

ASX ANNOUNCEMENT
Tuesday 21st October 2025

Strategic Realignment Underpins FY26 Cost Savings and Operational Focus as Revenue From 3 Verticals Improves

Highlights:

Realignment of Strategy:

- Resources re-balanced towards higher-return and sustainable core business activities and streamlining underperforming areas
- Annualised cost savings of ~\$1M in FY26 achieved
- Shifting emphasis of the Specialty Orals vertical to radiopharmaceuticals, supported by recent contract wins and a strong pipeline, while continuing to service clinical-stage innovations in specialty orals

Core Business:

- Q1 performance (unaudited): revenue \$4.3m, +18.2% vs pcp and +7.6% QoQ; total revenue \$4.6m (incl. disbursements), -10.1% vs pcp due to lower pass-through disbursements
- API 45.7% | Specialty Orals 29.2% | Advanced Therapies 25.1%
- EBITDA loss of \$0.3m for Q1FY26 (unaudited)

Robust pipeline & outlook:

- Market demand for IDT's unique services remains strong with \$3.4 million in new contracts signed in Q1FY26.

IDT Australia Limited (ASX: IDT) (IDT or the Company) is pleased to provide the following update for the three months ended 30 September 2025 (**Q1FY26**) with unaudited revenue from its three verticals improving as the Company refocuses to prioritise profitability and to better capitalise on the operating leverage potential of the business.

As part of the cost optimisation process, IDT is on track to achieve annualised cost savings of circa \$1m (further details below) in FY26.

Preliminary unaudited Q1FY26 revenue from the three verticals increased 18.2% over the previous corresponding period (**pcp**) and 7.6% Quarter-on-Quarter (**QoQ**) to \$4.3 million. The unaudited total revenue including disbursements fell 10.1% pcp to \$4.6 million as disbursements were particularly high in the previous quarters due to the start-up of a few significant client contracts. IDT charges disbursements, such as equipment and establishment costs to clients with a modest margin.

About IDT

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

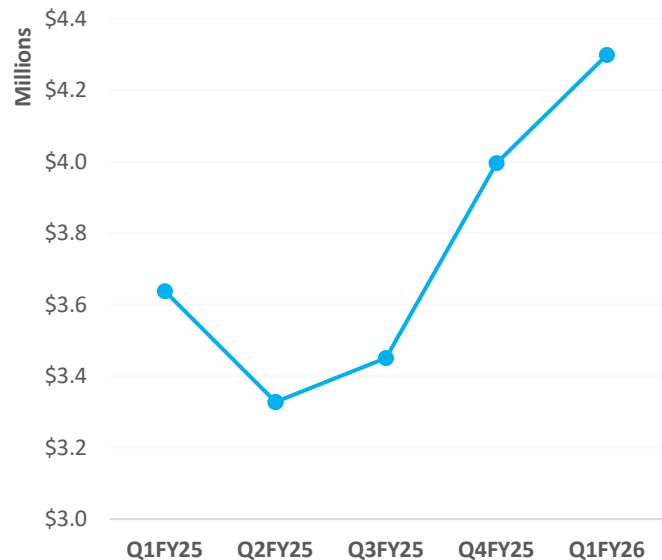
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Quarterly Performance Breakdown

REVENUE FROM 3 VERTICALS	\$4.3M
<i>COMPOSITION:</i>	
- API	45.7%
- SPECIALTY ORALS	29.2%
- ADVANCED THERAPIES	25.1%
DISBURSEMENTS/OTHER REVENUE	\$0.3M
TOTAL REVENUE	\$4.6M
EBITDA	-\$0.3M

Total Revenue from 3 Verticals



Update on the Three Verticals

Active Pharmaceutical Ingredient (API) Manufacturing:

IDT is focusing on its roots to capitalise on its legacy and strength by reestablishing this vertical as a foundation for growth of the business. The growth in API manufacturing through the targeting of the appropriate client demographic, avoiding low-value commoditised work, will provide multiple opportunities for IDT to secure follow-on work orders for its other two verticals.

IDT's competitive advantage is its end-to-end GMP-certified offering, where it can make the key ingredient and produce the finished drug as a specialty oral or an advanced therapy.

Specialty Orals:

The emphasis has shifted to radiopharmaceuticals amid rising demand. IDT has recently won contracts to produce radiopharmaceuticals for therapy and diagnostics and is additionally seeing a strong pipeline of enquiries. While radiopharmaceuticals are expected to be a key growth driver for this vertical, IDT continues to support more commoditised medicinal and psychedelic innovations, as a secondary objective.

Advanced Therapies:

IDT is a leading Australian manufacturer of mRNA candidates, having produced 17 unique mRNA constructs to date. Global demand for mRNA is expected to support growth in this vertical. While ADC development activity is rising globally, market entry has been challenging; IDT is reviewing its approach while continuing to pursue equally high growth mRNA opportunities.

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Strategic Realignment for Sustainable Profitability:

Implementing a strategic reset aimed at delivering sustainable profitability and long-term shareholder value. The Company is shifting from a revenue growth-at-all-costs mindset to one centred on profitability, operational efficiency, and strategic discipline that feeds into a sustainable growth pathway moving forward.

As part of the realignment, IDT has increased its focus on securing high volume contracts for its API vertical that have the potential for follow-on orders for its other two verticals, as opposed to multiple one-off projects. Servicing fewer clients with longer run workflows generates stronger margins for the business.

IDT is also correcting an overinvestment in parts of the business. This involves the redeployment or reduction in operational headcount and other investments in underperforming segments and aligning resources behind higher yielding parts of IDT's business. These changes are a key driver of the current cost rationalisation program, which is expected to deliver annualised savings of approximately \$1 million, as mentioned above.

Positioned for the Future

The near-term outlook for IDT remains positive, underpinned by the level of client enquiries IDT continues to receive for its suite of services.

IDT signed new work orders worth \$3.4 million in the September quarter, with a host of additional opportunities in its pipeline that the Company is working towards converting over coming months.

Update on Gelteq MoU

Further to the 17 July 2025 announcement regarding a Memorandum of Understanding with Gelteq Limited (**NASDAQ: GELS**), the parties have not yet progressed to a formal Heads of Agreement due to external delays. Collaboration continues, and IDT will provide a further update if and when a binding agreement is executed.

Mark Simari, the Executive Chair of IDT Australia, said:

"It is early stages, but we are looking to transform IDT into a more focused and profitable company. By backing our strengths in APIs, embracing market dynamics, tightening our cost base, and pursuing opportunities in radiopharmaceuticals and advanced therapeutics, IDT is well placed for a stronger and more sustainable future. We will provide further details on our strategy and outlook for the business at next month's annual general meeting."

Ends.../

Authorised by the Board of Directors of IDT Australia Limited.

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IDT Australia Limited
ABN 66 006 522 970
45 Wadhurst Drive
Boronia, Victoria 3155, Australia
T +61 3 9801 8888
W www.idtaus.com.au



For investor and media enquiries, please contact:

Brendon Lau

E: brendon@vantagepointpartners.com.au

M: +61 409 341 613

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

All statements that address operating performance, events, or developments that IDT Australia or its directors expect or anticipate will occur in the future are forward-looking statements, including, without limitation, statements as to the expectations of IDT Australia or the market it operates in.

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