

**ABN 28 102 747 133****ASX Appendix 4E  
for the 12 months ended 30 June 2024****1. Company Details**

Name of Entity

IODM Limited

ABN

28 102 747 133

Current period

1 July 2023 to 30 June 2024

Previous period

1 July 2022 to 30 June 2023

**2. Results for announcement to the market**

| AUD                                                                                                                        |                     |        |                             |
|----------------------------------------------------------------------------------------------------------------------------|---------------------|--------|-----------------------------|
| 2.1 Revenues from continuing operations                                                                                    | Up                  | 68% to | \$1,907,901                 |
| 2.2 Loss from continuing operations after tax attributable to members                                                      | Up                  | 30% to | \$3,105,765                 |
| 2.3 Net loss for the period attributable to members                                                                        | Up                  | 30% to | \$3,105,765                 |
| 2.4 Dividends                                                                                                              | Amount per security |        | Franked amount per security |
| Dividend declared                                                                                                          | N/A                 |        | N/A                         |
| 2.5 Record date for determining entitlements to dividend                                                                   |                     |        | N/A                         |
| 2.6 Brief explanation of any of the figures in 2.1 to 2.4 above necessary to enable figures to be understood               |                     |        |                             |
| Total Revenue for the current period increased by \$1,036,324 (66%) from \$1,571,659 to \$2,607,983<br>Refer Annual Report |                     |        |                             |

**3. Consolidated Statements of Comprehensive Income together with notes to the statement –**

See accompanying audited Annual Report.

**4. Consolidated Statements of Financial Position together with notes to the statement –**

See accompanying audited Annual Report.

**5. Consolidated Statements of Cash Flows together with notes to the statement –**

See accompanying audited Annual Report.

**6. Consolidated Statements of Changes in Equity together with notes to the statement –**

See accompanying audited Annual Report.

**7. Dividends**

Individual dividends per security

| Final Dividend | Date dividend is payable | Amount per security | Franked amount per security at 30% tax | Amount per security of foreign source dividend |
|----------------|--------------------------|---------------------|----------------------------------------|------------------------------------------------|
| Current Year   | N/A                      | N/A                 | N/A                                    | N/A                                            |
| Previous Year  | N/A                      | N/A                 | N/A                                    | N/A                                            |

**8. Dividend Reinvestment Plans**

The dividend or distribution plans shown below are in operation.

|                                                                                          |     |
|------------------------------------------------------------------------------------------|-----|
| N/A                                                                                      |     |
| The last date(s) for receipt of election notices for the dividend or distribution plans. | N/A |

**9. Net tangible assets per security**

|                                                  | 30 June 2024 | 30 June 2023 |
|--------------------------------------------------|--------------|--------------|
| Net tangible asset backing per ordinary security | \$0.0010     | \$0.0010     |

**10. Details of entities over which control has been gained or lost**

N/A

**11. Details of associates and joint entities**

Results for announcement to the market incorporate the results of IODM Limited and the following subsidiaries:

The Debtor Management Hub Pty Ltd – 100%

The Innovative Online Debt Management Trust – 100%

IODM Singapore Pte Ltd – 100%

IODM (Hong Kong) Pte Ltd – 100%

IODM (USA) Incorporated – 100%

IODM (UK) Limited – 100%

**12. Other significant information**

N/A

**13. Foreign entities**

IODM Singapore Pte Ltd – 100%

IODM (Hong Kong) Pte Ltd – 100%

IODM (USA) Incorporated – 100%

IODM (UK) Limited – 100%

**14. Commentary on results****14.1 Earnings per security**

Basic loss per share- \$0.0052

Diluted loss per share - \$0.0052

**14.2 Returns to shareholders**

N/A

**14.3 Significant features of operating performance**

Refer Annual Report

**15. Audit status**

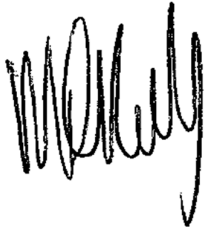
Refer audited Annual Report

**15.1 Likely audit opinion of accounts not yet audited**

N/A

**15.2 Audit opinion of accounts already audited**

The audit opinion contains a material uncertainty regarding going concern

A handwritten signature in black ink, appearing to read 'Mark Reilly', with a stylized, cursive script.

Print Name:

Mark Reilly

Position:

CEO

Date:

30 August 2024



**IODM Limited**

ABN 28 102 747 133

Annual Report

30 June 2024

# Corporate Directory

## Directors

Dr. Paul Kasian (Non-Executive Chair)

Mr. David Ireland (Non-Executive Director)

Ms. Karen Penney (Non-Executive Director)

## Company Secretary

Ms. Petrina Halsall

## Registered Office and Principal Place of Business

Level 23

385 Bourke Street

MELBOURNE VIC 3000

Australia

Telephone: + 61 3 8396 5890

Facsimile: + 61 8 9227 6390

[www.iodm.com.au](http://www.iodm.com.au)

## Share Registry

Boardroom Pty Limited

Level 8

210 George Street

SYDNEY NSW 2000

Australia

Telephone: 1300 737 760

Facsimile: + 61 2 9279 0664

## Auditors

Crowe Audit Australia

Level 42

600 Bourke Street

MELBOURNE VIC 3000

## Stock Exchange Listing

Australian Securities Exchange

ASX Code: IOD

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## **IODM Limited – Directors' Report**

The Directors of IODM Limited ("IODM" or the "Group") present their report together with financial statements of the consolidated entity, being IODM Limited (the "Company") and its controlled entities for the year ended 30 June 2024.

### **DIRECTORS**

The names, qualifications and experience of the Group's Directors in office during the year and until the date of this report are as follows. Directors were in office for this entire financial year unless otherwise stated.

#### **Dr Paul Kasian – Non-Executive Chair**

Dr Kasian is an experienced executive director with demonstrated success in both domestic and international companies encompassing senior leadership, strategy, investment and risk roles.

Dr Kasian holds a PhD in Microbiology and a Master of Business Administration, both from the University of Melbourne. Dr Kasian is a member of the Australian Institute of Company Directors and has held senior leadership positions in a number of investment groups including Chief Investment Officer at HSBC Asset Management, Head of HSBC Global Financial Team; Founding Director of Accordius and Founding Director of Wallara Asset Management.

Dr Kasian is currently a Non-Executive Chair of Atomo Diagnostics limited (AT1.ASX, appointed 4 February 2020). Dr Kasian was previously the Chair and CEO of Genetic Technologies Limited (appointed 12 December 2013, resigned September 2019).

Dr Kasian has not held any other listed directorships in the past three years.

#### **Mr David Ireland – Non-Executive Director**

Mr Ireland has over 40 years' experience in the information and communications technology industry, including 34 years with Unisys and has a wealth of experience in the sale of enterprise solutions to Financial, Commercial and Government.

Mr Ireland holds a Bachelor of Business and a Graduate Diploma in Management, both from the University of Central Queensland. Mr Ireland held numerous management and leadership roles with the Federal Government and Unisys, retiring from Unisys in 2021 after 8 years as Sales Director for Asia Pacific and Japan, and a member of the Executive Team.

Mr Ireland was also the Non-Executive Chair of BOS Global Limited (appointed 30 August 2016, resigned 22 December 2017), an AIM listed IT company.

He has not held any other listed directorships in the past three years.

#### **Ms Karen Penney – Non-Executive Director**

Ms Penney is a London-based British national with an extensive background in senior executive roles and a wealth of experience spanning over 30 years, Ms Penney brings a unique blend of strategic, commercial and industry expertise to IODM's Board of Directors.

More recently, Ms Penney has held significant executive positions in renowned global financial companies, including America Express and Convera – formerly Western Unions Business Solutions – where she served as Vice President Payment Products (2018 – 2022) and was primarily responsible for delivering corporate payments across the UK and Europe.

## **IODM Limited – Directors' Report**

Ms Penney is currently a Non-Executive director of AIG Life Limited (appointed 13 July 2023) and serves as a Board Trustee on both Tempo Time Credits and Clothing Collective, focused specifically on delivering strategic change management, profitability enhancement, business development and creating long-term growth strategies.

Ms Penney holds a MA (Oxon) in English Literature.

Ms Penney has not held any other listed directorships during the last three years.

### **Mr Brian Jamieson – Non-Executive Director (Deceased 7 August 2023)**

Mr Jamieson had over 40 years' experience in the advisory, manufacturing, resources and technology industries in Australia and offshore. Mr. Jamieson was Chief Executive of Minter Ellison Melbourne from 2002-2005. Prior to joining Minter Ellison, Mr Jamieson was Chief Executive Officer at KPMG Australia from 1998-2000, Managing Partner of KPMG Melbourne and Southern Regions from 1993-1998 and Chair of KPMG Melbourne from 2001- 2002. Prior to the merger of Touche Ross & Co and Peat Marwick Hungerfords to form KPMG, Mr Jamieson was the Managing Partner for Australia for Touche Ross & Co. Mr Jamieson had over 30 years' experience in providing advisory and audit services to a diverse range of public and large private companies. He was also a Fellow of the Institute of Chartered Accountants in Australia and New Zealand and a Fellow of the Australian Institute of Company Directors.

Mr Jamieson was Non-Executive Chair of the Audit and Risk Committee of IODM Limited and Non-Executive Director of IODM Limited, Non-Executive Chair of Energy Technologies Limited and Non-Executive Director of Highfield Resources Limited. Mr Jamieson was formerly Non-Executive Chair of Sigma Healthcare Limited (resigned 13 May 2020), Non-Executive Chair of Mesoblast Limited (resigned 31 March 2019), Non-Executive Director of Oxiana/OZ Minerals Limited from 2005 to 2015 and served as Chair of Audit Risk and Compliance, Nomination and Remuneration, and Due Diligence Committees. He was a Non-Executive Director of Tatts Group Limited from 2005 to December 2017 and served as the Chair of Audit and Risk Committee, Chair of the Due Diligence Committee and member of the Remuneration Committee. He was also a Non-Executive Director of ASX listed Tigers Realm Coal from 2010 to 2015 and chaired various committees.

Mr Jamieson had not held any other listed directorships in addition to those set out above in the past three years.

### **Mr Anthony Smith – Non-Executive Director (resigned 7 July 2023)**

Mr Smith has over 30 years' experience in finance with a variety of firms concentrating on small to medium sized companies in regard to corporate finance, institutional research sales and private wealth advice. During this time, he was charged with running these businesses along with titles of Head of Securities and Country Director of Austock Group and Phillip Capital. Mr Smith currently handles the investments at Cashel Family Office, a Melbourne based multi family office company.

Mr Smith is a Non-Executive Director of Energy Technologies Limited (EGY.ASX appointed 24 December 2020).

He has not held any other public company directorships during the past three years.

## IODM Limited – Directors' Report

### Ms Petrina Halsall – Company Secretary

Ms Halsall is a Chartered Accountant who commenced her career with KPMG. She has experience with Public companies in audit and has specialised in the small to medium enterprise (SME) market including providing advice on all stages of a business life cycle, business growth strategies, valuations, assisting with the purchase and sale of businesses and corporate restructuring.

Ms Halsall holds a Bachelor of Business (Monash University) and is an Associate of the Institute of Chartered Accountants Australia and New Zealand.

### INTERESTS IN THE SECURITIES OF THE GROUP

As at the date of this report, the interests of the current Directors in the ordinary shares of IODM Limited were:

| Director   | Ordinary Shares | Options exercisable at \$0.30 on or before 30/06/2025 | Options exercisable at \$0.39 on or before 30/06/2026 |
|------------|-----------------|-------------------------------------------------------|-------------------------------------------------------|
| P. Kasian  | 29,425,758      | 100,000                                               | 100,000                                               |
| D. Ireland | -               | -                                                     | -                                                     |
| K. Penney  | -               | -                                                     | -                                                     |

The above options were issued during the years 2024 FY and 2023 FY under the Employee Share Option Plan.

### RESULTS OF OPERATIONS

The net loss of the Group for the year after income tax was \$3,105,765 (2023 loss: \$2,396,987).

### DIVIDENDS

No dividend was paid or declared by the Group during the year and up to the date of this report.

### CORPORATE STRUCTURE

IODM Limited is a company limited by shares that is incorporated and domiciled in Australia.

### NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

During the year the Group's principal activity was as a cloud based software as a service provider. The Group has developed an automated debtor management solution that provides businesses a superior accounts receivable monitoring and collection management tool through a central cloud based platform.

### EMPLOYEES

The Group had fifteen employees at 30 June 2024 (2023: thirteen).

### REVIEW OF OPERATIONS

IODM is an Australian and global leader in providing best practice technology to businesses around the world. It uses digital technology to automate and streamline the accounts receivable process, data analytics and communications. The software is simple and quick to implement, easy to use and delivers immediate tangible efficiencies for businesses.

IODM has measured where the business stood at the end of the financial year versus the previous year and notes the following:

## IODM Limited – *Directors' Report*

I am pleased to present the director's report for IODM for the year 30 June 2024, outlining the key developments and achievements during the last reporting period. IODM remains a leading Australian and global provider of cutting-edge technological solutions, providing solutions to businesses worldwide. Our focus on leveraging digital technology to enhance accounts receivable processes, data analytics, and communications has yielded significant tangible benefits for our clients to date and we expect that to increase further during the next reporting period.

### **Global Expansion and Leadership**

The Group has continued to not only solidify but build on its reputation as a premier accounts receivable management solution provider globally. Over the past year, we have increased our engagement with businesses across various regions, notably the UK and North America. This expanded reach demonstrates our commitment to offering best-in-class solutions to a diverse range of industries and the acknowledgement globally that the IODM offering is not only needed by businesses but produces extraordinary results for those businesses and organisations that deploy the solution.

The Group is pleased to report that operational revenue has increased by 67% for 2024 financial year with the major growth attributable to commercial partnership with Convera for the UK education sector. During the financial year the Group saw a significant increase in revenue from the UK education sector as the increased number of onboarded universities used the IODM platform to recover aged and current student fees. The revenue share agreement with Convera saw a 195% increase in revenue share from \$366K FY2023 to \$1.08M FY 2024.

The growth in the UK revenue significantly contributed to group recording a record quarterly cash receipts in Q3FY24. This was assisted by the implementation of a new revenue share agreement with Convera announced on 5 February 2024 and backdated to 1 January 2024. Under the new agreement, IODM receives 25% of all FX revenues generated by Convera from international payments from existing onboarded universities at 1 January 2024, primarily in relation to university tuition fees and accommodation. In addition, IODM receives 30% of the abovementioned revenue from additional universities that are onboarded from 1 January 2024. The effect of the above is that IODM now shares in a larger revenue pool covering all international payments made through Convera. Previously IODM's revenue share was limited to payments directed to Convera's platform by IODM communications.

The new agreement, retrospective from 1 January 2024, allows 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 FX 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. Importantly, the minimum component partially insulates IODM from the seasonal nature of the education sector and tuition cycle.

The new agreement and its terms are a direct result of the success that Convera and its onboarded university clients have observed utilising the IODM platform to manage their accounts receivable function.

Pleasingly, the uplift in cash receipts and revenue observed during the second half of the year is a direct result of the new revenue share agreement with Convera, further confirming its attractiveness and importance to IODM.

Onboarding of additional universities continued throughout the FY24 with a further four universities onboarded in Q424, with further universities to be onboarded in the next FY25 increasing the amount of the revenue share.

## **IODM Limited – Directors' Report**

### **Domestic Enterprise Business**

We have seen a renewed increase in demand for the IODM platform in the last quarter of FY24 which has continued into FY25.

