

1. Company details

Name of entity:	IODM Limited
ABN:	28 102 747 133
Reporting period:	For the year ended 30 June 2026
Previous period:	For the year ended 30 June 2025

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	16.9% to	3,238,877
Loss from ordinary activities after tax attributable to the owners of IODM Limited	down	12.9% to	(2,583,216)
Loss for the year attributable to the owners of IODM Limited	down	12.9% to	(2,583,216)

Dividends

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

Comments

The loss for the Group after providing for income tax amounted to \$2,583,216 (30 June 2025: \$2,964,208).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.002	0.002

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

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

Previous period

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

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Entity name	Country of incorporation
IODM (USA) Incorporated	United States of America
IODM (UK) Limited	United Kingdom

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The Preliminary Financial Report is based on the Group's 2026 annual financial report, the accounts of which are in the process of being audited. No matters have been arisen thus far which would result in a dispute or qualification in the current year.

11. Attachments

Details of attachments (if any):

The Preliminary Financial Report.

12. Signed



Signed _____

Mark Reilly
CEO

Date: 31 August 2026

IODM Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2026



	Note	Consolidated 2026 \$	2025 \$
Revenue	5	3,222,978	2,762,603
Research and development tax offset income		682,429	504,549
Interest revenue calculated using the effective interest method		15,899	8,738
Other income	6	135,045	10,286
Total revenue		<u>4,056,351</u>	<u>3,286,176</u>
Expenses			
General and administration costs	7	(2,912,608)	(2,888,734)
Employee benefits expense	7	(3,241,261)	(3,144,548)
Depreciation expense	7	(153,988)	(153,240)
Finance costs	7	<u>(326,891)</u>	<u>(57,931)</u>
Loss before income tax expense		(2,578,397)	(2,958,277)
Income tax expense	8	<u>(4,819)</u>	<u>(5,931)</u>
Loss after income tax expense for the year attributable to the owners of IODM Limited		(2,583,216)	(2,964,208)
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>4,869</u>	<u>(11,208)</u>
Other comprehensive income/(loss) for the year, net of tax		<u>4,869</u>	<u>(11,208)</u>
Total comprehensive loss for the year attributable to the owners of IODM Limited		<u>(2,578,347)</u>	<u>(2,975,416)</u>
		Cents	Cents
Basic earnings per share	9	(0.41)	(0.49)
Diluted earnings per share	9	(0.41)	(0.49)

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

	Note	Consolidated 2026 \$	2025 \$
Assets			
Current assets			
Cash and cash equivalents	10	424,955	189,885
Trade and other receivables	11	190,368	258,063
Other assets	12	97,514	89,881
Total current assets		712,837	537,829
Non-current assets			
Property, plant and equipment	13	2,497	1,222
Right-of-use assets	14	38,310	191,549
Other assets	12	134,140	111,104
Total non-current assets		174,947	303,875
Total assets		887,784	841,704
Liabilities			
Current liabilities			
Trade and other payables	15	409,710	720,115
Contract liabilities	16	134,517	118,592
Borrowings	17	1,338,068	686,240
Lease liabilities	18	47,094	168,898
Derivative financial instruments	19	9,920	-
Employee benefits	20	272,207	321,090
Total current liabilities		2,211,516	2,014,935
Non-current liabilities			
Lease liabilities	18	-	63,832
Employee benefits	20	23,074	10,077
Total non-current liabilities		23,074	73,909
Total liabilities		2,234,590	2,088,844
Net liabilities		(1,346,806)	(1,247,140)
Equity			
Issued capital	21	21,742,121	19,660,504
Reserves		2,920,542	2,518,609
Accumulated losses		(26,009,469)	(23,426,253)
Total deficiency in equity		(1,346,806)	(1,247,140)

