain an understanding of the future plans and strategies;</li> <li>• Reviewing subsequent events; and</li> <li>• Assessing the adequacy of the related going concern disclosures made in the financial report.</li> </ul>

## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2025, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf). This description forms part of our auditor's report.

### **Report on the Remuneration Report**

#### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of IDT Australia Limited, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

#### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A stylized, handwritten signature of 'RSM' in grey ink.

**RSM AUSTRALIA PARTNERS**

A handwritten signature in grey ink, appearing to read 'A L Whittingham'.

**A L WHITTINGHAM**

Partner

Dated: 20 August 2025  
Melbourne, Victoria

The shareholder information set out below was applicable as at 1 August 2025.

### **Distribution of equitable securities**

Analysis of number of equitable security holders by size of holding:

	<b>Ordinary shares</b>	
	<b>Number of holders</b>	<b>% of total shares issued</b>
1 to 1,000	384	11.92
1,001 to 5,000	1,037	32.19
5,001 to 10,000	512	15.90
10,001 to 100,000	964	29.93
100,001 and over	324	10.06
	<b>3,221</b>	<b>100.00</b>
Holding less than a marketable parcel	<b>1,478</b>	<b>45.89</b>

### **Equity security holders**

#### *Twenty largest quoted equity security holders*

The names of the twenty largest security holders of quoted equity securities are listed below:

	<b>Ordinary shares</b>	
	<b>Number held</b>	<b>% of total shares issued</b>
ONE MANAGED INVT FUNDS LTD - SANDON CAPITAL INV LTD A/C	48,283,127	11.39%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	35,934,779	8.47%
CITICORP NOMINEES PTY LIMITED	33,220,721	7.83%
ONE FUND SERVICES LTD - SANDON CAPITAL ACTIVIST A/C	29,043,707	6.85%
UBS NOMINEES PTY LTD	28,827,545	6.80%
MR ANTHONY JOHN HUNTLEY	11,600,000	2.74%
MR ROBERT DARIUS FRASER - FRASER FAMILY A/C	11,278,752	2.66%
KEISER INVESTMENTS PTY LTD - GANN FAMILY RETIREMENT A/C	7,435,523	1.75%
ON ON FOR DON PTY LTD - MAC FAMILY A/C	6,700,000	1.58%
PICHERIT'S FARM PTY LTD - HUNTLEY SUPER FUND A/C	6,500,000	1.53%
INVIA CUSTODIAN PTY LIMITED – GRAEME LESLIE BLACKMAN A/C	6,029,710	1.42%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	5,078,928	1.20%
MR EDMOND WING KIN CHEUNG & MRS ELIZA SIU LING CHEUNG - EDMOND & ELIZA S/F A/C	4,929,147	1.16%
ROSSBOW PTY LTD - ANDREW MACPHERSON TDT A/C	4,050,000	0.96%
MS MELISSA MARY STEPHENS	4,000,000	0.94%
LAICOS SECURITIES PTY LTD	4,000,000	0.94%
MR ALISTAIR DAVID STRONG	3,880,352	0.92%
LUTON PTY LTD	3,638,889	0.86%
JASBAAT SUPER PTY LTD	3,490,663	0.82%
INVIA CUSTODIAN PTY LIMITED PAULENE BLACKMAN A/C	3,457,737	0.82%
	<b>261,379,580</b>	<b>61.64%</b>

#### *Unquoted equity securities*

There are no unquoted equity securities.

### Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
ONE MANAGED INVT FUNDS LTD - SANDON CAPITAL INV LTD A/C	48,283,127	11.39%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	35,934,779	8.47%
CITICORP NOMINEES PTY LIMITED	33,220,721	7.83%
ONE FUND SERVICES LTD - SANDON CAPITAL ACTIVIST A/C	29,043,707	6.85%
UBS NOMINEES PTY LTD	28,827,545	6.80%

### Voting rights

The voting rights attached to ordinary shares are set out below:

#### *Ordinary shares*

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.