### **Corporate Developments and Investments**

Our strategic investments in technical capabilities and onboarding processes have continued to yield results. We invested funds to bolster our technical teams and enhance the IODM Connect platform with new features.

### **Share Placement and Financial Investment**

In pursuit of our commitment to swift and effective rollouts, we executed a share placement on 11 March 2024, raising \$800,000. The funds received from this placement are earmarked for two vital purposes. Firstly, they will bolster our onboarding capabilities in each region, enabling us to swiftly bring new clients to market. Secondly, we will augment our sales and technical teams, reinforcing our ability to provide a state-of-the-art global solution to our clients.

These financial resources align seamlessly with our mission to offer cutting-edge technological solutions that empower businesses to achieve their full potential.

In conclusion, the past reporting period has been marked by significantly increased global expansion, robust growth in the UK Education sector, strategic appointments, and ongoing investments in technology and innovation. We remain steadfast in our commitment to providing unparalleled technological solutions that empower businesses worldwide. IODM's journey continues to be driven by innovation and a relentless pursuit of client success.

## **CORPORATE**

### **Board Changes**

It is the intention of the Board to present an independent, diverse Non-Executive Board in keeping with "Best Practice". The Group will continue to transform the Board to ensure that it is in keeping with its compliance and governance obligations. Mr Smith resigned from his position as a Non-Executive Director on 7 July 2023. Mr Jamieson held his position as a Non-Executive Director until his date of death on 7 August 2023.

### **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

There were no significant changes in the state of affairs during the reporting period.

### **SIGNIFICANT EVENTS AFTER THE REPORTING DATE**

On 8 July 2024 the Group drew down the balance of the unsecured loan facility referred to in Note 14 being a further \$300,000 provided by a private lender at a fixed rate of 12% per annum repayable by 31 December 2024 in either cash or equity. On 8 August 2024 the private lender elected to convert \$150,000 of the borrowing into equity.

## **IODM Limited – Directors' Report**

On 8 August 2024 IODM completed a share placement for 10,365,909 shares to raise \$1,710,375 at 16.5 cents per share to accelerate the Group's global education roll out into North America, progress existing growth initiatives in the UK education sector and for general working capital purposes. This does not include capital raising costs.

### **LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS**

Likely developments in the operations of the Group are set out in the above review of operations in this annual report.

### **ENVIRONMENTAL REGULATION**

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

### **SHARE OPTIONS AND ORDINARY SHARES**

As at the date of this report there were the following unissued ordinary shares of IODM for which options were outstanding:

1,966,667 options expiring on 30 June 2025 exercisable at \$0.30

1,300,000 options expiring on 30 June 2026 exercisable at \$0.39

During the year the following options were granted under the Employee Share Option Plan

750,000 options expiring on 30 June 2026 exercisable at \$0.39

During the year the following options were exercised:

128,889 options expiring on 30 June 2025 were exercised at \$0.30 cents

During the year the following options were forfeited:

312,500 options expiring on 30 June 2024 exercisable at \$0.192 cents

131,111 options expiring on 30 June 2025 exercisable at \$0.30 cents

### **INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS**

The Group has entered into deeds with each of the Directors under which the Group has agreed to indemnify the Directors on a full indemnity basis and to the full extent permitted by law for losses or liabilities incurred as an officer of the Group.

During the financial year, the Group has paid an insurance premium in respect of a contract insuring each of the Directors and Group Secretary of the Group, against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law. Disclosure of the total amount of the premium and the nature of the liabilities in respect of such insurance is prohibited by the policy.

### **INDEMNIFICATION AND INSURANCE OF AUDITORS**

The Group has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Group against a liability incurred by the auditor.

During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group.

## IODM Limited – Directors' Report

### DIRECTORS' MEETINGS

During the financial year, in addition to regular Board discussions, the number of meetings held during the year and the number of meetings attended by each Director were as follows:

| Director       | Directors' meetings       |                 | Audit and Risk Committee meetings |                 | Remuneration and Nomination meetings |                 |
|----------------|---------------------------|-----------------|-----------------------------------|-----------------|--------------------------------------|-----------------|
|                | Number eligible to attend | Number attended | Number eligible to attend         | Number attended | Number eligible to attend            | Number attended |
| Paul Kasian    | 8                         | 8               | 3                                 | 3               | 3                                    | 3               |
| David Ireland  | 8                         | 7               | 3                                 | 3               | 3                                    | 3               |
| Karen Penney   | 8                         | 7               | 3                                 | 3               | 3                                    | 3               |
| Anthony Smith  | 0                         | 0               | 0                                 | 0               | 0                                    | 0               |
| Brian Jamieson | 0                         | 0               | 0                                 | 0               | 0                                    | 0               |

### PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied for leave of the court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

### CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of IODM Limited support and have adhered to the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council and considers that IODM Limited is in compliance with those guidelines to the extent possible, which are of importance to the commercial operation of a listed software as a service company. During the financial year, shareholders continued to receive the benefit of an efficient and cost effective corporate governance policy for the Group. The Group's Corporate Governance Statement and disclosures are contained in Pages 49-58 of the annual report.

### AUDITOR'S INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the *Corporations Act 2001* requires the Group's auditors to provide the Directors of IODM Limited with an Independence Declaration in relation to the audit of the financial report. A copy of that declaration is included within this report.

#### Non-audit services

There were no amounts paid or payable to the auditor for non-audit services provided during the year by the auditor other than those outlined in note 22 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 22 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001*.

## IODM Limited – Directors' Report

### REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for directors, executives and other key management personnel of IODM Limited prepared in accordance with the requirements of the *Corporation Act 2001* and the *Corporations Regulations 2001*. For the purpose of this report, Key Management Personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any officer (whether Executive or otherwise) of the Group.

#### Voting at 2023 AGM

The Group received 99.94% of "yes" votes on its remuneration report for the 2023 financial year. The Group did not receive any specific feedback at the Annual General Meeting (AGM) or throughout the year regarding its remuneration report or its remuneration policies.

#### The following table lists the Company's KMP for FY 2024

| Non-Executive Directors                 | POSITION                                        |
|-----------------------------------------|-------------------------------------------------|
| Paul Kasian                             | Non-Executive Chair                             |
| David Ireland                           | Non-Executive Director                          |
| Karen Penney                            | Non-Executive Director                          |
| Anthony Smith (resigned 7 July 2023)    | Non-Executive Director                          |
| Brian Jamieson (deceased 7 August 2023) | Non-Executive Director                          |
| <b>Senior Executives</b>                |                                                 |
| Mark Reilly                             | Chief Executive Officer (CEO)                   |
| Petrina Halsall                         | Chief Operating Officer (COO)/Company Secretary |

#### Remuneration Policy

The remuneration policy of IODM Limited has been designed to align key management personnel (KMP) objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific short-term incentives and long-term incentives based on key performance areas affecting the Group's financial results. The Board of IODM Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for key management personnel of the Group is as follows:

- The remuneration policy has been developed by the Remuneration and Nomination Committee and approved by the Board.
- All key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, and performance incentives.
- Incentives paid in the form of options are intended to align the interests of the KMP and the Group with those of the shareholders.
- The Remuneration and Nomination Committee reviews key management personnel packages bi-annually by reference to the Group's performance, executive performance and comparable information from industry sectors.

The performance of key management personnel is measured against criteria agreed bi-annually with each executive and is based predominantly on the forecast growth of the Group's profits and shareholders' value. The Board may, however,

## IODM Limited – Directors' Report

exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the Committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Key management personnel receive a superannuation guarantee contribution required by the law, which is currently 11.5%, and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

Upon retirement, key management personnel are paid employee benefit entitlements accrued to the date of retirement. Any options not exercised before or on the date of termination may lapse.

All remuneration paid to key management personnel is valued at the cost to the Group and expensed.

The table below shows the performance of the Group as measured by loss per share

| As at 30 June               | 2024      | 2023      | 2022      |
|-----------------------------|-----------|-----------|-----------|
| Loss per share (cents)      | (0.52)    | (0.41)    | (0.42)    |
| Total KMP remuneration (\$) | 1,101,504 | 1,026,154 | 1,218,029 |

### Non-Executive Directors

The rewards for Directors' have no set or pre-determined performance conditions or key performance indicators as part of their remuneration due to the current nature of the business operations. The aggregate remuneration for non-executive directors last voted upon by shareholders at the 2021 Annual General Meeting has been set at an amount not to exceed \$750,000 per annum. This amount may only be increased with the approval of Shareholders at a general meeting. The Board determines appropriate levels of performance rewards as and when they consider rewards are warranted.

### Share-based payment arrangements

#### Options

The Company operates an Employee Share Option Plan ('ESOP') for directors, executives and senior employees of the Consolidated Entity. In accordance with the provisions of the ESOP, directors, executives and senior employees may be granted options to purchase ordinary shares at an exercise price to be determined by the Board with regard to the market value of the shares when it resolves to offer the options. The options may be granted to eligible persons after the Board considers the person's seniority, position, length of service, record of employment, potential contribution and any other matters which the Board considers relevant.

Each employee share option converts into one ordinary share of the Company on exercise. No amounts are paid or payable to the Company by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The number of options granted is determined by the Board. To date, options granted under the ESOP expire up to 48 months from their date of issue. The options are not exercisable until the vesting date provided the participant is an employee at the relevant vesting date or at the Board's discretion.

## IODM Limited – Directors’ Report

### Details of Remuneration

#### EXECUTIVE REMUNERATION

The table below sets out details of the remuneration of the Company’s officers (the two executive KMP) for FY 2024

|                                              | Year | Short-term employment benefits |                |           |                    |       | Total   | Long-term Benefits |                     |
|----------------------------------------------|------|--------------------------------|----------------|-----------|--------------------|-------|---------|--------------------|---------------------|
|                                              |      | Base Salary                    | Directors Fees | STI Bonus | Leave Entitlements | Other |         | Long service leave | Share Based Payment |
|                                              |      | \$                             | \$             | \$        | \$                 | \$    | \$      | \$                 | \$                  |
| <b>CEO</b>                                   |      |                                |                |           |                    |       |         |                    |                     |
| M Reilly                                     | 2024 | 334,926                        | -              | 70,000    | (2,489)            | 4,600 | 407,037 | 24,715             | 29,888              |
|                                              | 2023 | 248,869                        | -              | 140,000   | 17,571             | 9,400 | 415,840 | 8,981              | 29,223              |
| <b>COO</b>                                   |      |                                |                |           |                    |       |         |                    |                     |
| P Halsall                                    | 2024 | 266,472                        | -              | 37,000    | 8,862              | -     | 312,334 | 20,209             | 12,480              |
|                                              | 2023 | 158,371                        | -              | 75,000    | 2,192              | -     | 235,563 | 21,826             | 11,689              |
| <b>Total remuneration of the CEO and COO</b> |      |                                |                |           |                    |       |         |                    |                     |
|                                              | 2024 | 601,398                        | -              | 107,000   | 6,373              | 4,600 | 719,371 | 44,924             | 42,368              |
|                                              | 2023 | 407,240                        | -              | 215,000   | 19,763             | 9,400 | 651,403 | 30,807             | 40,912              |

1. All STIs and LTIs are related to the performance of the individual and the performance of the Group.
2. Long term benefits related to long service leave entitlements accrued for the year.
3. Superannuation payments are made in accordance with the relevant statutory requirements and relates to cash salary.

## IODM Limited – Directors' Report

### NON-EXECUTIVE REMUNERATION

The table below sets out the Non-Executive director fees paid for FY 2024

|                                                      |             | Directors<br>Fees | Share<br>Based<br>Payment | Superan-<br>nuation | Total          |
|------------------------------------------------------|-------------|-------------------|---------------------------|---------------------|----------------|
|                                                      |             | \$                | \$                        | \$                  | \$             |
| <b>Non-Executive Directors</b>                       |             |                   |                           |                     |                |
| P Kasian                                             | <b>2024</b> | <b>78,076</b>     | <b>8,013</b>              | <b>8,588</b>        | <b>94,677</b>  |
|                                                      | 2023        | 66,252            | 7,013                     | 6,957               | 80,222         |
| D Ireland                                            | <b>2024</b> | <b>49,105</b>     | <b>-</b>                  | <b>5,402</b>        | <b>54,507</b>  |
|                                                      | 2023        | 37,290            | -                         | 3,915               | 41,206         |
| K Penney                                             | <b>2024</b> | <b>66,000</b>     | <b>-</b>                  | <b>-</b>            | <b>66,000</b>  |
|                                                      | 2023        | 2,750             | -                         | -                   | 2,750          |
| A Smith                                              | <b>2024</b> | <b>778</b>        | <b>-</b>                  | <b>-</b>            | <b>778</b>     |
|                                                      | 2023        | 41,206            | 37,405                    | -                   | 78,611         |
| B Jamieson                                           | <b>2024</b> | <b>6,652</b>      | <b>5,341</b>              | <b>732</b>          | <b>12,724</b>  |
|                                                      | 2023        | 39,751            | 13,559                    | 4,174               | 57,484         |
| <b>Total Remuneration of Non-Executive Directors</b> | <b>2024</b> | <b>200,611</b>    | <b>13,354</b>             | <b>14,722</b>       | <b>228,686</b> |
|                                                      | 2023        | 187,249           | 57,977                    | 15,046              | 260,272        |

262 Capital Pty Ltd, a company which Mr. Anthony Smith is a Director and shareholder, provided the Group with the provision of director services totalling \$778 (2023 \$41,206) of which Nil (2023 \$3,448) was outstanding at year end.

KJP Associates Ltd, a company which Ms. Penney is a Director and shareholder, provided the Group with the provision of director services totalling \$66,000 (2023 \$2,750) of which \$5,500 (2023 \$2,750) was outstanding at year end.