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

Consolidated

	Issued capital \$	Reserves \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 July 2024	17,069,531	2,551,901	(20,462,045)	(840,613)
Loss after income tax expense for the year	-	-	(2,964,208)	(2,964,208)
Other comprehensive loss for the year, net of tax	-	(11,208)	-	(11,208)
Total comprehensive loss for the year	-	(11,208)	(2,964,208)	(2,975,416)
<i>Transactions with owners in their capacity as owners:</i>				
Shares issued under share placements	1,710,375	-	-	1,710,375
Debt settled for equity	982,564	-	-	982,564
Options issues to directors and employees	-	(22,084)	-	(22,084)
Transaction costs relating to issue of shares	(101,966)	-	-	(101,966)
Balance at 30 June 2025	<u>19,660,504</u>	<u>2,518,609</u>	<u>(23,426,253)</u>	<u>(1,247,140)</u>

Consolidated

	Issued capital \$	Reserves \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 July 2025	19,660,504	2,518,609	(23,426,253)	(1,247,140)
Loss after income tax expense for the year	-	-	(2,583,216)	(2,583,216)
Other comprehensive income for the year, net of tax	-	4,869	-	4,869
Total comprehensive income/(loss) for the year	-	4,869	(2,583,216)	(2,578,347)
<i>Transactions with owners in their capacity as owners:</i>				
Options issued on convertible securities	-	78,361	-	78,361
Shares issued under share placements	-	-	-	-
Debt settled for equity	2,352,374	-	-	2,352,374
Options issues to directors and employees	-	318,703	-	318,703
Transaction costs relating to issue of shares	(270,757)	-	-	(270,757)
Balance at 30 June 2026	<u>21,742,121</u>	<u>2,920,542</u>	<u>(26,009,469)</u>	<u>(1,346,806)</u>

	Note	Consolidated 2026 \$	2025 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		3,430,572	2,657,136
Payments to suppliers and employees (inclusive of GST)		(6,261,009)	(6,010,229)
		(2,830,437)	(3,353,093)
Interest received		15,362	8,861
Interest and other finance costs paid		(59,933)	(15,902)
Research and development grant		682,429	504,549
Income taxes paid - UK Entity		(4,819)	-
Net cash used in operating activities		(2,197,398)	(2,855,585)
Cash flows from investing activities			
Payments for property, plant and equipment	13	(2,025)	(1,221)
Payment of security rental bond		(24,212)	-
Net cash used in investing activities		(26,237)	(1,221)
Cash flows from financing activities			
Proceeds from issue of shares		-	2,060,375
Proceeds from borrowings		3,139,999	975,000
Share issue transaction costs		(11,532)	(101,965)
Repayment of borrowings		(500,000)	-
Repayment of lease liabilities		(185,636)	(174,792)
Net cash from financing activities		2,442,831	2,758,618
Net increase/(decrease) in cash and cash equivalents		219,196	(98,188)
Cash and cash equivalents at the beginning of the financial year		189,885	282,712
Effects of exchange rate changes on cash and cash equivalents		15,874	5,361
Cash and cash equivalents at the end of the financial year	10	424,955	189,885

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

Note 1. General information

The financial statements cover IODM Limited as a Group consisting of IODM Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is IODM Limited's functional and presentation currency.

IODM Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 23
385 Bourke Street
Melbourne VIC 3000

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 27 August 2026. The Directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

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

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 IFRS Accounting 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 Group'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 3.

Comparatives

Comparatives to expenses the Consolidated Statement of Profit and Loss and Other Comprehensive Income have been realigned to remain comparable to current year presentation where appropriate.

Working Capital Deficiency and Going Concern Basis of Account Preparation

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

Note 2. Material accounting policy information (continued)

The Group incurred a net loss after tax for the year ended 30 June 2026 of \$2,583,216 (2025: \$2,964,208) and incurred net cash outflows from operating activities of \$2,197,398 (2025: \$2,855,585). At 30 June 2026, the Group had a net deficiency in equity of \$1,346,806 (2025: \$1,247,140) and a deficit of net current liability of \$1,498,679 (2025: \$1,477,106). Included in current liabilities are provision for employee benefits of \$272,207 (2025: \$321,090) and unearned revenue of \$134,517 (2025: \$118,592) which are not expected to be settled in cash in full over the next twelve months.