### Shareholdings of Key Management Personnel

The shareholdings in the company held during the financial year by key management personnel of IODM Limited, including their personally related parties, is set out below.

| <b>30 June 2024</b>            | <b>Balance at the<br/>start of the year</b> | <b>Transactions<br/>on<br/>market/other</b> | <b>On appointment/<br/>death/<br/>resignation</b> | <b>Options<br/>exercised</b> | <b>Balance at the<br/>end of the year</b> |
|--------------------------------|---------------------------------------------|---------------------------------------------|---------------------------------------------------|------------------------------|-------------------------------------------|
| <b>Non-Executive Directors</b> |                                             |                                             |                                                   |                              |                                           |
| Paul Kasian                    | 29,425,758                                  | -                                           | -                                                 | -                            | 29,425,758                                |
| David Ireland                  | -                                           | -                                           | -                                                 | -                            | -                                         |
| Karen Penney                   | -                                           | -                                           | -                                                 | -                            | -                                         |
| Anthony Smith*                 | 33,410,742                                  |                                             | (33,410,742)                                      | -                            | -                                         |
| Brian Jamieson**               | 1,975,000                                   | -                                           | (2,103,889)                                       | 128,889                      | -                                         |
| <b>Senior Executives</b>       |                                             |                                             |                                                   |                              |                                           |
| Mark Reilly                    | 30,454,280                                  | (2,752,085)                                 | -                                                 | -                            | 27,702,195                                |
| Petrina Halsall                | 10,708,534                                  | -                                           | -                                                 | -                            | 10,708,534                                |
|                                | <b>105,974,314</b>                          | <b>(2,752,085)</b>                          | <b>(35,514,631)</b>                               | <b>128,889</b>               | <b>67,836,487</b>                         |

\*Shareholding - Anthony Smith represents movements up to date of resignation – 7 July 2023

\*\* Shareholding - Brian Jamieson represents movements up to date of death – 7 August 2023

## IODM Limited – Directors' Report

### Option holdings of Key Management Personnel

The number of options in the company held during the financial year by key management personnel of IODM Limited, including their personally related parties, is set out below.

| 30 June 2024                   | Balance at the start of the year | Granted during the year as compensation | Exercised during the year | On Death / Resignation | Vested and exercisable | Balance at the end of the year Unvested |
|--------------------------------|----------------------------------|-----------------------------------------|---------------------------|------------------------|------------------------|-----------------------------------------|
| <b>Non-Executive Directors</b> |                                  |                                         |                           |                        |                        |                                         |
| Paul Kasian                    | 100,000                          | 100,000                                 | -                         |                        | 133,334                | 66,666                                  |
| David Ireland                  | -                                | -                                       | -                         |                        | -                      | -                                       |
| Karen Penney                   | -                                | -                                       | -                         |                        | -                      | -                                       |
| Anthony Smith*                 | 533,333                          | -                                       | -                         | (533,333)              | -                      | -                                       |
| Brian Jamieson**               | 193,333                          | -                                       | (128,889)                 | (64,444)               | -                      | -                                       |
| <b>Senior Executives</b>       |                                  |                                         |                           |                        |                        |                                         |
| Mark Reilly                    | 416,667                          | 350,000                                 | -                         | -                      | 533,334                | 233,333                                 |
| Petrina Halsall                | 166,667                          | 100,000                                 | -                         |                        | 200,001                | 66,666                                  |
|                                | <b>1,410,000</b>                 | <b>550,000</b>                          | <b>(128,889)</b>          | <b>(597,777)</b>       | <b>866,669</b>         | <b>366,665</b>                          |

\*Options for Anthony Smith represents movements up to date of resignation – 7 July 2023

\*\* Options for Brian Jamieson represents movements up to date of death – 7 August 2023

All of the above options were issued under the IODM Employee Share Option Plan.

The terms and conditions of each grant of options affecting remuneration in the current or a future reporting period are as follows:

| Grant date | Vesting and exercise date | Expiry date  | Exercise Price (\$) | No Options | Vested (%) |
|------------|---------------------------|--------------|---------------------|------------|------------|
| 21/11/2021 | Over 3 Years              | 30 June 2025 | 0.30                | 1,410,000  | 100%       |
| 03/11/2023 | Over 3 Years              | 30 June 2026 | 0.39                | 750,000*   | 33%        |

\*Anthony Smith ceased to be a KMP on date of resignation – 7 July 2023

200,000 options were approved for issue at 2023 AGM on 3 November 2023

### Other transactions with key management personnel

Transactions with key management personnel were made at arm's length at normal market prices and normal commercial terms.

There were no other transactions or loans made to key management personnel for the year ended 30 June 2024.

### Service Agreements

The remuneration and other terms of employment for the senior executive KMP are formalised in employment contracts. The two executives are entitled to receive pay in lieu of notice of resignation, in addition to any leave entitlements upon cessation of employment. All service agreements may be terminated immediately in the event of serious misconduct, which the executive is not entitled to any payment in lieu of notice.

## **IODM Limited – Directors' Report**

All service agreements are for an unlimited duration. The agreements for executives may be terminated by going three months notice (except in cases of termination for cause where termination is immediate).

Certain key management personnel will be entitled to bonuses as the Remuneration and Nomination Committee may decide in its absolute discretion from time to time.

### **Non-Executive Director**

The Non-Executive Directors are paid an annual Director fee on a monthly basis. Their services may be terminated by either party at any time.

### **End of audited Remuneration Report**

Signed in accordance with a resolution of the Directors.

On behalf of the Directors.

A handwritten signature in dark ink, appearing to read "Paul Kasian". The signature is fluid and cursive, with the first name "Paul" and last name "Kasian" clearly distinguishable.

**Dr Paul Kasian**

**Non-Executive Chair**

**30 August 2024**

**Consolidated Statement of Profit or Loss & Other Comprehensive Income**  
*for the year ended 30 June 2024*

|                                                                       | Notes | 2024<br>\$         | 2023<br>\$         |
|-----------------------------------------------------------------------|-------|--------------------|--------------------|
| Revenue                                                               | 6     | 1,907,901          | 1,137,615          |
| Interest received                                                     | 6     | 25,497             | 9,198              |
| Export market development grant                                       | 6     | 49,200             | 24,600             |
| Research and development tax offset income                            | 6     | 625,385            | 400,046            |
| <b>Total Revenue</b>                                                  |       | <b>2,607,983</b>   | <b>1,571,459</b>   |
| Administrative and public company expenses                            |       | (727,887)          | (343,306)          |
| Accounting and audit fees                                             |       | (90,649)           | (85,112)           |
| Professional fees                                                     |       | (24,388)           | (14,576)           |
| Consultants and Directors fees                                        |       | (1,282,461)        | (744,750)          |
| Employee costs                                                        |       | (2,638,810)        | (1,858,123)        |
| Superannuation                                                        |       | (190,897)          | (141,765)          |
| Depreciation                                                          | 12    | (153,240)          | (153,240)          |
| Finance costs                                                         | 7     | (18,154)           | (20,899)           |
| Options issued to employees                                           | 19    | (101,684)          | (147,292)          |
| Loss on write-off on deregistered subsidiaries                        |       | (2)                | -                  |
| Other expenses                                                        | 8     | (484,420)          | (459,383)          |
| <b>Loss before income tax</b>                                         |       | <b>(3,104,609)</b> | <b>(2,396,987)</b> |
| Income tax expense                                                    | 9     | (1,156)            | -                  |
| <b>Loss after tax</b>                                                 |       | <b>(3,105,765)</b> | <b>(2,396,987)</b> |
| Other comprehensive income                                            |       | -                  | -                  |
| <b>Items that will be reclassified subsequently to profit or loss</b> |       |                    |                    |
| Exchange differences on translation of foreign operations             |       | (13,255)           | (6,788)            |
| <b>Total comprehensive loss for the year</b>                          |       | <b>(3,119,020)</b> | <b>(2,403,775)</b> |
| Basic and diluted loss per share (cents)                              | 21    | (0.52)             | (0.41)             |

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**Consolidated Statement of Financial Position *as at 30 June 2024***

|                                            | Notes | 2024<br>\$       | 2023<br>\$       |
|--------------------------------------------|-------|------------------|------------------|
| <b>CURRENT ASSETS</b>                      |       |                  |                  |
| Cash at bank                               | 10    | 282,712          | 1,782,065        |
| Trade and other receivables                | 11    | 191,059          | 124,803          |
| <b>TOTAL CURRENT ASSETS</b>                |       | <b>473,771</b>   | <b>1,906,868</b> |
| <b>NON-CURRENT ASSETS</b>                  |       |                  |                  |
| Trade and other receivables                | 11    | 111,104          | 111,104          |
| Property- Right Of Use asset               | 12    | 344,789          | 498,029          |
| <b>TOTAL NON-CURRENT ASSETS</b>            |       | <b>455,893</b>   | <b>609,133</b>   |
| <b>TOTAL ASSETS</b>                        |       | <b>929,664</b>   | <b>2,516,001</b> |
| <b>CURRENT LIABILITIES</b>                 |       |                  |                  |
| Trade and other payables                   | 13    | 515,000          | 384,111          |
| Borrowings                                 | 14    | 301,775          | -                |
| Other liabilities                          | 15    | 235,500          | 109,933          |
| Provision for employee benefits            | 16    | 271,203          | 95,106           |
| Lease liabilities                          | 17    | 174,792          | 164,426          |
| <b>TOTAL CURRENT LIABILITIES</b>           |       | <b>1,498,270</b> | <b>753,576</b>   |
| <b>NON-CURRENT LIABILITIES</b>             |       |                  |                  |
| Provision for employee benefits            | 16    | 39,276           | 11,283           |
| Lease liabilities                          | 17    | 232,731          | 407,523          |
| <b>TOTAL NON-CURRENT LIABILITIES</b>       |       | <b>272,007</b>   | <b>418,806</b>   |
| <b>TOTAL LIABILITIES</b>                   |       | <b>1,770,277</b> | <b>1,172,382</b> |
| <b>NET ASSETS/(LIABILITIES)</b>            |       | <b>(840,613)</b> | <b>1,343,619</b> |
| <b>EQUITY</b>                              |       |                  |                  |
| Issued capital                             | 18    | 17,069,531       | 16,236,427       |
| Reserves                                   | 19    | 2,551,901        | 2,463,472        |
| Accumulated losses                         | 20    | (20,462,045)     | (17,356,280)     |
| <b>TOTAL EQUITY/(DEFICIENCY IN EQUITY)</b> |       | <b>(840,613)</b> | <b>1,343,619</b> |

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

**Consolidated Statement of Changes in Equity  
for the year ended 30 June 2024**

|                                                             | Note | Issued<br>Capital | Share<br>Based<br>Payment<br>Reserve | Foreign<br>Currency<br>Translation<br>Reserve | Accumulated<br>Losses | Total<br>Surplus/<br>(Deficiency)<br>In Equity |
|-------------------------------------------------------------|------|-------------------|--------------------------------------|-----------------------------------------------|-----------------------|------------------------------------------------|
|                                                             |      | \$                | \$                                   | \$                                            | \$                    | \$                                             |
| Balance at 1 July 2023                                      |      | <b>16,236,427</b> | <b>2,470,895</b>                     | <b>(7,423)</b>                                | <b>(17,356,280)</b>   | <b>1,343,619</b>                               |
| Loss for the year after income tax                          |      | -                 | -                                    | -                                             | (3,105,765)           | (3,105,765)                                    |
| Exchange difference on translating foreign operations       | 19   | -                 | -                                    | (13,255)                                      | -                     | (13,255)                                       |
| Total Comprehensive income/(loss) for the year              |      | -                 | -                                    | <b>(13,255)</b>                               | <b>(3,105,765)</b>    | <b>(3,119,020)</b>                             |
| <i>Transactions with owners in their capacity as owners</i> |      |                   |                                      |                                               |                       |                                                |
| Shares issued under Share Placements                        | 18   | 800,000           | -                                    | -                                             | -                     | 800,000                                        |
| Shares issued under exercise of options                     | 18   | 38,667            | -                                    | -                                             | -                     | 38,667                                         |
| Options issued to directors and employees                   | 19   | -                 | 101,684                              | -                                             | -                     | 101,684                                        |
| Transaction costs relating to issue of shares               | 18   | (5,563)           | -                                    | -                                             | -                     | (5,563)                                        |
| <b>Balance as at 30 June 2024</b>                           |      | <b>17,069,531</b> | <b>2,572,579</b>                     | <b>(20,678)</b>                               | <b>(20,462,045)</b>   | <b>(840,613)</b>                               |
|                                                             |      |                   |                                      |                                               |                       |                                                |
| Balance at 1 July 2022                                      |      | <b>13,435,372</b> | <b>2,323,603</b>                     | <b>(635)</b>                                  | <b>(14,959,293)</b>   | <b>799,047</b>                                 |
| Loss for the year                                           |      | -                 | -                                    | -                                             | (2,396,987)           | (2,396,987)                                    |
| Exchange difference on translating foreign operations       | 19   | -                 | -                                    | (6,788)                                       | -                     | (6,788)                                        |
| Total Comprehensive income/(loss) for the year              |      | -                 | -                                    | <b>(6,788)</b>                                | <b>(2,396,987)</b>    | <b>(2,403,775)</b>                             |
| <i>Transactions with owners in their capacity as owners</i> |      |                   |                                      |                                               |                       |                                                |
| Shares issued under Share Placements                        | 18   | 2,250,000         | -                                    | -                                             | -                     | 2,250,000                                      |
| Shares issued under exercise of options                     | 18   | 591,966           | -                                    | -                                             | -                     | 591,966                                        |
| Options issued to directors and employees                   | 19   | -                 | 147,292                              | -                                             | -                     | 147,292                                        |
| Transaction costs relating to issue of shares               | 18   | (40,911)          | -                                    | -                                             | -                     | (40,911)                                       |
| <b>Balance as at 30 June 2023</b>                           |      | <b>16,236,427</b> | <b>2,470,895</b>                     | <b>(7,423)</b>                                | <b>(17,356,280)</b>   | <b>1,343,619</b>                               |

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

**Consolidated Statement of Cash Flows** *for the year ended 30 June 2024*

|                                                      | Notes | 2024<br>\$         | 2023<br>\$         |
|------------------------------------------------------|-------|--------------------|--------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>          |       |                    |                    |
| Interest received and other income                   |       | 29,957             | 4,594              |
| Receipts from customers                              |       | 2,061,351          | 1,205,244          |
| Research and development tax offset income           |       | 625,385            | 400,046            |
| Export market development grant                      |       | 49,200             | 24,600             |
| Interest paid                                        |       | (16,379)           | (20,899)           |
| Payments to suppliers and employees                  |       | (5,191,772)        | (3,692,325)        |
| <b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>    | 10    | <b>(2,442,258)</b> | <b>(2,078,740)</b> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>          |       |                    |                    |
| <b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>       |       | <b>-</b>           | <b>-</b>           |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>          |       |                    |                    |
| Proceeds from issue of shares                        |       | 800,000            | 2,250,000          |
| Proceeds from option conversion                      |       | 19,333             | 611,300            |
| Proceeds from borrowings                             |       | 300,000            | -                  |
| Share issue costs                                    |       | (5,563)            | (40,911)           |
| Lease repayments                                     |       | (164,426)          | (154,519)          |
| <b>NET CASH INFLOW FROM FINANCING ACTIVITIES</b>     |       | <b>949,344</b>     | <b>2,665,870</b>   |
| Net (decrease)/increase in cash and cash equivalents |       | (1,492,914)        | 587,130            |
| Cash and cash equivalents at beginning of year       |       | 1,782,065          | 1,190,967          |
| Foreign exchange variation on cash                   |       | (6,439)            | 3,968              |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>      | 10    | <b>282,712</b>     | <b>1,782,065</b>   |

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

## **IODM Limited**

### ***Notes to the Consolidated Financial Statements for the year ended 30 June 2024***

The financial report consists of the audited consolidated financial statements of IODM Limited and its subsidiaries ("IODM" or "the Group") for the year ended 30 June 2024. IODM Limited is a for-profit entity limited by shares incorporated and domiciled in Australia. IODM Limited shares are publicly traded on the Australian Securities Exchange.

The financial report has also been prepared on an accrual basis under the historical cost convention. The presentation and functional currency is Australian dollars.

The consolidated financial statements for the year ended 30 June 2024 were approved and was authorised for issue by the Board of Directors on 30 August 2024.

#### **1. Basis of Preparation**

The financial report is a consolidated general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

These financial statements comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

Material accounting policy information relating to the preparation of these financial statements are presented below and are consistent with price reporting periods unless otherwise stated

#### **2. Change in Accounting Policy**

There were no changes in accounting policies during the financial year.

#### **3. 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.

The Group incurred a net loss after tax for the year ended 30 June 2024 of \$3,105,765 (2023 \$2,396,987) and incurred net cash outflows from operating activities of \$2,442,258 (2023 \$2,078,740). At 30 June 2024, the Group had a net deficiency in equity of \$840,613 (2023 net equity of \$1,343,619). In addition, at 30 June 2024 the Group had a net current asset deficit (i.e. current liabilities in excess of current assets) of \$1,024,499 (2023 net current asset surplus of \$1,153,292). Included in current liabilities are provisions for employee benefits of \$151,203 (2023: \$95,106) and unearned revenue of \$235,500 (2023: \$90,600) which are not expected to be settled in cash in full over the next twelve months.

These conditions give rise to a material uncertainty that may cast doubt upon 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:

## **IODM Limited**

### ***Notes to the Consolidated Financial Statements for the year ended 30 June 2024***

- On 8 August 2024 IODM completed a share placement for 10,365,909 shares to raise \$1,710,375 at 16.5 cents per share to accelerate the Groups global education roll out into North America, progress existing growth initiatives in the UK education sector and for general working capital purposes. This does not include capital raising costs.
- The Group has access to an unsecured short-term loan facility from a private lender for \$600,000 of which \$300,000 was drawn down prior to 30 June 2024. On 8 July 2024 the Group drew down the balance of the unsecured loan facility being a further \$300,000. The loan is repayable by 31 December 2024 in either cash or equity. On 8 August 2024 the private lender elected to convert \$150,000 of the borrowing into equity.
- The Group has onboarded additional UK universities, with the increased revenue expected to flow from those universities via the Convera revenue share agreement in Q2 of FY25.
- 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.
- In the event that the forecast growth in revenue is slower than anticipated, the Directors are confident they have the ability to raise additional funds through share issues and placements to sophisticated investors but do not believe that this will be necessary.
- 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 \$800,000 in March 2024 and \$2,250,000 in February 2023.
- 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 2024. It is anticipated the Group will receive a Research and Tax incentive offset in Q2 FY 2025 of approximately \$505,000 (2024 \$625,000).

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.

#### **4. Summary of Material Accounting Policies**

##### **(a) Principles of Consolidation**

Subsidiaries are all entities (including structured 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. Where control of an entity ceases during a financial year its results are included for that part of the year during which control existed.

## **IODM Limited**

### ***Notes to the Consolidated Financial Statements for the year ended 30 June 2024***

A list of controlled entities is contained in note 24 to the financial statements. All controlled entities have a 30 June financial year end.

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by IODM Limited ('Company' or 'parent entity') as at 30 June 2024 and the results of all controlled entities for the year then ended. IODM Limited and its controlled entities together are referred to in these Financial Statements as the consolidated Group. The effects of all transactions between entities in the consolidated entity are eliminated in full.

#### **Foreign subsidiaries**

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.

#### **Foreign transactions**

Transactions in foreign currency are translated to the respective functional currencies of Group companies at the exchange rate at the date of the transaction.

#### **(b) Revenue**

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

#### **Implementation 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 obligation i.e. 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.

## **IODM Limited**

### ***Notes to the Consolidated Financial Statements for the year ended 30 June 2024***

#### **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 15). 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 is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue is capable of being reliably measured.

#### **Referral commission fees**

The Group may receive referral commission from Strategic Partners where an agreement has been entered into to mutually refer prospects. Revenue from referrals are recognised at a point in time for referral commission on setup fees and overtime for trail commissions. Commission is received on each approved product once it has been settled with the Strategic Partner.

#### **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 from reminder notifications sent from the IODM platform.

For the period 1 July 2023 – 31 December 2023 revenue was recognised at a point in time on a monthly basis to the extent that the performance obligations provided are satisfied each month. The transactional revenue share is conditional upon the following

- UK Educational client has a service agreement with Convera to incorporate the IODM offering
- IODM offering has been onboarded for the UK educational client
- Reminder notifications have been sent to international students for accommodation and tuition fees owing
- Student has successfully made a payment through the link on the reminder notification to the Convera payment platform

On 5 February 2024 the company agreed new commercial terms with Convera in respect to the Education sector effective from 1 January 2024 the revenue share agreement states;

- IODM to receive 25% of all FX payments revenue from currently onboarded universities, and 30% of all FX payments revenue from universities onboarded from 1 January 2024.
- The new agreement allows 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 FX 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.

#### **Other Income**

##### **Research and Development Income/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.

## **IODM Limited**

### ***Notes to the Consolidated Financial Statements for the year ended 30 June 2024***

#### Interest income

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

#### **(c) Share based payment transactions**

The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions.

#### **(d) Critical accounting estimates and judgements**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### **(i) Share-based payment transactions**

The Group recognises the cost of equity-settled transactions with employees by reference to the fair value of the equity instrument at the date at which they are granted. The fair value is determined using the assumptions of an independent expert which are detailed in Note 30. 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 reporting period but may impact expenses and equity.

#### **(ii) 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.

#### **(iii) 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, based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each entity.

These assumptions include recent sales experience, historical collection rates and credit rating of counterparty.

#### **(iv) Estimation of useful lives of assets**

The group determines the estimated useful lives and related depreciation charges for its right of use assets. The depreciation charge will increase where the useful lives are less than the previously estimated life.

## **IODM Limited**

### ***Notes to the Consolidated Financial Statements for the year ended 30 June 2024***

The following key judgements have been applied in relation to:

#### **(v) Revenue from contracts 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 customer.
- The Group has determined that revenue from its licence fees to be recognised over time as the performance obligations 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.

#### **(vi) 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 the 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 2024 amounting to \$17,696,194 (2023: \$15,421,255) and capital losses of \$160,349 (2023: \$160,349). According to the Groups Tax Advisors the Group's tax losses should be available to be offset future taxable gains to the extent that loss testing is satisfied in respect of those losses. At 30 June 2024 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 against which deductible temporary differences can be utilised.

IODM Singapore Pte Ltd, IODM (Hong Kong) Limited, 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 2024. 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 2108/5 and Practical Compliance Guideline 2018/9.

#### **5. Segment Information**

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 (Chief Operating Decision Makers) as a single segment.

Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the Financial Statements of the Group as a whole. Total revenue earned by the Group is generated in Australia, New Zealand and the United Kingdom and all of the Group's non-current assets reside in Australia.

# IODM Limited

## Notes to the Consolidated Financial Statements for the year ended 30 June 2024

|                                                 | 2024             | 2023             |
|-------------------------------------------------|------------------|------------------|
|                                                 | \$               | \$               |
| <b>6. Revenue</b>                               |                  |                  |
| <b>From continuing operations</b>               |                  |                  |
| Implementation and customisation fees           | 74,150           | 22,800           |
| Licence fees                                    | 754,600          | 746,130          |
| Referral commission                             | -                | 1,721            |
| Revenue share                                   | 1,079,151        | 366,964          |
| <b>Total</b>                                    | <b>1,907,901</b> | <b>1,137,615</b> |
| <b>Timing of Transfer of Goods and Services</b> |                  |                  |
| Point in time                                   | 1,150,250        | 389,764          |
| Over time                                       | 757,651          | 747,851          |
| <b>Total</b>                                    | <b>1,907,901</b> | <b>1,137,615</b> |
| <b>Primary Geographic Market</b>                |                  |                  |
| <b>Australia</b>                                |                  |                  |
| Point in time                                   | 71,099           | 22,800           |
| Over time                                       | 713,510          | 687,583          |
| <b>New Zealand</b>                              |                  |                  |
| Point in time                                   | -                | -                |
| Over time                                       | 10,000           | 32,000           |
| <b>United Kingdom</b>                           |                  |                  |
| Point in time                                   | 1,079,151        | 366,964          |
| Over time                                       | 31,090           | 28,268           |
| <b>United States</b>                            |                  |                  |
| Point in time                                   | 3,051            | -                |
| Over time                                       | -                | -                |
| <b>Total</b>                                    | <b>1,907,901</b> | <b>1,137,615</b> |

Included within revenue is an amount of \$21,600 (2023: \$36,158) that was included in unearned revenue at the beginning of the period.

There was one customer that contributed more than 10% of the total revenue in 2024 (2023: two). The revenue of the one major customer in 2024 was \$1,079,151 (2023: two customers \$501,018)

### Other Income

|                                        |                |                |
|----------------------------------------|----------------|----------------|
| Interest                               | 25,497         | 9,198          |
| Export Market Development Grant        | 49,200         | 24,600         |
| Research and development tax incentive | 625,385        | 400,046        |
| <b>Total</b>                           | <b>700,082</b> | <b>433,844</b> |

**IODM Limited****Notes to the Consolidated Financial Statements for the year ended 30 June 2024**

|                                                                  | <b>2024</b>   | <b>2023</b>   |
|------------------------------------------------------------------|---------------|---------------|
|                                                                  | <b>\$</b>     | <b>\$</b>     |
| <b>7. Finance costs</b>                                          |               |               |
| Finance costs for the reporting periods consist of the following |               |               |
| Interest expense in respect of leases                            | 9,940         | 13,950        |
| Interest on borrowings                                           | 1,775         | -             |
| Interest expense - other                                         | 6,439         | 6,949         |
| <b>Total</b>                                                     | <b>18,154</b> | <b>20,899</b> |

|                                                |                |                |
|------------------------------------------------|----------------|----------------|
| <b>8. Other Expenses</b>                       |                |                |
| Advertising and promotion                      | 63,562         | 73,000         |
| Capital assets written off                     | 4,111          | 7,819          |
| Commission                                     | 1,235          | 12,915         |
| Movement in provision for expected credit loss | 4,000          | -              |
| Entertainment                                  | 16,882         | 28,380         |
| General expenses                               | 85,229         | 66,484         |
| Insurance                                      | 112,123        | 90,794         |
| Travel and accommodation                       | 197,278        | 169,550        |
| Website                                        | -              | 10,444         |
| <b>Total other expenses</b>                    | <b>484,420</b> | <b>459,386</b> |

# IODM Limited

## Notes to the Consolidated Financial Statements for the year ended 30 June 2024

|                                                                                               | 2024             | 2023             |
|-----------------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                               | \$               | \$               |
| <b>9. Income tax</b>                                                                          |                  |                  |
| <b>(a) Income tax expense/(benefit)</b>                                                       |                  |                  |
| The components of tax expense/(benefit) comprise                                              |                  |                  |
| <b>Current tax</b>                                                                            |                  |                  |
| Current tax expense/(benefit) attributable to AUS taxable activities                          | -                | -                |
| Current tax expense/(benefit) attributable to UK taxable activities                           | 1,156            | -                |
| <b>Total current tax expense/(benefit)</b>                                                    | <b>1,156</b>     | <b>-</b>         |
| <b>Deferred tax</b>                                                                           |                  |                  |
| Deferred tax expense/(benefit) attributable to AUS taxable activities                         | (611,302)        | (296,920)        |
| Deferred tax expense/(benefit) attributable to UK taxable activities                          | -                | -                |
| <b>Total deferred tax benefit*</b>                                                            | <b>(611,302)</b> | <b>(296,920)</b> |
| <b>Income tax/(expense) benefit</b>                                                           | <b>(610,146)</b> | <b>(296,920)</b> |
| <b>(b) Numerical reconciliation of income tax benefit to prima facie tax payable</b>          |                  |                  |
| Profit/(loss) before income tax expense                                                       | (3,104,609)      | (2,396,987)      |
| Prima facie tax benefit on loss from ordinary activities before income tax at 25% (2023: 25%) | (776,152)        | (599,247)        |
| Add tax effect of:                                                                            |                  |                  |
| Research and Development incentive                                                            | (156,346)        | (100,012)        |
| Non-deductible expenses                                                                       | 31,225           | 43,918           |
| Non-assessable income                                                                         | -                | (996)            |
| Research and Development expenditure                                                          | 289,971          | 359,417          |
| Adjustment for current tax attributable to UK taxable activities                              | 1,156            | -                |
| <b>Income tax expense/(benefit)</b>                                                           | <b>(610,146)</b> | <b>(296,920)</b> |
| <b>Income tax attributable to entity*</b>                                                     | <b>1,156</b>     | <b>-</b>         |
| <b>(c) Deferred tax assets</b>                                                                |                  |                  |
| <b>Unrecognised deferred tax asset balances:</b>                                              |                  |                  |
| Timing differences                                                                            | 217,138          | 214,131          |
| Tax losses - revenue                                                                          | 4,424,048        | 3,855,314        |
| Tax losses - capital                                                                          | 40,087           | 40,087           |
| Offset against deferred tax liabilities (refer (d) below)                                     | (86,197)         | (124,507)        |
| Amounts in equity                                                                             | 12,855           | 10,228           |
| <b>Deferred tax assets not brought to account</b>                                             | <b>4,607,931</b> | <b>3,995,253</b> |
| <b>(d) Deferred tax liabilities</b>                                                           |                  |                  |
| <b>Unrecognised deferred tax liability balances:</b>                                          |                  |                  |
| Timing differences                                                                            | (86,197)         | (124,507)        |
| Offset by deferred tax assets (not brought to account)                                        | 86,197           | 124,507          |
| <b>Deferred tax liabilities brought to account</b>                                            | <b>-</b>         | <b>-</b>         |

\*Deferred tax assets have not been recognised in accordance with accounting policy note 4(d)(vi)

# IODM Limited

## Notes to the Consolidated Financial Statements for the year ended 30 June 2024

|                                                                                        | 2024               | 2023               |
|----------------------------------------------------------------------------------------|--------------------|--------------------|
|                                                                                        | \$                 | \$                 |
| <b>10 (a) Cash flow information</b>                                                    |                    |                    |
| <b>Reconciliation of loss after tax to net cash flows used in operating activities</b> |                    |                    |
| Loss from ordinary activities after tax                                                | (3,105,765)        | (2,396,987)        |
| <b>Non-cash items</b>                                                                  |                    |                    |
| Depreciation                                                                           | 153,240            | 153,240            |
| Interest accrued on borrowings                                                         | 1,775              | -                  |
| Foreign exchange loss/(gain) unrealised                                                | 6,439              | (3,970)            |
| Foreign currency translation                                                           | (13,255)           | (6,788)            |
| Share Based payments                                                                   | 101,684            | 147,292            |
| <b>Changes in assets and liabilities</b>                                               |                    |                    |
| Decrease/(increase) in trade and other receivables                                     | 64,846             | (14,890)           |
| Decrease in prepayments                                                                | 9,121              | (16,724)           |
| Increase in trade payables                                                             | 96,753             | 50,370             |
| Increase in other creditors                                                            | 38,814             | 30,487             |
| Increase/(decrease) in employee benefits                                               | 204,090            | (20,770)           |
| <b>Net cash outflow from operating activities</b>                                      | <b>(2,442,258)</b> | <b>(2,078,740)</b> |

### (b) Reconciliation of cash

Cash balance comprises:

|              |                |                  |
|--------------|----------------|------------------|
| Cash at bank | 282,712        | 1,782,065        |
|              | <b>282,712</b> | <b>1,782,065</b> |

|                                                   | 2024           | 2023           |
|---------------------------------------------------|----------------|----------------|
|                                                   | \$             | \$             |
| <b>11. Trade and other receivables</b>            |                |                |
| <b>Current</b>                                    |                |                |
| Trade receivables                                 | 61,643         | 51,817         |
| Less provision for Expected Credit Loss (ECL)     | (4,000)        | -              |
| <b>Trade receivables Net of Provision for ECL</b> | <b>57,643</b>  | <b>51,817</b>  |
| Accrued revenue                                   | 95,099         | 25,548         |
| Prepayments                                       | 38,317         | 47,438         |
|                                                   | <b>191,059</b> | <b>124,803</b> |
| <b>Non-Current</b>                                |                |                |
| Other receivables                                 | 111,104        | 111,104        |
| <b>Total Trade and other receivables</b>          | <b>302,163</b> | <b>235,907</b> |

Other receivables (non-current) comprises an amount of \$111,104 (2023: \$111,104) as a deposit for the Group's leases as referred to within note 17.