These matters give rise to a material uncertainty that may cast doubt on the Group's ability to continue as a going concern.

The ability to continue as a going concern is dependent upon a number of factors, that being achieving forecast sales or raising additional funds. The Directors believe that the Group will be able to continue as a going concern for the following reasons:

- The Group has commenced earning revenue from one of the largest education institutions in the UK through its commercial revenue share agreement with Convera as announced in January 26.
- The Group has onboarded and continues to onboard additional UK universities, with the increased revenue expected to flow from those universities via the new Convera revenue share agreement in FY27
- The Group forecasts that revenue flow from its partnership with Transfermate and one of the largest education providers in the US will commence in Q3 FY27.
- The Group is in the finalisation stage of development of new features for IODM platform which should create new revenue flows commencing Q3 FY27.
- The Group has had its registration approved under the Industry Research and Development Act 1986 for its R & D activities for the year ended 30 June 2026. It is anticipated the Group will receive a Research and Tax incentive offset in Q2 FY 2026 of approximately \$500,000 (2025 \$650,000).
- The Group accessed an unsecured short-term loan facility from a related party of which \$400,000 was drawn down in February 2026.
- The Group secured a short-term funding facility for \$1,000,000 in March 2026 which is repayable during FY27 in either cash or equity.
- As is prudent for a Group of this size and in the Group's current capital position and given that the company has been transforming from a software development company to a sales and marketing business, the directors have had a deliberate strategy that has been disclosed to the market that it will pursue a policy of running low liquidity. Consistent with that policy, Directors will continue to manage capital in the best interests of shareholders.
- The Directors are confident they have the ability to raise additional funds through share issues and placements to sophisticated investors should it be required.
- The Group has a successful history of raising additional funds when required in the past few years as is evident in the share placements for \$1,710,000 in August 2024, \$800,000 in March 2024 and \$2,250,000 in February 2023 and conversion of debt to equity for \$476,482 in December 24, \$506,082 in March 25 and \$2,352,375 in December 25.

Accordingly, the cashflow forecasts for the Group have been prepared taking in to account the above factors and based on the above the Group have prepared cash flow forecasts which demonstrate that the Group will generate sufficient cash flows to fund its activities for a period of not less than twelve months from the date of this report.

In light of the above the directors believe it is appropriate to prepare the accounts on a going concern basis.

In the event that the Group is unable to achieve the matters detailed above, it may not be able to continue as a going concern and therefore the Group may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the financial statements.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. .

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of IODM Limited ('Company' or 'parent entity') as at 30 June 2026 and the results of all subsidiaries for the year then ended. IODM Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Note 2. Material accounting policy information (continued)

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

To determine whether to recognise revenue, the Group 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 obligation(s) are satisfied.

The Group recognises revenue from the following major sources:

- Implementation and customisation fees
- Licence fees
- Referral commission fees
- Revenue share

Note 2. Material accounting policy information (continued)

Implementations and customisation fees

Revenue recognised at a point in time relates largely to the software licence implementation. The software licence implementation comprises between 10%-50% of the total contract value and is recognised following the fulfillment of the performance obligations the setup.

Revenue is recognised either at a point in time when (or as) the Group satisfies performance obligations by transferring the promised services to its customers.

Licence fees

Licence fee revenue is recognised over a period of time and largely relates to software licences sold under a subscription model, including support, hosting and maintenance services relating to access to the cloud-based software provided. The performance obligations are considered to be provided consistently over the life of the contract as the amount of work required to perform under those contracts does not vary significantly from month to month.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts within other liabilities in the statement of financial position (see Note 16). Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group 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.

Revenue share

The Group has a Revenue Share Agreement with Convera for the UK educational clients for international students making cross border payments using the Convera payment gateway. Under the renewed non-exclusive Revenue Share Agreement effective 1 April 2026, IODM receive 30% of all foreign exchange payment revenue from onboarded universities at 1 April 2026.