Information about the impairment of trade and other receivables, their credit quality and the Group's exposure to credit risk and interest rate risk can be found in note 25.

# **IODM Limited**

## **Notes to the Consolidated Financial Statements for the year ended 30 June 2024**

| 12. Property – Right of Use Asset   | Buildings        | Total            |
|-------------------------------------|------------------|------------------|
|                                     | \$               | \$               |
| Gross carrying amount               |                  |                  |
| Balance at 1 July 2023              | 804,509          | 804,509          |
| Additions                           | -                | -                |
| Disposals                           | -                | -                |
| <b>Balance at 30 June 2024</b>      | <b>804,509</b>   | <b>804,509</b>   |
| Amortisation and impairment         |                  |                  |
| Balance at 1 July 2023              | (306,480)        | (306,480)        |
| Depreciation                        | (153,240)        | (153,240)        |
| <b>Balance at 30 June 2024</b>      | <b>(459,720)</b> | <b>(459,720)</b> |
| <b>Carrying amount 30 June 2024</b> | <b>344,789</b>   | <b>344,789</b>   |
| Gross carrying amount               |                  |                  |
| Balance at 1 July 2022              | 804,509          | 804,509          |
| Additions                           | -                | -                |
| Disposals                           | -                | -                |
| <b>Balance at 30 June 2023</b>      | <b>804,509</b>   | <b>804,509</b>   |
| Amortisation and impairment         |                  |                  |
| Balance at 1 July 2022              | (153,240)        | (153,240)        |
| Depreciation                        | (153,240)        | (153,240)        |
| Balance at 30 June 2023             | <b>(306,480)</b> | <b>(306,480)</b> |
| <b>Carrying amount 30 June 2023</b> | <b>498,029</b>   | <b>498,029</b>   |

Included in the net carrying amount of property, plant and equipment are right-of use assets as follows:

|                                                   |                     |
|---------------------------------------------------|---------------------|
|                                                   | <b>30 June 2024</b> |
|                                                   | \$                  |
| Buildings and car park                            | 344,789             |
| <b>Total right-of-use assets</b>                  | <b>344,789</b>      |
| Depreciation charge on right-of-use assets        | <b>30 June 2024</b> |
|                                                   | \$                  |
| Buildings and car park                            | 153,240             |
| <b>Depreciation charge on right-of-use assets</b> | <b>153,240</b>      |

**IODM Limited****Notes to the Consolidated Financial Statements for the year ended 30 June 2024**

|                                     | <b>2024</b>    | <b>2023</b>    |
|-------------------------------------|----------------|----------------|
|                                     | <b>\$</b>      | <b>\$</b>      |
| <b>13. Trade and other payables</b> |                |                |
| Trade creditors                     | 253,847        | 186,246        |
| GST (receivable)                    | (6,451)        | (1,773)        |
| Accruals                            | 154,373        | 111,024        |
| Employee benefits payable           | 113,231        | 88,614         |
|                                     | <b>515,000</b> | <b>384,111</b> |

**14. Borrowings****Current**

|            |                |          |
|------------|----------------|----------|
| Borrowings | 301,775        | -        |
|            | <b>301,775</b> | <b>-</b> |

The above borrowing represents an unsecured short-term loan from a private lender at a fixed rate of 12% per annum repayable by 31 December 2024 in either cash or equity.

On 8 July 2024 the Group drew down the balance of the unsecured loan facility being a further \$300,000.

On 8 August 2024 the private lender elected to convert \$150,000 of the borrowing into equity.

**15. Other liabilities**

|                   |                |                |
|-------------------|----------------|----------------|
| Unearned revenue  | 235,500        | 90,600         |
| Other liabilities | -              | 19,333         |
|                   | <b>235,500</b> | <b>109,933</b> |

Unearned revenue represents payments received in advance of performance (contract liabilities) that are expected to be recognised as revenue in the year ended 30 June 2025.

**16. Provision for employee benefits****Current**

|                    |                |               |
|--------------------|----------------|---------------|
| Annual Leave       | 91,765         | 58,112        |
| Bonuses            | 120,000        | -             |
| Long Service Leave | 59,438         | 36,994        |
|                    | <b>271,203</b> | <b>95,106</b> |

**Non-current**

|                    |               |               |
|--------------------|---------------|---------------|
| Long Service Leave | 39,276        | 11,283        |
|                    | <b>39,276</b> | <b>11,283</b> |

**Movement in employee benefit provisions – Annual and Long Service Leave**

|                                                            |                |                |
|------------------------------------------------------------|----------------|----------------|
| Balance at beginning of the year                           | 106,389        | 127,159        |
| Movement in provision during the year (accrued less taken) | 84,090         | (20,770)       |
| Balance at end of the year                                 | <b>190,479</b> | <b>106,389</b> |

**Movement in employee benefit provisions – Bonuses**

|                                       |                |          |
|---------------------------------------|----------------|----------|
| Balance at beginning of the year      | -              | -        |
| Movement in provision during the year | 120,000        | -        |
| Balance at end of the year            | <b>120,000</b> | <b>-</b> |

# IODM Limited

## Notes to the Consolidated Financial Statements for the year ended 30 June 2024

### 17. Leases

#### The Group as a lessee

The Group has a lease over assets including buildings.

|                                 | 2024           | 2023           |
|---------------------------------|----------------|----------------|
|                                 | \$             | \$             |
| Lease Liabilities (current)     | 174,792        | 164,426        |
| Lease Liabilities (non-current) | 232,731        | 407,523        |
|                                 | <b>407,523</b> | <b>571,949</b> |

Information relating to leases in place and associated balances and transactions are provided below.

There are no issues regarding impairment of the ROU asset.

#### Right of Use asset – Refer Note 12

#### Lease Liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

|                                  | < 1 year | 1-5 years | Total Amount<br>Undiscounted | Finance<br>charges | Lease liabilities<br>included in this<br>Consolidated<br>Statement of<br>Financial Position |
|----------------------------------|----------|-----------|------------------------------|--------------------|---------------------------------------------------------------------------------------------|
| Lease Liabilities<br><b>2024</b> | 180,469  | 233,879   | 414,348                      | (6,825)            | 407,523                                                                                     |
| Lease Liabilities<br><b>2023</b> | 174,366  | 414,347   | 588,713                      | (16,764)           | 571,949                                                                                     |

#### Consolidated Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the consolidated statement of profit or loss and other comprehensive income relating to leases where the Group is a lessee are shown below

|                                     | 2024           | 2023           |
|-------------------------------------|----------------|----------------|
|                                     | \$             | \$             |
| Depreciation of right-of-use assets | 153,240        | 153,240        |
| Lease interest                      | 9,940          | 13,950         |
|                                     | <b>163,180</b> | <b>167,190</b> |

#### Consolidated Statement of Cash Flows

|                               |         |         |
|-------------------------------|---------|---------|
| Total cash outflow for leases | 164,426 | 154,519 |
|-------------------------------|---------|---------|

**IODM Limited****Notes to the Consolidated Financial Statements for the year ended 30 June 2024****18. Issued capital**

|                                | 2024              | 2023              |
|--------------------------------|-------------------|-------------------|
| (a) Issued and paid up capital | \$                | \$                |
| Ordinary shares fully paid     | <u>17,069,531</u> | <u>16,236,427</u> |

|                                           | 2024               |                   | 2023               |                   |
|-------------------------------------------|--------------------|-------------------|--------------------|-------------------|
|                                           | Number of shares   | \$                | Number of shares   | \$                |
| (b) Movements in ordinary shares on issue |                    |                   |                    |                   |
| Opening Balance                           | 596,652,695        | 16,236,427        | 581,894,866        | 13,435,372        |
| Shares issued on exercise of options      | 128,889            | 38,667            | 8,507,829          | 591,966           |
| Shares issued under Share Placement       | 3,478,261          | 800,000           | 6,250,000          | 2,250,000         |
| Transaction costs on share issues         | -                  | (5,563)           | -                  | (40,911)          |
|                                           | <u>600,259,845</u> | <u>17,069,531</u> | <u>596,652,695</u> | <u>16,236,427</u> |

**(c) Ordinary shares**

The Group does not have authorised capital nor par value in respect of its issued capital. Ordinary shares have the right to receive dividends as declared and, in the event of a winding up of the Group, to participate in the proceeds from sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or proxy, at a meeting of the Group.

**(d) Share options**

As at the date of this report there were the following unissued ordinary shares for which options were outstanding:

| Grant Date      | Expiry Date  | Exercise Price | Number under Option |
|-----------------|--------------|----------------|---------------------|
| 23 July 2021    | 30 June 2025 | \$0.300        | 750,000             |
| 1 October 2021  | 30 June 2025 | \$0.300        | 1,216,667           |
| 3 May 2023      | 30 June 2026 | \$0.390        | 550,000             |
| 3 November 2023 | 30 June 2026 | \$0.390        | 750,000             |
| <b>Total</b>    |              |                | <b>3,266,667</b>    |

**(e) Capital risk management**

The Group's capital comprises share capital and reserves less accumulated losses. As at 30 June 2024, the Group has net deficiency in equity of \$840,613 (2023: net equity of \$1,343,619).

The Group's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital

# IODM Limited

## Notes to the Consolidated Financial Statements for the year ended 30 June 2024

In order to maintain or adjust the capital structure, the Group may issue new shares or reduce its capital, subject to the provisions of the Company's constitution. The capital structure of the Group consists of equity attributed to equity holders of the Group, comprising contributed equity, reserves and accumulated losses. By monitoring undiscounted cash flow forecasts and actual cash flows provided to the board by the Company's management, the board monitors the need to raise additional equity from the equity markets. Refer to note 25 for further information on the Group's financial risk management policies.

There have been no changes in the capital risk management policy from the previous period.

|                                      | 2024             | 2023             |
|--------------------------------------|------------------|------------------|
|                                      | \$               | \$               |
| <b>19. Reserves</b>                  |                  |                  |
| Share based payments reserve         | 2,572,579        | 2,470,895        |
| Foreign currency translation reserve | (20,678)         | (7,423)          |
| <b>Total</b>                         | <b>2,551,901</b> | <b>2,463,472</b> |

### Movements in Reserves:

#### Share based payment reserve

|                                       |                  |                  |
|---------------------------------------|------------------|------------------|
| At beginning of the period            | 2,470,895        | 2,323,603        |
| Options issued to employees           | 101,684          | 147,292          |
| <b>Balance at the end of the year</b> | <b>2,572,579</b> | <b>2,470,895</b> |

The share-based payment reserve was used to record the value of equity benefits provided to the Company's corporate advisers during the year and to record the value of shares offered under the Employee Share Option plan.

#### Foreign currency translation reserve

|                                                          |                 |                |
|----------------------------------------------------------|-----------------|----------------|
| At beginning of the period                               | (7,423)         | (635)          |
| Exchange difference on translation of foreign operations | (13,255)        | (6,788)        |
| <b>Balance at the end of the year</b>                    | <b>(20,678)</b> | <b>(7,423)</b> |

|                                                  | 2024              | 2023              |
|--------------------------------------------------|-------------------|-------------------|
|                                                  | \$                | \$                |
| <b>20. Accumulated losses</b>                    |                   |                   |
| Movements in accumulated losses were as follows: |                   |                   |
| Opening balance                                  | 17,356,280        | 14,959,293        |
| Loss for the year                                | 3,105,765         | 2,396,987         |
| <b>Balance at the end of the year</b>            | <b>20,462,045</b> | <b>17,356,280</b> |

**IODM Limited****Notes to the Consolidated Financial Statements for the year ended 30 June 2024**

|                                                 | 2024        | 2023        |
|-------------------------------------------------|-------------|-------------|
|                                                 | \$          | \$          |
| <b>21. Loss per share</b>                       |             |             |
| Loss used in calculating basic and dilutive EPS | (3,105,765) | (2,396,987) |

|                                                                                                 | Number of Shares |             |
|-------------------------------------------------------------------------------------------------|------------------|-------------|
|                                                                                                 | 2024             | 2023        |
| Weighted average number of ordinary shares used in calculating basic loss per share:            | 597,819,238      | 586,237,081 |
| <b>Effect of dilution:</b>                                                                      |                  |             |
| Adjusted weighted average number of ordinary shares used in calculating diluted loss per share: | 597,819,238      | 586,237,081 |

On the basis of the Group's losses, the outstanding options as at 30 June 2024 are considered to be anti-dilutive and therefore were excluded from the diluted weighted average number of ordinary shares calculation.

|                                          |        |        |
|------------------------------------------|--------|--------|
| Basic and diluted loss per share (cents) | (0.52) | (0.41) |
|------------------------------------------|--------|--------|

|                                                                      | 2024          | 2023          |
|----------------------------------------------------------------------|---------------|---------------|
|                                                                      | \$            | \$            |
| <b>22. Auditors remuneration</b>                                     |               |               |
| The auditor of IODM Limited is Crowe Audit Australia                 |               |               |
| Amounts received or due and receivable to Crowe Audit Australia for: |               |               |
| - an audit or review of the financial report                         | 60,550        | 54,750        |
|                                                                      | <b>60,550</b> | <b>54,750</b> |

**23. Related party transactions**

The Group's related parties include its subsidiaries and key management personnel.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding transaction balances are usually settled in cash.

**23.1 Transactions with KMP**

Transactions with key management personnel were made at arm's length at normal market prices and normal commercial terms.

262 Capital Pty Ltd, a company which Mr. Anthony Smith is a Director and shareholder, provided the Group with the provision of director services up to date of resignation totalling \$778 (2023 \$41,206) of which Nil (2023 \$3,448) was outstanding at year end.

KJP Associates Ltd, a company which Ms. Penney is a Director and shareholder, provided the Group with the provision of director services totalling \$66,000 (2023 \$2,750) of which \$5,500 (2023 \$2,750) was outstanding at year end.

There were no other transactions or loans made to key management personnel for the year ended 30 June 2024.

## IODM Limited

### Notes to the Consolidated Financial Statements for the year ended 30 June 2024

#### 23.2 Transactions with key management personnel

Key management of the Group are the executive members and non-executive members of the IODM Board of Directors. Key management personnel remuneration includes the following expenses:

|                                           | 2024             | 2023             |
|-------------------------------------------|------------------|------------------|
|                                           | \$               | \$               |
| <b>Short-term employee benefits</b>       |                  |                  |
| Salaries                                  | 601,398          | 407,240          |
| Short-term incentives                     | 107,000          | 215,000          |
| Other                                     | 4,600            | 9,400            |
| Directors fees                            | 200,611          | 187,249          |
| Leave entitlements                        | 6,373            | 19,763           |
| <b>Total short-term employee benefits</b> | <b>919,982</b>   | <b>838,652</b>   |
| Long-term benefits                        | 44,924           | 30,807           |
| Post-employment benefits                  | 80,876           | 57,806           |
| Share-based payments                      | 55,722           | 98,889           |
| <b>Total remuneration</b>                 | <b>1,101,504</b> | <b>1,026,154</b> |

#### 23.3 Transactions with related parties

Transactions between related parties on normal commercial terms no more favourable than those available to other parties unless otherwise stated.

262 Capital Pty Ltd, a company which Mr. Anthony Smith is a Director and shareholder, provided the Group with the provision of corporate services amounting to \$116,774 for the year ended 30 June 2024.