Under the previous agreement effective to 31 March 2026, IODM received 25% of all foreign exchange payments revenue from currently onboarded universities, and 30% of all foreign exchange payments revenue from universities onboarded from 1 January 2024.

The previous agreement also allowed for a guaranteed minimum payment of GBP150,000 per month payable to IODM when particular revenue thresholds are achieved by Convera in relation to growth in foreign exchange revenues from both existing universities as well as new onboarded universities. Specifically, the agreement initially provides for a minimum guaranteed payment of GBP50,000 per month to IODM, stepping up in GBP25,000 increments.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Research and development income and Export market development grant

Research and Development Income and the Export Market Development Grants are recognised when there is reasonable assurance the grants will be received and all the attaching conditions complied with in accordance with AASB 120 Accounting for Government Grants and Disclosure for Government Assistance.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

An income tax benefit will arise for the financial year where an income tax loss is incurred and, where permitted to do so, is carried-back against a qualifying prior period's tax payable to generate a refundable tax offset.

Note 2. Material accounting policy information (continued)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

IODM Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

Note 2. Material accounting policy information (continued)

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, 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 option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2026. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces AASB 101 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. But the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The Group will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Revenue from contract with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contract with customers:

- The Group determined that revenue from its implementation and customisation fees be recognised at the point in time following fulfilment of the performance obligation by transferring the promised services to its customers.
- The Group has determined that revenue from its licence fees to be recognised over time as the performance obligation are provided to the customer consistently over the life of the contract.
- The Group recognised referral commissions at a point in time for referral commission on setup fees and trail commissions.
- The Group determined that revenue share from its agreement with Convera for UK educational clients is recognised at a point in time to the extent that the performance obligations are satisfied each month.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

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 and historical collection rates.

Income tax

The amount of benefits brought to account or which may be realised in the future is based on tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with conditions of deductibility imposed by the law.

Following a review of carried forward tax losses incurred prior to the reverse takeover of the company on the ASX in June 2016, the Group has confirmed it has accumulated revenue losses at 30 June 2026 amounting to \$21,658,919 (2025: \$19,608,061) and capital losses of \$160,349 (2025: \$160,349). According to the Group's tax advisor the Group's tax losses should be available to be offset against future taxable gains to the extent that loss testing is satisfied in respect of those losses. At 30 June 2026 no deferred tax asset has been recognised in respect of the Group's tax losses on the basis that it is not probable that there will be taxable profits which deductible temporary differences can be utilised.

IODM (USA) Incorporated and IODM (UK) Limited (collectively, the foreign incorporated entities) have been treated as part of the income tax consolidated group as at 30 June 2026. This is on the basis that their central management and control is located in Australia and therefore the foreign incorporated entities should be considered to be wholly owned Australian resident corporate entities, having regard to Taxation Ruling 2018/5 and Practical Compliance Guideline 2018/9.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Employee benefits provision

As discussed in note 2, 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 4. Operating segments

Identification of reportable operating segments

For management purposes, the Group is organised into one main operating segment, which is the operation as a cloud based software as a service provider. All of the Group's activities are interrelated, and financial information is reported to the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) as a single segment.

Note 4. Operating segments (continued)

As the information reported to the CODM are the results of the Group as a whole, the results of the one operating segment are as shown throughout these financial statements and are not duplicated here. Total revenue earned by the Group is generated in Australia, New Zealand and the United Kingdom (refer to note 5 for further detail) and all of the Group's non-current assets reside in Australia.

Major customers

There was one customer that contributed 77% of the total revenue in 2026 (2025: 70%). The revenue of the one major customer in 2026 was \$2,471,172 (2025: \$1,936,884).