#### 24. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of IODM Limited and the following subsidiaries:

| Name of Entity                              | Country of Incorporation | Equity Holding |      |
|---------------------------------------------|--------------------------|----------------|------|
|                                             |                          | 2024           | 2023 |
| The Debtor Management Hub Pty Ltd           | Australia                | 100%           | 100% |
| The Innovative Online Debt Management Trust | Australia                | 100%           | 100% |
| IODM Singapore Pte Ltd                      | Singapore                | 100%           | 100% |
| IODM (Hong Kong) Limited                    | Hong Kong                | 100%           | 100% |
| IODM (USA) Incorporated                     | USA                      | 100%           | 100% |
| IODM (UK) Limited                           | UK                       | 100%           | 100% |

In April 2024 the process commenced to deregister IODM (Hong Kong) Limited and IODM Singapore Pty Ltd.

## IODM Limited

### Notes to the Consolidated Financial Statements for the year ended 30 June 2024

#### 25. Financial Risk Management

Exposure to market risks (including currency risk and interest rate risk), liquidity, and credit risk arises in the normal course of the Group's business. The Group does not hold or use derivative financial instruments. The Group's risk management is predominantly controlled by the board. The board monitors the company's risk management policies and exposures and approves substantial financial transactions. It also reviews the effectiveness of internal controls relating to market risk, credit risk and liquidity risk.

The Group's principal financial instruments comprise mainly of deposits with banks. The totals for each category of financial instruments are as follows:

|                              | 2024             | 2023             |
|------------------------------|------------------|------------------|
|                              | \$               | \$               |
| <b>Financial Assets</b>      |                  |                  |
| Cash and cash equivalents    | 282,712          | 1,782,065        |
| Trade and other receivables  | 191,059          | 235,907          |
|                              | <b>473,771</b>   | <b>2,017,972</b> |
| <b>Financial Liabilities</b> |                  |                  |
| Trade and other payables     | 515,000          | 384,111          |
| Borrowings                   | 301,775          | -                |
| Lease liabilities            | 407,523          | 571,949          |
|                              | <b>1,224,298</b> | <b>956,060</b>   |

The Group uses different methods as discussed below to manage risks that arise from these financial instruments. The objective is to support the delivery of the financial targets while protecting future financial security.

##### (a) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities.

The Group undertakes the following activities to ensure that there will be sufficient funds available to meet obligations

- Preparation of budgeted annual and monthly cash flows
- Measurement of actual Group cash flows on a regular basis with comparison to budget on a monthly basis
- Maintaining sufficient cash facilities to meet the operating, investing and financing activities

The responsibility for liquidity risk management rests with the Board of Directors.

Alternatives for sourcing future capital needs include the cash position, accessing short term funding facilities and future equity raising alternatives. These alternatives are evaluated to determine the optimal mix of capital resources for our capital needs. The Board expects that, assuming no material adverse change in a combination of our sources of liquidity, present levels of liquidity will be adequate to meet expected capital needs.

##### *Maturity analysis for financial liabilities*

The following tables detail the consolidated entity'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.

# IODM Limited

## Notes to the Consolidated Financial Statements for the year ended 30 June 2024

| Consolidated – 2024          | Weighted<br>average<br>interest<br>rate | 1 year or less<br>\$ | Between 1 and<br>2 years<br>\$ | Between 2 and<br>5 years<br>\$ | Remaining<br>Contractual<br>Maturities<br>\$ |
|------------------------------|-----------------------------------------|----------------------|--------------------------------|--------------------------------|----------------------------------------------|
| <b>Non-derivatives</b>       |                                         |                      |                                |                                |                                              |
| <i>Non-interest bearing</i>  |                                         |                      |                                |                                |                                              |
| Trade payables               | -                                       | 253,847              | -                              | -                              | 253,847                                      |
| Other payables               | -                                       | 261,153              | -                              | -                              | 261,153                                      |
| <i>Interest bearing</i>      |                                         |                      |                                |                                |                                              |
| Borrowings                   | 12%                                     | 301,775              |                                |                                | 301,775                                      |
| Lease liabilities            | 4%                                      | 174,792              | 185,636                        | 47,095                         | 407,523                                      |
| <b>Total Non-derivatives</b> |                                         | <b>991,567</b>       | <b>185,636</b>                 | <b>47,095</b>                  | <b>1,224,298</b>                             |

| Consolidated – 2023          | Weighted<br>average<br>interest<br>rate | 1 year or less<br>\$ | Between 1 and<br>2 years<br>\$ | Between 2 and<br>5 years<br>\$ | Remaining<br>Contractual<br>Maturities<br>\$ |
|------------------------------|-----------------------------------------|----------------------|--------------------------------|--------------------------------|----------------------------------------------|
| <b>Non-derivatives</b>       |                                         |                      |                                |                                |                                              |
| <i>Non-interest bearing</i>  |                                         |                      |                                |                                |                                              |
| Trade payables               | -                                       | 186,246              | -                              | -                              | 186,246                                      |
| Other payables               | -                                       | 197,865              | -                              | -                              | 197,865                                      |
| <i>Interest bearing</i>      |                                         |                      |                                |                                |                                              |
| Lease liabilities            | 4%                                      | 164,426              | 174,792                        | 232,731                        | 571,949                                      |
| <b>Total Non-derivatives</b> |                                         | <b>548,537</b>       | <b>174,792</b>                 | <b>232,731</b>                 | <b>956,060</b>                               |

### (b) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the group.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

#### *Trade receivables*

Trade receivables consist of a number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Board receives monthly reports summarising the turnover and trade receivables balance.

## **IODM Limited**

### ***Notes to the Consolidated Financial Statements for the year ended 30 June 2024***

The Group's exposure to credit risk is influenced mainly by individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which the customer operates.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The Group has significant concentration of credit risk due to its commercial agreement with Convera.

On a geographical basis, the Group has significant credit risk exposures in Australia and the UK given the location of its operations.

#### ***Other financial assets held at amortised price***

Other financial assets at amortised cost include other receivables.

There is no overdue amounts in this category and the expected credit loss is nil. The Group has no past due or impaired debtors as at 30 June 2024 (2023: nil).

At 30 June 2024, the Group held cash at bank. These were held with various financial institutions all with a rating from Standard & Poors of AA or above (long term).

#### **(c) Market risk**

##### **Interest rate risk**

The Group's cashflow interest rate risk primarily arises from cash at bank subject to market bank rates. The Group does not have any bank borrowings or enter into hedges.

The Group is exposed to interest rate risk due to a short-term borrowing at fixed rate of 12% per annum. The borrowing is to be repaid by 31 December 2024 in either equity or cash. On 8 August 2024 the lender elected to convert \$150,000 of the borrowing into equity.

##### **Foreign exchange risk**

The Group's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency. Where group entities have liabilities in a currency other than their functional currency, cash already dominated in that currency will, where possible, be used from within the Group.

The Group's primary operating exposure is where trade receivables and payables are not dominated in their functional currency. The overall treasury function is based in Australia where the primary banking facilities are maintained. The Group's risk to foreign exchange fluctuations is continually monitored and measured using sensitivity analysis and cashflow forecasting.

At 30 June 2024 and 2023 there were no forward exchange contracts.

**IODM Limited****Notes to the Consolidated Financial Statements for the year ended 30 June 2024**

The carrying amount of the consolidated entity's foreign currency denominated financial assets and liabilities at the reporting date were as follows:

| Consolidated   | Assets         |                | Liabilities    |               |
|----------------|----------------|----------------|----------------|---------------|
|                | 2024           | 2023           | 2024           | 2023          |
|                | \$             | \$             | \$             | \$            |
| British pounds | 246,933        | 197,805        | 57,630         | 15,483        |
| US dollars     | 3,066          | -              | 61,815         | 11,984        |
| AED dollars    | -              | -              | -              | 1,967         |
| HK dollars     | -              | -              | 1,685          | -             |
|                | <b>249,999</b> | <b>197,805</b> | <b>121,130</b> | <b>29,434</b> |

Based on this exposure had the Australian dollar weakened by 10% or strengthened by 5% against these foreign currencies with all other variables held constant, the effect on the consolidated entity's loss before tax would have been immaterial.

**(d) Fair Value Measurement**

There were no financial assets or liabilities at 30 June 2024 requiring fair value estimation and disclosure as they are either not carried at fair value or in the case for short term assets and liabilities, their carrying values approximate fair value.

**26. Contingent Liabilities**

There are no known contingent liabilities as at 30 June 2024 (2023: nil).

**27. Subsequent Events**

On 8 July 2024 IODM Limited drew down the balance of the unsecured loan facility being a further \$300,000 provided by a private lender at a fixed rate of 12% per annum repayable by 31 December 2024 in either cash or equity. On 8 August 2024 the private lender elected to convert \$150,000 of the borrowing into equity.

On 8 August 2024 IODM completed a share placement for 10,365,909 shares to raise \$1,710,375 at 16.50 per share to accelerate the Group's global education roll out into North America, progress existing growth initiatives in the UK education sector and for general working capital purposes. This does not include capital raising costs.

**28. Commitments**

There are no known commitments as at 30 June 2024 (2023:nil).

**29. Dividends**

No dividend was paid or declared by the Group in the period since the end of the financial year, and up to the date of this report. The Directors' do not recommend that any amount be paid by way of a dividend for the financial year ended 30 June 2024.

The balance of the franking account is nil at 30 June 2024 (2023: nil).

# IODM Limited

## Notes to the Consolidated Financial Statements for the year ended 30 June 2024

### 30. Share Based Payments

#### (a) Share Based Employee Remuneration

The Group issued 750,000 to employees over ordinary shares under its employee share option plan throughout the year ended 30 June 2024. The Employee Share Option Plan is part of the remuneration package of the Group's directors, senior management and sales personnel. Options under this plan will vest if the participant remains employed for the agreed vesting period.

The fair value of options granted were determined using a variation of the binomial option pricing model that takes into account factors specific to the share incentive plans, such as vesting period. Once vested, the options remain exercisable for 12 – 36 months. When exercisable, each option is convertible into one ordinary share. The exercise price is set at the share option grant date. The following assumptions were used in valuing the options issued in the current period

| Grant date                                           | 3 November 2023 |              |              |
|------------------------------------------------------|-----------------|--------------|--------------|
| Tranche                                              | Tranche 1       | Tranche 2    | Tranche 3    |
| No of Options                                        | 250,001         | 250,000      | 249,999      |
| Vesting period ends                                  | 30 June 2026    | 30 June 2026 | 30 June 2026 |
| Share price at date of grant                         | \$0.255         | \$0.255      | \$0.255      |
| Volatility                                           | 70%             | 70%          | 70%          |
| Length of time to vesting (year)                     | 0.2 years       | 1.2 years    | 2.2 years    |
| Length of time to expiry (year)                      | 2.7 years       | 2.7 years    | 2.7 years    |
| Expected life (year)                                 | 2.5 years       | 2.5 years    | 2.6 years    |
| Dividend yield                                       | 0%              | 0%           | 0%           |
| Weighted average risk-free investment rate           | 4.25%           | 4.25%        | 4.25%        |
| Weighted average exercise price                      | \$0.39          | \$0.39       | \$0.39       |
| Weighted average fair value per option at grant date | \$0.083         | \$0.083      | \$0.083      |

The underlying expected volatility was determined by reference to historical date of IODM's share over a period of time along with consideration of similar entities following a comparable period of their lives. No special features inherent to the options grant were incorporated into measurement of fair value.

The following details movement in share options during the reporting period

|                                    | Number of Options |
|------------------------------------|-------------------|
| Outstanding at 1 July 2023         | 3,089,167         |
| Granted                            | 750,000           |
| Forfeited                          | 443,611           |
| Exercised                          | 128,889           |
| <b>Outstanding at 30 June 2024</b> | <b>3,266,667</b>  |
|                                    |                   |
| Exercisable at 30 June 2024        | 2,400,002         |
|                                    |                   |

In total \$101,684 (2023 \$147,292) of share-based payment expenses (all of which related to equity-settled share-based payment transactions) have been included in profit or loss and credited to share option reserve.

**IODM Limited****Notes to the Consolidated Financial Statements for the year ended 30 June 2024**

Set out below are the summaries of options granted as share based payments:

| <b>2024</b>       |                    |                       |                         |                |                  |                             |                         |                                      |
|-------------------|--------------------|-----------------------|-------------------------|----------------|------------------|-----------------------------|-------------------------|--------------------------------------|
| <b>Grant Date</b> | <b>Expiry Date</b> | <b>Exercise Price</b> | <b>Balance 01/07/23</b> | <b>Granted</b> | <b>Exercised</b> | <b>Expired or Forfeited</b> | <b>Balance 30/06/24</b> | <b>Number vested and exercisable</b> |
| 17/08/2020        | 30/06/2024         | \$0.192               | 312,500                 | -              | -                | 312,500                     | -                       | -                                    |
| 23/07/2021        | 30/06/2025         | \$0.300               | 816,667                 | -              | -                | 116,667                     | 750,000                 | 750,000                              |
| 21/10/2021        | 30/06/2025         | \$0.300               | 1,410,000               | -              | 128,889          | 64,444                      | 1,216,667               | 1,216,667                            |
| 03/05/2023        | 30/06/2026         | \$0.390               | 550,000                 | -              | -                | -                           | 550,000                 | 183,334                              |
| 03/11/2023        | 30/06/2026         | \$0.390               | -                       | 750,000        | -                | -                           | 750,000                 | 250,001                              |
| <b>TOTAL</b>      |                    |                       | <b>3,089,167</b>        | <b>750,000</b> | <b>128,889</b>   | <b>493,611</b>              | <b>3,266,667</b>        | <b>2,400,002</b>                     |

| <b>2023</b>       |                    |                       |                         |                |                  |                             |                         |                                      |
|-------------------|--------------------|-----------------------|-------------------------|----------------|------------------|-----------------------------|-------------------------|--------------------------------------|
| <b>Grant Date</b> | <b>Expiry Date</b> | <b>Exercise Price</b> | <b>Balance 01/07/22</b> | <b>Granted</b> | <b>Exercised</b> | <b>Expired or Forfeited</b> | <b>Balance 30/06/23</b> | <b>Number vested and exercisable</b> |
| 05/07/2019        | 30/06/2023         | \$0.066               | 2,438,888               | -              | 2,287,373        | 151,515                     | -                       | -                                    |
| 06/09/2019        | 30/06/2023         | \$0.102               | 533,334                 | -              | 533,334          | -                           | -                       | -                                    |
| 21/11/2019        | 30/06/2023         | \$0.066               | 5,312,122               | -              | 5,312,122        | -                           | -                       | -                                    |
| 21/11/2019        | 30/06/2023         | \$0.096               | 375,000                 | -              | 375,000          | -                           | -                       | -                                    |
| 17/08/2020        | 30/06/2024         | \$0.192               | 312,500                 | -              | -                | -                           | 312,500                 | 312,500                              |
| 23/07/2021        | 30/06/2025         | \$0.300               | 933,334                 | -              | -                | 116,667                     | 816,667                 | 544,446                              |
| 21/10/2021        | 30/06/2025         | \$0.300               | 1,410,000               | -              | -                | -                           | 1,410,000               | 940,002                              |
| 03/05/2023        | 30/06/2026         | \$0.390               | -                       | 550,000        | -                | -                           | 550,000                 | -                                    |
| <b>TOTAL</b>      |                    |                       | <b>11,315,178</b>       | <b>550,000</b> | <b>8,507,829</b> | <b>268,182</b>              | <b>3,089,167</b>        | <b>1,796,948</b>                     |

**IODM Limited****Notes to the Consolidated Financial Statements for the year ended 30 June 2024****31. Parent entity information**

The following details information related to the legal parent entity, IODM Limited at 30 June 2024. The information presented here has been prepared using consistent accounting policies as presented in note 4.

|                                                      | <b>2024</b>        | <b>2023</b>        |
|------------------------------------------------------|--------------------|--------------------|
|                                                      | <b>\$</b>          | <b>\$</b>          |
| Current assets                                       | 469,726            | 1,894,548          |
| Non-current assets                                   | 455,893            | 609,133            |
| <b>Total assets</b>                                  | <b>925,619</b>     | <b>2,503,681</b>   |
| Current liabilities                                  | 1,532,224          | 768,945            |
| Non-current liabilities                              | 272,006            | 418,806            |
| <b>Total liabilities</b>                             | <b>1,804,230</b>   | <b>1,187,751</b>   |
| <b>Net assets/(liabilities)</b>                      | <b>(878,611)</b>   | <b>1,315,930</b>   |
| Issued capital                                       | 29,124,201         | 28,291,098         |
| Reserves                                             | 2,675,989          | 2,574,305          |
| Accumulated losses                                   | (32,678,801)       | (29,549,473)       |
| <b>Total Equity/(deficiency in equity)</b>           | <b>(878,611)</b>   | <b>1,315,930</b>   |
| Loss of the parent entity                            | (3,129,328)        | (2,419,051)        |
| <b>Total comprehensive loss of the parent entity</b> | <b>(3,129,328)</b> | <b>(2,419,051)</b> |

The parent entity had no capital commitments or contingent liabilities at 30 June 2024 or 30 June 2023.

**IODM Limited****Consolidated Entity Disclosure Statement as at 30 June 2024**

| <b>Name of entity</b>                       | <b>Type of entity</b> | <b>Country of incorporation</b> | <b>Australian or foreign tax resident</b> | <b>% of share capital held directly or indirectly by IODM Limited</b> |
|---------------------------------------------|-----------------------|---------------------------------|-------------------------------------------|-----------------------------------------------------------------------|
| IODM Limited                                | Body Corporate        | Australia                       |                                           |                                                                       |
| The Debtor Management Hub Pty Ltd           | Body Corporate        | Australia                       | Australian                                | 100%                                                                  |
| The Innovative Online Debt Management Trust | Trust                 | N / A                           | Australian                                | N/A                                                                   |
| IODM Singapore Pte Ltd                      | Body Corporate        | Singapore                       | Australian*                               | 100%                                                                  |
| IODM (Hong Kong) Limited                    | Body Corporate        | Hong Kong                       | Australian*                               | 100%                                                                  |
| IODM (USA) Incorporated                     | Body Corporate        | USA                             | Australian*                               | 100%                                                                  |
| IODM (UK) Limited                           | Body Corporate        | UK                              | Australian*                               | 100%                                                                  |

IODM Singapore Pte Ltd, IODM (Hong Kong) Limited, 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 2024. 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 2108/5 and Practical Compliance Guideline 2018/9.

\*As these subsidiaries are both a tax resident of Australia under Australian tax law and a tax resident of a foreign country under that country's law (i.e. a dual tax resident), the subsidiaries are disclosed as an 'Australian' tax resident (and not as a 'Foreign' tax resident).

## **IODM Limited – Directors' Declaration**

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In accordance with a resolution of the Directors of IODM Limited, I state that:

1. In the opinion of the directors:
  - (a) the financial statements and notes of the Group are in accordance with the *Corporations Act 2001*, including:
    - (i) giving a true and fair view of the financial position of the Group as at 30 June 2024 and of its performance, for the year ended on that date; and
    - (ii) complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements; and
  - (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
  - (c) the information disclosed in the attached consolidated entity disclosure statement is true and correct.
2. The consolidated financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standard Board.
3. This declaration has been made after receiving the declarations required to be made by the Chief Executive Officer and Chief Financial Officer in accordance with section 295A of the *Corporations Act 2001*.

On behalf of the Board



**Dr Paul Kasian**  
**Chair**

**30 August 2024**

## Auditor's Independence Declaration

As auditor of IODM Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

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

Yours sincerely,



**Crowe Audit Australia**



**Antony Barnett**  
Senior Partner

30 August 2024

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*The title 'Partner' conveys that the person is a senior member within their respective division and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately-owned organisation and/or its subsidiaries.*

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## Independent Auditor's Report To the Members of IODM Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of IODM Limited (the Company) and its subsidiaries (collectively "the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, the consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2024; and notes to the financial statements including a summary of material accounting policies as at 30 June 2024, and the directors' declaration.

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

- (a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (b) 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 Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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**Material uncertainty related to going concern**

We draw attention to Note 3 in the financial statements, which indicates that the Group incurred a net loss after tax for the year ended 30 June 2024 of \$3,105,765 (2023 \$2,396,987) and incurred net cash outflows from operating activities of \$2,442,258 (2023 \$2,078,740). At 30 June 2024, the Group had a net deficiency in equity of \$840,613 (2023 net equity of \$1,343,619). In addition, at 30 June 2024 the Group had a net current asset deficit (i.e. current liabilities in excess of current assets) of \$1,024,499 (2023 net current asset surplus of \$1,153,292). As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Group's Annual Report for the year ended 30 June 2024 but does not include the financial report and our 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 Group 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 Group 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities with the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on the Remuneration Report**

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

We have audited the Remuneration Report included in pages 8 to 13 of the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of IODM Limited, for the year ended 30 June 2024, complies with section 300A of the Corporations Act 2001.

**Responsibilities**

The directors of the Group 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.

**Crowe Audit Australia** 

**Antony Barnett**  
**Senior Partner**

**Melbourne, Victoria**  
**Date: 30 August 2024**

## IODM Limited – Corporate Governance Statement

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This statement has been approved by the Board. It is current as at 30 August 2024 and scheduled for an annual review at the next Board Meeting.

### IODM's approach to Corporate Governance

This Statement explains how IODM addresses the ASX Corporate Governance Council's, 'Corporate Governance Principles and Recommendations – 4th Edition (referred to as either ASX Principles or Recommendations).

#### Principle 1: Lay solid foundations for management and oversight

**Recommendation 1.1** – *A listed entity should have and disclose a board charter setting out:*

- a) *the respective roles and responsibilities of its board and management;*
- b) *those matters expressly reserved to the board and those delegated to management.*

#### Role of the IODM Board ('the Board')

The Board is responsible for the governance of IODM. The role of the Board is to provide overall strategic guidance and effective oversight of management. The Board derives its authority to act from IODM's Constitution.

The Board's responsibilities are set out in a formal Charter which the Board reviews every two years. The Charter was most recently reviewed and amended in September 2023.

The major powers the Board has reserved to itself are:

- Appointment of senior executives and the determination of their terms and conditions including remuneration and termination;
- Driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- Reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- Approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- Approving and monitoring the budget and the adequacy and integrity of financial and other reporting;
- Approving the annual, half yearly and quarterly accounts;
- Approving significant changes to the organisational structure;
- Approving the issue of any shares, options, equity instruments or other securities in the Company (subject to compliance with ASX Listing Rules);
- Ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;
- Recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them (in accordance with the ASX Listing Rules); and
- Meeting with the external auditor, at their request, without management being present.

#### Delegation to the CEO

The Board has delegated to the CEO responsibility for implementing IODM's strategic direction and for managing IODM's day-to-day operations.

**Recommendation 1.2** – *A listed entity should disclose:*

- a) *undertake appropriate checks before appointing a director or senior executive or putting someone forward for elections as a director;*
- b) *provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.*

The Group formed a separate Remuneration and Nomination Committee (RNC) in June 2020. At 30 June 2024 the committee consisted of a Non-Executive Chair and 2 independent directors. The Committee met 4 times during the financial year and operates under the RNC Charter adopted by the Committee.

When considering the appointment of a new Director or senior executive, the Board may engage the services of an executive recruitment firm to assist identify suitable candidates to be shortlisted for consideration for

## IODM Limited – Corporate Governance Statement

appointment to the Board and to carry out appropriate reference checks before the Board makes an offer to a preferred candidate.

Newly appointed directors must stand for reappointment at the next subsequent AGM. The Notice of Meeting for the AGM provides shareholders with information about each Director standing for election or re-election including details of relevant skills and experience.

**Recommendation 1.3** – *A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment*

New Directors and consent to act as a director and receive a formal letter of appointment which sets out duties and responsibilities, rights, and remuneration entitlements.

Senior Executive receive a formal letter of employment which sets out duties and responsibilities, rights, and remuneration entitlements as approved by the RNC.

**Recommendation 1.4** – *The company secretary of a listed entity should be accountable directly to the chair, on all matters to do with the proper functioning of the board.*

IODM's Company Secretary fulfils a broad range of management responsibilities in addition to company secretarial duties. As a result, the formal reporting line of the Company Secretary is to the CEO. For any matter relevant to the company secretarial duties or conduct of the Board, the Company Secretary has an indirect reporting line, and is accountable, to the Chair of the Board.

**Recommendation 1.5** – *A listed entity should:*

- a) *have and disclose a diversity policy;*
- b) *through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and*
- c) *disclose in relation to each reporting period*
  - (A) *the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined 'senior executive' for these purposes); or*
  - (B) *if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators" as defined in and published under that Act.*

*If the entity was in the S&P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.*

The Group is committed to workplace diversity and to ensuring a diverse mix of skills and talent exists amongst its directors, officers and employees, to enhance Group performance. The Board has adopted a Diversity Policy which addresses equal opportunities in the hiring, training and career advancement of directors, officers and employees.

The Board continues to monitor diversity across the organisation. Due to the size of the Group, the Board does not consider it appropriate at this time to formally set measurable objectives for gender diversity.

In accordance with this policy, the Board provides the following information pertaining to the proportion of women across the organisation at the date of this report.

|                                     | Number | Percentage |
|-------------------------------------|--------|------------|
| Women in the whole organisation     | 5      | 33%        |
| Women in senior executive positions | 1      | 6.7%       |
| Women on the board                  | 1      | 33%        |

**Recommendation 1.6** – A listed entity should:

- a) *have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors;*
- b) *disclose for each reporting period, whether a performance evaluation was undertaken in accordance with that process during or in respect of that period.*

Evaluation of Board and individual Directors

The Board of IODM conducts its performance review of itself on an ongoing basis throughout the year. The small size of the Group and hands on management style requires an increased level of interaction between Directors and Executives throughout the year. Board members meet amongst themselves both formally and informally. The Board considers that the current approach that it has adopted with regard to the review of its performance provides the best guidance and value to the Group given its size.

**Recommendation 1.7** – A listed entity should:

- a) *have and disclose a process for periodically evaluating the performance of its senior executives at least once every reporting period; and*
- b) *disclose for each reporting period, whether a performance evaluation was undertaken in accordance with that process during or in respect of that period.*

The RNC and the Board of IODM conducts its performance review of the senior executives on an ongoing basis throughout the year. The RNC met 3 times during the year and evaluated the performance on its senior executives. The Board considers that the current approach that it has adopted with regard to the review of its performance provides the best guidance and value to the Group.

**Principle 2: Structure the Board to add value**

IODM's Constitution provides for a minimum of three directors and a maximum of twelve.

The Directors of IODM at any time during the financial year are listed with a brief description of their qualifications, appointment date, experience and special responsibilities on pages 1 to 2 of the Annual Report.

The Board met eight times during the financial year. Director's attendances are set out on page 7 of the 2024 Annual Report.

**Recommendation 2.1** – The Board of a listed entity should:

- a) *have a nomination committee which:*
  - 1. *Has at least three members, a majority of whom are independent directors; and*
  - 2. *Is chaired by an independent director;**and disclose:*
  - 3. *the charter of the committee;*
  - 4. *the members of the committee; and*
  - 5. *as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- b) *if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable to discharge its duties and responsibilities effectively.*

The Group formed a Remuneration and Nomination committee (RNC) in June 2020. The Committee met four times during the financial year and operates under the RNC Charter adopted by the Committee.

**Recommendation 2.2** – The listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

The Group have established a board skills matrix on the mix of skills and diversity for Board membership. The Board continues to monitor the mix of skills and diversity on the Board.

**Recommendation 2.3** – *A listed entity should disclose:*

- a) *the names of the directors considered by the board to be independent directors;*
- b) *if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion and*
- c) *the length of service of each director.*

The skills, experience and expertise relevant to the position of Director held by each Director in office at the date of the annual report is included in the Directors' Report. Directors of the Group are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

The Board has accepted the following definition of an Independent Director:

"An Independent Director is a Director who is not a member of management, is a Non-executive Director and who:

- is not a substantial shareholder (under the meaning of Corporations Act 2001) of the Group or an officer of, or otherwise associated, directly or indirectly, with a substantial shareholder of the Group;
- has not within the last three years been employed in an executive capacity by the Group or another Group member, or been a Director after ceasing to hold any such employment;
- is not a principal of a professional adviser to the Group or another Group member;
- is not a significant consultant, supplier or customer of the Group or another Group member, or an officer of or otherwise associated, directly or indirectly, with a significant consultant, supplier or customer;
- has no significant contractual relationship with the Group or another Group member other than as a Director of the Group;
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Group."

In accordance with the definition of independence above, two directors are considered independent. Accordingly, a majority of the board is not independent.

There are procedures in place, as agreed by the board, to enable Directors to seek independent professional advice on issues arising in the course of their duties at the Group's expense. The term in office held by each Director in office at the date of this report is as follows:

| Name              | Term in office |
|-------------------|----------------|
| Dr. Paul Kasian   | 96 months      |
| Mr. David Ireland | 82 months      |
| Ms Karen Penney   | 15 months      |

**Recommendation 2.4** – *The majority of the Board of a listed entity should be independent Directors.*

The Group does not have a majority of independent directors. The Directors consider that the current structure and composition of the Board is appropriate to the size and nature of operations of the Group.

As at 30 June 2024, the Board comprised one non-executive Chair, two non-executive directors.

**Recommendation 2.5** – *The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.*

Under IODM's Constitution, the Board elects a Chair from amongst the non-executive Directors. If a Chair ceases to be an independent Director then the Board will consider appointing a lead independent Director.

The Directors consider that the current Chair of the Board is appropriate to the size and nature of operations of

## IODM Limited – Corporate Governance Statement

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the Group.

**Recommendation 2.6** – *The listed entity should have a program for inducting new directors and periodically reviewing whether there is a need for existing directors to undertake professional development opportunities to maintain the skills and knowledge needed to perform their role as directors effectively.*

The formal letter of appointment and an induction pack provided to Directors contain sufficient information to allow the new Director to gain an understanding of:

- The rights, duties and responsibilities of Directors;
- The role of Board Committees;
- The roles and responsibilities of the Managing Director; and
- IODM's financial, strategic, and operational risk management position.

Directors are encouraged to take appropriate professional development opportunities approved by the Board.

### **Principle 3: Promote ethical and responsible decision making**

**Recommendation 3.1** – *A listed entity should articulate and disclose its values.*

**Recommendation 3.2** – *A listed entity should:*

- a) *Have and disclose a code of conduct for its directors, senior executives and employees; and*
- b) *disclose that the board or a committee of the board is informed of any material incidents reported under that policy.*

IODM has a Code of Conduct that includes its values and applies to IODM and its Directors, employees and contractors (all of which are referred to as "employees" in the Code).

The Code of Conduct sets out a number of overarching principles of ethical behaviour which are set out under the following headings:

- Personal and Professional Behaviour;
- Conflict of Interest;
- Public and Media Comment;
- Use of Company Resources;
- Security of Information;
- Intellectual Property/Copyright
- Discrimination and Harassment;
- Corrupt Conduct;
- Occupational Health and Safety;
- Legislation;
- Fair Dealing;
- Insider Trading;
- Responsibilities to Investors;
- Breaches of the Code of Conduct; and
- Reporting Matters of Concern.

Training about the Code of Conduct is part of the induction process for new IODM employees.

**Recommendation 3.3** – *A listed entity should:*

- (a) *Have and disclose a whistleblower policy; and*
- (b) *Ensure that the board or committee of the board is informed of any material breaches of that policy*

IODM has a Whistleblower Policy, any breaches are reported to the Audit and Risk Management Committee.

**Recommendation 3.4** – *A listed entity should:*

- (c) *Have and disclose an anti-bribery and corruption policy; and*
- (d) *Ensure that the board or committee of the board is informed of any material breaches of that policy*

IODM has an Anti-Bribery and corruption policy, any breaches are reported to the Audit and Risk Management Committee.

### **Principle 4: Safeguard integrity in corporate reporting**

**Recommendation 4.1** – A board of a listed entity should:

- a) have an audit committee which:
  - 1. has at least three members, all of whom are non-executive directors and a majority of whom are independent; and
  - 2. is chaired by an independent director, who is not the chair of the board, and disclose:
    - 3. the charter of the committee;
    - 4. the relevant qualifications and experience of the members of the committee; and
    - 5. in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard that integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

The Group has an Audit and Risk Management Committee (ARC). At 30 June 2024 the committee consisted of a Non-Executive Chair and 2 independent directors. The committee met 3 times during the financial year and operates under the ARC Charter adopted by the Committee

#### Charter of the Audit and Risk Management Committee

It is the ARC's responsibility to ensure that an effective internal control framework exists within the entity. This includes both internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial and non- financial information. It is the ARC's responsibility for the establishment and maintenance of a framework of internal control of the Group.

**Recommendation 4.2** – The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The CEO and the CFO have provided the Board with written assurances that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal compliance and control and that the system is operating effectively in all material respects in relation to financial reporting risks.

**Recommendation 4.3** – A listed entity should disclose its process to verify the integrity of any periodic corporate report if releases to the market that is not audited or reviewed by an external auditor.

The external auditor attends IODM's Annual General Meeting. Shareholders may submit written questions to the auditor to be considered at the meeting in relation to the conduct of the audit and the preparation and content of the Independent Audit Report by providing the questions to IODM at least five business days before the day of the meeting. No questions were sent to the auditor in advance of the 2022 Annual General Meeting. Shareholders are also given a reasonable opportunity at the meeting to ask the auditor questions relevant to the conduct of the audit, the Independent Audit Report, the accounting policies adopted by IODM and the independence of the auditor.

## IODM Limited – Corporate Governance Statement

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### Principle 5: Make timely and balanced disclosure

**Recommendation 5.1** – A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.

#### Disclosure

IODM's Disclosure Policy describes IODM's continuous disclosure obligations and how they are managed by IODM. The Policy is reviewed bi-annually and is published on IODM's website. It is currently being reviewed.

**Recommendation 5.2** – A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.

#### Accountability

The Company Secretary reports to the Board quarterly on matters that were either notified or not notified to the ASX. Directors receive copies of all announcements immediately after notification to the ASX. All ASX announcements are available in the Media centre on the IODM website.

**Recommendation 5.3** – A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

#### Financial market communications

Communication with the financial market is the responsibility of the CEO. Communication with the media is the responsibility of the CEO. The Disclosure Policy covers briefings to institutional investors and stockbroking analysts, general briefings, one-on-one briefings, blackout periods, compliance and review as well as media briefings.

The substantive content of all market presentations about the half year and full year financial results and all statements relating to IODM's future earnings performance must be referred to, and approved by, the Board before they are disclosed to the market.

### Principle 6: Respect the rights of shareholders

**Recommendation 6.1** – A listed entity should provide information about itself and its governance to investors via its website.

IODM's website at [www.iodm.com.au](http://www.iodm.com.au) provides detailed information about its business and operations. Details of IODM's Board Members can be found here.

The Investor Relations link on IODM's website provides helpful information to shareholder. It allows shareholders to view all ASX and media releases; various investor presentations; a copy of the most recent Annual Report and Annual Reports for at least the two previous financial years; and the notice of meeting and accompanying explanatory material for the most recent Annual General Meeting and the Annual General Meetings for at least the two previous financial years.

Shareholders can find information about IODM's corporate governance on its website at [www.iodm.com.au](http://www.iodm.com.au). This includes IODM's Constitution, Board and Board Charters, and extensive list of IODM's other Policies that support corporate governance.

The following documents are published on the IODM website under Investor / Corporate Governance:

- Constitution
- Corporate Governance Statement
- Board Charter
- Audit and Risk Management Committee Charter
- Remuneration and Nomination Committee Charter
- Whistle-Blower Policy
- Securities Trading Policy

## IODM Limited – Corporate Governance Statement

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- Anti-Bribery Policy

**Recommendation 6.2** – *A listed entity should have an investor relations program to facilitate effective two-way communication with investors.*

IODM is committed to communicating effectively with its shareholders and making it easier for shareholders to communicate with the Group.

IODM promotes effective communication with shareholders and encourages effective participation at general meetings, information is communicated to shareholders:

- Through the release of information to the market via the ASX;
- Through the Annual Report, half yearly report and quarterly reports;
- Through the distribution of the annual report and notices of annual general meeting;
- Through shareholder meetings and investor relations presentations; and
- The external auditors are required to attend the annual general meeting and are available to answer any shareholder questions about the conduct of the audit and preparation of the audit report.

**Recommendation 6.3** – *A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.*

Notices of meeting sent to IODM's shareholders comply with the "Guidelines for notices of meeting" issued by the ASX in August 2007. Shareholders are invited to submit questions before the meeting and, at the meeting, the Chair attempts to answer as many of these as is practical.

The Chair also encourages shareholders at the meeting to ask questions and make comments about IODM's operations and the performance of the Board and senior management. The Chair may respond directly to questions or, at his discretion, may refer a question to another Director or the Managing Director.

New Directors or Directors seeking re-election are given the opportunity to address the meeting and to answer questions from shareholders.

**Recommendation 6.4** – *A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.*

IODM ensures that all substantive resolutions are decided by a poll rather than by a show of hands.

**Recommendation 6.5** – *A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.*

Shareholders have the option of electing to receive all shareholder communications by e-mail. IODM provides a printed copy of the Annual Report to only those shareholders who have specifically elected to receive a printed copy. Other shareholders are advised that the Annual Report is available on the IODM website.

All announcements made to the ASX are available to shareholders by email notification when a shareholder provides the IODM Share Registry with an email address and elects to be notified of all IODM ASX announcements.

The IODM Share Register is managed and maintained by Boardroom Limited Share Registry Services. Shareholders can access their shareholding details or make enquiries about their current shareholding electronically by quoting their Shareholder Reference Number (SRN) or Holder Identification Number (HIN), via the Boardroom Share Registry Investor Online Login or by emailing [info@boardroomlimited.com.au](mailto:info@boardroomlimited.com.au)

### Principle 7: Recognise and manage risk

**Recommendation 7.1** – *A board of a listed entity should:*

- a) *have a committee or committees to oversee risk, each of which:*
  1. *has at least three members, all of whom are non-executive directors and a majority of whom are independent; and*
  2. *is chaired by an independent director, who is not the chair of the board, and disclose:*

3. *the charter of the committee;*
  4. *the members of the committee; and*
  5. *as at the end of each reporting period the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- b) *if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.*

The Audit and Risk Committee meets at least 3 times a year and complete a Risk and Compliance checklist to recognise and manage risk.

Details of the structure and Charter of the Audit and Risk Management Committee are set out in Recommendation 4.1.

**Recommendation 7.2** – *The board or a committee of the board should:*

- a) *review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board: and*
- b) *disclose, in relation to each reporting period, whether such a review has taken place.*

### Risk Management Policies

IODM has a number of other policies that directly or indirectly serve to reduce and/or manage risk. These include, but are not limited to:

- Directors and Executive Offices' Code of Conduct
- Code of Business Conduct
- Dealing in Company Securities
- Communications Strategy
- Disclosure Policy
- Risk Management and Internal Control Policy

### Roles and responsibilities

The Risk Management Policy, and the other policies listed above, describes the roles and responsibilities for managing risk. This includes, as appropriate, details of responsibilities allocated to the Board.

The ARC is responsible for reviewing and approving changes to the Risk Management Policy and for satisfying itself that IODM has a sound system of risk management and internal control that is operating effectively. The ARC annually reviews and approves IODM's main risk exposures and the actions being taken to mitigate those risks.

**Recommendation 7.3** – *A listed entity should disclose:*

- a) *If it has an internal audit function, how the function is structured and what role it performs; or*
- b) *If it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.*

The Group does not have an established internal audit function given the size of its function. The risk management functions of the board are summarised under recommendations 7.1 and 7.2.

**Recommendation 7.4** – *A listed entity should disclose whether it has any material exposure to economic and social sustainability risks and, if it does, how it manages or intends to manage those risks.*

The ARC informally monitors and manages the Groups exposure to economic, environment and social responsibility risks. The Board considers that the current approach that it has adopted with regard to the sustainability risk management process is appropriate to the size and nature of operations of the Group.

### Principle 8: Remunerate fairly and responsibly

#### **Recommendation 8.1** – A board of a listed entity should:

- a) have a remuneration committee which:
  - 1. has at least three members, all of whom are non-executive directors and a majority of whom are independent; and
  - 2. is chaired by an independent director, and disclose:
    - 3. the charter of the committee;
    - 4. the members of the committee; and
    - 5. as at the end of each reporting period the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

The RNC is responsible for determining and reviewing compensation arrangements for executive directors and reporting its recommendations to the Board of IODM.

There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive Directors.

#### **Recommendation 8.2** – A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

IODM's remuneration structure distinguishes between non-executive Directors and that of CEO. A Remuneration Report required under Section 300A(1) of the Corporations Act is provided in the Directors' Report which forms part of the Annual Report.

#### **Recommendation 8.3** – A listed entity which has an equity-based remuneration scheme should:

- a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and
- b) disclose that policy or a summary of it.

On 28 June 2019 IODM Limited introduced the Employee Share Option Plan. The Employee Share Option Plan is part of the remuneration package of the Group's directors, senior management and sales personnel. Options under this plan will vest if the participant remains employed for the agreed vesting period.

The decision on whether to exercise the options is up to the participant has thereby limiting the economic risk of participating in the scheme.

## IODM Limited

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current at 15 August 2024

### Distribution of Share Holders

|                    | Ordinary Shares   |                    |
|--------------------|-------------------|--------------------|
|                    | Number of Holders | Number of Shares   |
| 1 - 1,000          | 134               | 20,289             |
| 1,001 - 5,000      | 113               | 314,622            |
| 5,001 - 10,000     | 44                | 333,871            |
| 10,001 - 100,000   | 324               | 14,976,165         |
| 100,001 - and over | 272               | 594,868,454        |
| <b>TOTAL</b>       | <b>887</b>        | <b>610,513,401</b> |

### Substantial Shareholders

| Holder               | No Shares  | % Holding |
|----------------------|------------|-----------|
| Arena IODM Portfolio | 34,845,927 | 5.71      |

### Voting Rights

The voting rights attached to the ordinary shares are governed by the Constitution.

On a show of hands every person present who is a Member or representative of a Member shall have one vote and on a poll, every Member present in person or by proxy or by attorney or duly authorised representative shall have one vote for each share held. None of the options have any voting rights.

1. The name of the Company Secretary is Ms Petrina Halsall.
2. The address of the principal registered office in Australia is Level 23, 385 Bourke Street, Melbourne, Vic, 3000 Telephone + 61 (03) 8396 5890.
3. The register of securities is held at;  
  
Boardroom Pty Ltd,  
Level 8, 210 George Street, SYDNEY, NSW, 2000 Telephone 1300 737 760.
4. **Securities Exchange Listing**  
  
Quotation has been granted for 610,513,401 ordinary shares on all member exchanges of the Australian Securities Exchange Limited ("ASX") and trade under the symbol 'IOD'.
5. Directors' interests in share capital are disclosed in the Directors' Report.
6. There are 3,133,334 unlisted options at the date of this report.
7. There is currently no on-market buy-back in place.
8. For the current financial year, the entity used its cash and assets in a form readily convertible to cash in a manner consistent with its business activities.

## IODM Limited

### Top Twenty Share Holders

| Position | Holder Name                                               | Holding            | %      |
|----------|-----------------------------------------------------------|--------------------|--------|
| 1        | BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>   | 100,297,853        | 16.43% |
| 2        | CITICORP NOMINEES (AUSTRALIA) LIMITED                     | 44,850,132         | 7.35%  |
| 3        | ARENA IODM PORTFOLIO PTY LTD <ARENA IODM PORTFOLIO A/C>   | 34,845,927         | 5.71%  |
| 4        | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED                 | 31,759,399         | 5.20%  |
| 5        | YONGALA INVESTMENTS PTY LTD                               | 29,425,758         | 4.82%  |
| 6        | MARK REILLY                                               | 24,679,697         | 4.04%  |
| 7        | HAY STREET PROPERTY PTY LTD <HAY STREET PROPERTY A/C>     | 22,707,000         | 3.72%  |
| 8        | ROGERS IODM PORTFOLIO PTY LTD <ROGERS IODM PORTFOLIO A/C> | 20,387,013         | 3.34%  |
| 9        | ROGERS RUBIO SUPERANNUATION FUND<ROGERS RUBIO SUPERFUND>  | 19,331,934         | 3.17%  |
| 10       | EVERFLOW TECHNOLOGIES INC                                 | 17,486,536         | 2.85%  |
| 11       | CSF INVESTMENTS (QLD) PTY LTD <CRANOT SUPER FUND A/C>     | 15,243,590         | 2.50%  |
| 12       | LALA INVESTMENTS PTY LTD <ALI-OOP S/FUND A/C>             | 12,810,257         | 2.10%  |
| 13       | WINDPAC PTY LTD <THE SLACK FAMILY A/C>                    | 11,260,000         | 1.84%  |
| 14       | 262 CAPITAL PTY <ST INCOME A/C>                           | 9,955,000          | 1.63%  |
| 15       | THE RUFUS PARTNERSHIP (VIC) PTY LTD                       | 9,810,605          | 1.61%  |
| 16       | STARWAY CORPORATION PTY LTD <GILES SUPER FUND A/C>        | 8,625,952          | 1.41%  |
| 17       | NICSA PTY LTD <HALSALL FAMILY A/C>                        | 8,573,686          | 1.40%  |
| 18       | BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>                | 6,620,196          | 1.09%  |
| 19       | DIXIE INVESTMENTS PTY LTD <DIXIE INVESTMENTS SUPER A/C>   | 5,156,007          | 0.85%  |
| 20       | ONE MANAGED INVESTMENT FUNDS LIMITED<TI GROWTH A/C>       | 5,000,000          | 0.82%  |
| 21       | KALIN CONSULTING PTY LTD <KAYLIA FAMILY A/C>              | 5,000,000          | 0.82%  |
|          | Total Securities of Top 20 Holdings                       | 443,826,545        | 72.70% |
|          | <b>Total of Securities</b>                                | <b>610,513,401</b> |        |