Note 5. Revenue

	Consolidated 2026 \$	2025 \$
<i>Revenue from contracts with customers</i>		
Implementation and customisation fees	8,223	84,487
Licence fees	743,583	741,232
Revenue share	2,471,172	1,936,884
Revenue	<u>3,222,978</u>	<u>2,762,603</u>

Disaggregation of revenue

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

	Consolidated 2026 \$	2025 \$
<i>Geographical regions</i>		
Australia	695,688	788,081
New Zealand	53,008	19,656
United Kingdom	2,474,282	1,954,866
	<u>3,222,978</u>	<u>2,762,603</u>
<i>Timing of revenue recognition</i>		
Goods and services transferred over time	743,583	745,724
Goods and services transferred at a point in time	2,479,395	2,016,879
	<u>3,222,978</u>	<u>2,762,603</u>

Included in revenue is an amount of \$28,792 (2025: \$121,000) that was included in unearned revenue at the beginning of the year.

Note 6. Other income

	Consolidated 2026 \$	2025 \$
Foreign exchange gain	14,882	10,286
Net fair value gain on forward exchange contract	46,469	-
Net fair value gain on derivative	73,694	-
	<u>135,045</u>	<u>10,286</u>

Note 7. Expenses

Loss before income tax includes the following specific expenses:

Depreciation

Buildings right-of-use assets
IT equipment

Total depreciation expense

General and administration costs

Audit, accounting and tax fees
Legal fees
Consultants and directors fees
Securities exchange and registry fees
Insurances
General Expenses
Marketing and sponsorship
Software and other technology costs
Travel and accomodation

Employee benefits expense

Employee costs
Defined contribution superannuation expense
Share-based payments expense / (reversal)

Finance costs

Interest and finance charges paid/payable on lease liabilities
Interest and finance charges paid/payable on borrowings
Interest expense - other

Finance costs expensed

Consolidated
2026 2025
\$ \$

153,239 153,240
749 -

153,988 153,240

200,741 89,705
38,333 43,940
858,497 772,209
91,373 95,251
132,014 119,880
146,025 180,252
40,072 90,136
1,278,405 1,313,053
127,148 184,308

2,912,608 2,888,734

2,706,600 2,926,338
215,958 240,294
318,703 (22,084)

3,241,261 3,144,548

1,149 5,676
316,886 42,029
8,856 10,226

326,891 57,931

Note 8. Income tax

	Consolidated 2026 \$	2025 \$
<i>Income tax expense</i>		
Current tax	4,819	5,931
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(2,578,397)	(2,958,277)
Tax at the statutory tax rate of 25%	(644,599)	(739,569)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Research and Development incentive	(170,607)	(126,137)
Non-deductible expenses	83,942	4,500
Non-assessable income	(33,964)	(6,885)
Research and development expenditure	288,086	392,201
Adjustment for current tax attributable to UK and US taxable activities	4,819	5,931
Income tax expense /(benefit)	(472,323)	(469,959)
Income tax expense attributable to the entity	4,819	5,931
	Consolidated 2026 \$	2025 \$
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Timing differences	127,767	203,330
Amounts in equity	35,683	27,872
Tax losses - Revenue	5,414,730	4,902,015
Tax losses - Capital	40,087	40,087
Offset against deferred tax liabilities	(9,577)	(47,887)
Total deferred tax assets not recognised	5,608,690	5,125,417
	Consolidated 2026 \$	2025 \$
<i>Deferred tax liabilities not recognised</i>		
Deferred tax liabilities not recognised comprises temporary differences attributable to:		
Timing differences	(9,577)	(47,887)
Offset against deferred tax assets (not brought to account)	9,577	47,887
Total deferred tax liabilities not recognised	-	-

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 8. Income tax (continued)

The Group has accumulated tax losses at 30 June 2026 in the form of revenue losses of \$21,658,919 (2025: \$19,608,061) and capital losses of \$160,349 (2025: \$160,349). According to the Group's tax advisors, the Group's tax losses should be available to offset future taxable gains to the extent that loss testing is satisfied in respect of those losses. At 30 June 2026 no deferred tax asset has been recognised in respect of the Group's tax losses on the basis that it is not sufficiently probable that there will be taxable profits against which deductible temporary differences can be utilised.

Note 9. Earnings per share

	Consolidated 2026 \$	Consolidated 2025 \$
Loss after income tax attributable to the owners of IODM Limited	(2,583,216)	(2,964,208)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	624,555,156	610,431,049
Weighted average number of ordinary shares used in calculating diluted earnings per share	624,555,156	610,431,049
	Cents	Cents
Basic earnings per share	(0.41)	(0.49)
Diluted earnings per share	(0.41)	(0.49)

Due to the Group incurring a loss for the years ended 30 June 2026 and 30 June 2025, the potential ordinary shares arising from outstanding options are anti-dilutive and, accordingly, have not been included in the calculation of diluted earnings per share.

Note 10. Cash and cash equivalents

	Consolidated 2026 \$	Consolidated 2025 \$
<i>Current assets</i>		
Cash at bank	424,955	189,885

Note 11. Trade and other receivables

	Consolidated 2026 \$	Consolidated 2025 \$
<i>Current assets</i>		
Trade receivables	43,381	85,122
Accrued revenue	133,103	154,511
Less: Allowance for expected credit losses	-	-
	176,484	239,633
Other receivables	3,377	3,560
GST receivable	10,507	14,870
	190,368	258,063

Note 11. Trade and other receivables (continued)

Allowance for expected credit losses

The Group has recognised a loss of \$nil (2025: reversal of allowance for expected credit loss of \$nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2026.

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

Consolidated	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2026 %	2025 %	2026 \$	2025 \$	2026 \$	2025 \$
Not overdue	-	-	43,381	85,122	-	-

Note 12. Other assets

	Consolidated 2026 \$	Consolidated 2025 \$
<i>Current assets</i>		
Prepayments	51,045	89,881
Derivative financial asset	46,469	-
	<u>97,514</u>	<u>89,881</u>
<i>Non-current assets</i>		
Other deposits*	134,140	111,104
	<u>231,654</u>	<u>200,985</u>

* Other deposits (non-current) comprises an amount of \$111,104 (2025: \$111,104) as a deposit for the Group's leases as referred to within note 18.

Note 13. Property, plant and equipment

	Consolidated 2026 \$	Consolidated 2025 \$
<i>Non-current assets</i>		
IT equipment - at cost	3,246	1,222
Less: Accumulated depreciation	(749)	-
	<u>2,497</u>	<u>1,222</u>

The Group owns IT equipment with useful life of between 1 to 4 years.

Note 13. Property, plant and equipment (continued)

Reconciliations

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

Consolidated	IT equipment \$
Balance at 1 July 2024	-
Additions	1,222
Balance at 30 June 2025	1,222
Additions	2,024
Depreciation expense	(749)
Balance at 30 June 2026	2,497

Note 14. Right-of-use assets

	Consolidated 2026 \$	2025 \$
<i>Non-current assets</i>		
Buildings - right-of-use	804,509	804,509
Less: Accumulated depreciation	(766,199)	(612,960)
	38,310	191,549

The Group leases land and buildings for its offices under agreements of 5 years with, expiring on 1 October 2026. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Reconciliations

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

Consolidated	Buildings \$
Balance at 1 July 2024	344,789
Depreciation expense	(153,240)
Balance at 30 June 2025	191,549
Additions	-
Depreciation expense	(153,239)
Balance at 30 June 2026	38,310

Note 15. Trade and other payables

	Consolidated 2026 \$	Consolidated 2025 \$
<i>Current liabilities</i>		
Trade payables	98,397	400,076
Accruals	178,305	176,120
Employee benefits payable	133,008	143,919
	<u>409,710</u>	<u>720,115</u>

Note 16. Contract liabilities

	Consolidated 2026 \$	Consolidated 2025 \$
<i>Current liabilities</i>		
Contract liabilities	<u>134,517</u>	<u>118,592</u>

Contract liabilities represent payments received in advance of performance that are expected to be recognised as revenue in the year ended 30 June 2027.

Note 17. Borrowings

	Consolidated 2026 \$	Consolidated 2025 \$
<i>Current liabilities</i>		
Unsecured financing arrangements with unrestricted access are as follows:		
Financial liabilities	915,217	-
Loans and borrowings	<u>422,851</u>	<u>686,240</u>
	<u>1,338,068</u>	<u>686,240</u>

Note 18. Lease liabilities

	Consolidated 2026 \$	Consolidated 2025 \$
<i>Current liabilities</i>		
Lease liability	<u>47,094</u>	<u>168,898</u>
<i>Non-current liabilities</i>		
Lease liability	<u>-</u>	<u>63,832</u>
	<u>47,094</u>	<u>232,730</u>

Note 19. Derivative financial instruments

	Consolidated 2026 \$	Consolidated 2025 \$
<i>Current liabilities</i>		
Conversion derivatives	9,920	-

Note 20. Employee benefits

	Consolidated 2026 \$	Consolidated 2025 \$
<i>Current liabilities</i>		
Annual leave	89,392	123,164
Bonuses	111,000	85,000
Long service leave	71,815	112,926
	272,207	321,090
<i>Non-current liabilities</i>		
Long service leave	23,074	10,077
	295,281	331,167

Note 21. Issued capital

	2026 Shares	Consolidated 2025 Shares	2026 \$	2025 \$
Ordinary shares - fully paid	634,771,731	616,676,538	21,742,121	19,660,504

Note 22. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2

Name	Principal place of business / Country of incorporation	Ownership interest 2026 %	Ownership interest 2025 %
The Debtor Management Hub Pty Ltd	Australia	100%	100%
The Innovative Online Debt management Trust	Australia	100%	100%
IODM (USA) Incorporated	United State of America	100%	100%
IODM (UK) Limited	United Kingdom	100%	100%

Note 23. Cash flow information

Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2026	2025
	\$	\$
Loss after income tax expense for the year	(2,583,216)	(2,964,208)
Adjustments for:		
Depreciation and amortisation	153,988	153,240
Share-based payments	318,703	(22,084)
Foreign exchange differences	4,869	(11,208)
Interest on accrued borrowings	266,957	42,029
Fair value gain on derivative	(73,694)	-
Net fair value gain on forward FX contract	(46,469)	-
Unrealised FX gain	(14,518)	(5,362)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	83,436	(212,220)
Decrease/(increase) in prepayments	38,836	(55,124)
(Decrease)/increase in trade and other payables	(310,404)	198,664
(Decrease)/increase in employee benefits	(35,886)	20,688
Net cash used in operating activities	<u>(2,197,398)</u>	<u>(2,855,585)</u>

Note 24. Events after the reporting period

Subsequent to 30 June 2026, and prior to the date these financial statements were authorised for issue, the Group entered into a new lease and incentive deed with Dexus CPA Pty Ltd (as trustee for the 385 Bourke Street Trust) in respect of its office premises at Level 23, Suite 4, 385 Bourke Street, Melbourne. The arrangement extends the Group's occupation of the same premises for a further four-year term, from 1 October 2026 to 30 September 2030, at an annual rent of \$175,560 (plus GST, subject to fixed increases of 3.75% per annum from 1 October 2027), together with a landlord incentive of \$266,851 to be applied as a rent reduction over the term.

The arrangement relates to the same premises as the Group's existing lease and does not grant any additional right-of-use, it is accounted for as a modification of the existing lease under AASB 16 Leases, rather than a separate lease. The right-of-use asset and lease liability were remeasured as at the date the arrangement became binding, using a revised discount rate, with the resulting adjustment recognised against the right of use asset.

No adjustment has been made to the amounts recognised in these financial statements as at 30 June 2026, as the arrangement was not binding until after the reporting date. The financial effect of the remeasurement will be recognised in the Group's accounts for the quarter ending 30 September 2026.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial year