



ABN 28 102 747 133

**ASX Appendix 4E  
for the 12 months ended 30 June 2023**

**1. Company Details**

Name of Entity

IODM Limited

ABN

28 102 747 133

Current period

1 July 2022 to 30 June 2023

Previous period

1 July 2021 to 30 June 2022

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

			AUD
2.1 Revenues from continuing operations	Up	42% to	\$1,137,615
2.2 Loss from continuing operations after tax attributable to members	Down	0.04% to	\$ 2,396,987
2.3 Net loss for the period attributable to members	Down	0.04% to	\$ 2,396,987
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			
<p>IODM has measured where the business stood at the end of the financial years versus the previous year and notes the following:</p> <ul style="list-style-type: none"> <li>- Operational revenue showed an increase of 42% with the major growth attributable to commercial partnership with Convera for the education sector. During the 2023 financial year the Group saw the first meaningful results in the UK education sector as the onboarded universities used the IODM platform to recover aged and current student fees. Refer to attached Annual Report.</li> </ul>			

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**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 2023	30 June 2022
Net tangible asset backing per ordinary security	\$0.0010	\$0.0008

**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- \$0.0041  
Diluted loss per share - \$0.0041

**14.2 Returns to shareholders**

N/A

**14.3 Significant features of operating performance**

Refer 2.6 and 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 is unqualified



Print Name:  
Position:  
Date:

Mark Reilly  
CEO  
30 August 2023

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**IODM Limited**

ABN 28 102 747 133

Annual Report

30 June 2023

## 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 2023.

### **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.

#### **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.

## **IODM Limited – Directors’ Report**

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.

### **Ms Karen Penney – Non-Executive Director (appointed 14 June 2023)**

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.

Ms Penney currently services 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 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 currently Non-Executive Chair of the Remuneration and Nomination Committee of IODM Limited and 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.

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## 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
P. Kasian	29,425,758	100,000
D. Ireland	-	-
K. Penney	-	-

The above options were issued during the year 2022 FY under the Employee Share Option Plan.

### RESULTS OF OPERATIONS

The net loss of the Group for the year after income tax was \$2,396,987 (2022 loss: \$2,397,880).

### 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 thirteen employees at 30 June 2023 (2022: eleven).

### 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 2023, 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, UAE, 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 42% for 2023 financial year with the major growth attributable to commercial partnership with Convera for the UK education sector. During the financial year the Group saw the first meaningful results in the UK education sector as the onboarded universities used the IODM platform to recover aged and current student fees. The revenue share agreement with Convera saw an increase in revenue share from \$1.2K FY2022 to \$366K FY 2023.

In early May 23, our Head of UK Operations, Graham Smith, spoke on stage at the Money 20/20 global payments conference held in Amsterdam. Mr Smith appeared alongside representatives from Convera and a representative from London School of Economics who discussed the payment journey experience for students using the IODM/Convera offering.

In June 23 our UK team held an extremely successful webinar tailored for the education sector, garnering participation from 42 UK universities, representing 25% of the market. Participants in the webinar heard from Convera about what was new in the world of student payments, as well as hearing the feedback from Glenn Ruane from London School of Economics on how their strategy combined with the IODM solution has had a positive impact on both students and the University's cash flow. The webinar resulted in substantial interest being expressed by institutions in the IODM/Convera offering, and has set the stage for further engagements, which are currently being followed up by our team.

Onboarding of additional universities commenced in Q4 FY23 with further universities to be onboarded in the next financial year increasing the revenue share. One of these universities, Chester University, will be a groundbreaking new account for IODM. This will be the first time a university has used the IODM platform to manage the full end to end student payment journey and lifecycle - from the first deposit payment they make when joining the university right through to their final payment when graduating. The student will receive all invoices and options to pay through the IODM platform and there will be no other way they can complete payments other than from our communications and through Convera. Once this model is proven and working, it will open up a whole new market of opportunity rather than just focusing on helping universities manage outstanding or overdue payments.

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

### **European Expansion and Trials**

In addition to the above, IODM is actively exploring opportunities both within and beyond the education sector in Europe. We have initiated trials of the IODM Connect software solution with potential clients in various industries as well as education. As we continue on these trials, we are committed to keeping our shareholders informed about outcomes and key insights gained.

### **Appointment of Director**

On 14 June 2023, the company was delighted to welcome Karen Penny to the IODM board as a Non-Executive Director. Ms Penney's extensive background in senior executive roles spanning over three decades, coupled with her strategic and commercial expertise, positions her as a valuable addition to our Board of Directors. Her tenure at renowned global financial companies like American Express and Convera has equipped her with insights that will undoubtedly contribute to our ongoing success.

### **Domestic Enterprise Business**

We have seen a renewed increase in demand for the IODM platform including the cash allocation module in the last quarter of FY23 and this has continued into the first quarter of FY24.

### **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. The addition of James Burke as our Chief Technology Officer further solidifies our technical leadership. These efforts have translated into the development of features that significantly enhance the value of our platform, as evidenced by the positive response to our June 23 education webinar. Additionally, the introduction of the cash allocation module has attracted a lot of attention in the domestic market, confirming our position as an innovative leader in the industry.

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

In pursuit of our commitment to swift and effective rollouts, we executed a share placement on 6 February 2023, raising \$2,250,000. 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 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.

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# IODM Limited – Directors' Report

## 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. Ms Penney was appointed as a Non-Executive Director on 14 June 2023 and 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

During the year the Group's major growth in operating revenue was attributable to commercial partnership revenue share with Convera for the UK education sector. This is expected to continue in 2024 financial year as the Group onboards additional universities and expands its agreement to other regions.

### SIGNIFICANT EVENTS AFTER THE REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of the operations, or the state of affairs of the Group in future financial years.

### 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:

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

2,097,778 options expiring on 30 June 2025 exercisable at \$0.30

550,000 options expiring on 30 June 2026 exercisable at \$0.39

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

550,000 options expiring on 30 June 2026 exercisable at \$0.39

During the year the following options were exercised:

7,599,495 options expiring on 30 June 2023 were exercised at \$0.066 cents

375,000 options expiring on 30 June 2023 were exercised at \$0.096 cents

533,334 options expiring on 30 June 2023 were exercised at \$0.102 cents

During the year the following options were forfeited:

151,515 options expiring on 30 June 2023 exercisable at \$0.066 cents

116,667 options expiring on 30 June 2025 exercisable at \$0.30 cents

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## IODM Limited – Directors' Report

### 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.

### 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	7	7	3	3	4	4
David Ireland	7	7	3	3	4	4
Anthony Smith	7	6	0	0	4	4
Brian Jamieson	7	6	3	3	0	0
Karen Penney	1	1	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 52-62 of the annual report.

## **IODM Limited – Directors' 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 21 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 21 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001*.

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## 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 2022 AGM

The Group received 85.92% of "yes" votes on its remuneration report for the 2022 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 2023

Non-Executive Directors	POSITION
Paul Kasian	Non-Executive Chair
David Ireland	Non-Executive Director
Anthony Smith (resigned 7 July 2023)	Non-Executive Director
Brian Jamieson (deceased 7 August 2023)	Non-Executive Director
Karen Penney (appointed 14 June 2023)	Non-Executive Director
Senior Executives	
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, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the

## IODM Limited – Directors' Report

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%, 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	2023	2022	2021	2020
Loss per share (cents)	(0.41)	(0.42)	(0.39)	(0.45)
Total KMP remuneration (\$)	1,026,154	1,218,029	1,139,940	1,238,505

### 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.

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## 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 2023

	Year	Short-term employment benefits					Total	Long-term Benefits			Total	% Performance Related
		Base Salary	Directors Fees	STI Bonus	Leave Entitlements	Other		Long service leave	Share Based Payment	Superannuation		
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>CEO</b>												
M Reilly	<b>2023</b>	<b>248,869</b>	-	<b>140,000</b>	<b>17,571</b>	<b>9,400</b>	<b>415,840</b>	<b>8,981</b>	<b>29,223</b>	<b>26,131</b>	<b>480,175</b>	<b>37.2%</b>
	2022	246,290	-	155,000	10,471	10,000	421,761	6,095	110,006	24,629	562,491	48.9%
<b>COO</b>												
P Halsall	<b>2023</b>	<b>158,371</b>	-	<b>75,000</b>	<b>2,192</b>	-	<b>235,563</b>	<b>21,826</b>	<b>11,689</b>	<b>16,629</b>	<b>285,707</b>	<b>30.3%</b>
	2022	157,629	-	75,000	16,835	-	249,464	16,371	30,155	15,763	311,753	33.7%
<b>Total remuneration of the CEO and COO</b>												
	<b>2023</b>	<b>407,240</b>	-	<b>215,000</b>	<b>19,763</b>	<b>9,400</b>	<b>651,403</b>	<b>30,807</b>	<b>40,912</b>	<b>42,760</b>	<b>765,882</b>	
	2022	403,919	-	230,000	27,306	10,000	671,225	22,466	140,161	40,392	874,244	

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 2023

		Directors Fees	Share Based Payment	Superan- nuation	Total	
		\$	\$	\$	\$	
<b>Non-Executive Directors</b>						
P Kasian	2023	66,252	7,013	6,957	80,222	
	2022	63,876	25,315	6,946	96,137	
D Ireland	2023	37,290	-	3,915	41,206	
	2022	35,971	-	3,912	39,883	
A Smith	2023	41,206	37,405	-	78,611	
	2022	39,400	87,631	-	127,031	
B Jamieson	2023	39,751	13,559	4,174	57,484	
	2022	38,323	38,243	4,168	80,734	
K Penney	2023	2,750	-	-	2,750	
	2022	-	-	-	-	
<b>Total Remuneration of Non-Executive Directors</b>		<b>2023</b>	<b>187,249</b>	<b>57,977</b>	<b>15,046</b>	<b>260,272</b>
		2022	177,570	151,189	15,026	343,785

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 \$ 41,206 (2022 \$39,400) of which \$3,448 (2022 \$3,283) 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 \$2,750 (2022 Nil) of which \$2,750 (2022 Nil) 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.

30 June 2023	Balance at the start of the year	Transactions on market/other	On appointment/ resignation	Options exercised	Balance at the end of the year
<b>Non-Executive Directors</b>					
Paul Kasian	29,122,727	-	-	303,031	29,425,758
David Ireland	-	-	-	-	-
Anthony Smith	32,734,984	16,418	-	1,675,758	34,427,160
Brian Jamieson	1,600,000	-	-	375,000	1,975,000
Karen Penney	-	-	-	-	-
<b>Senior Executives</b>					
Mark Reilly	28,089,916	(968,969)	-	3,333,333	30,454,280
Petrina Halsall	8,673,686	-	-	2,034,848	10,708,534
	<b>100,221,313</b>	<b>(952,551)</b>	<b>-</b>	<b>7,721,970</b>	<b>106,990,732</b>

## 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 2023	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Vested and exercisable	Balance at the end of the year Unvested
<b>Non-Executive Directors</b>					
Paul Kasian	403,031	-	(303,031)	66,667	33,333
David Ireland	-	-	-	-	-
Anthony Smith	2,209,091	-	(1,675,758)	355,556	177,777
Brian Jamieson	568,333	-	(375,000)	128,889	64,444
Karen Penney	-	-	-	-	-
<b>Senior Executives</b>					
Mark Reilly	3,750,000	-	(3,333,333)	277,778	138,889
Petrina Halsall	2,201,515	-	(2,034,848)	111,112	55,555
	<b>9,131,970</b>	<b>-</b>	<b>(7,721,970)</b>	<b>940,002</b>	<b>469,998</b>

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	66%

### 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 2023.

### 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.

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.

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## IODM Limited – Directors' Report

The following table outlines the key contractual arrangements for the last financial year

Position	Period	Contractual term	Notice Period	Fixed Remuneration	Post-Employment Restraints
CEO	1 July 22 – June 23	Ongoing	3 months by either party	\$275,000 per annum inclusive of statutory superannuation	6-month non-competition period
COO	1 July 22– June 23	Ongoing	3 months by either party	\$175,000 per annum inclusive of statutory superannuation	6-month non-competition period

Any increases in statutory superannuation are paid in addition to the fixed remuneration.

### 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.



**Dr Paul Kasian**  
**Non-Executive Chair**  
**30 August 2023**

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**Consolidated Statement of Profit or Loss & Other Comprehensive Income**  
for the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Revenue	6	1,137,615	803,302
Interest received	6	9,198	219
Export market development grant	6	24,600	30,001
Research and development tax offset income	6	400,046	406,312
<b>Total Revenue</b>		<b>1,571,459</b>	<b>1,239,834</b>
Administrative and public company expenses		(343,306)	(251,453)
Accounting and audit fees		(85,112)	(89,868)
Professional fees		(14,576)	(6,455)
Consultants and directors fees		(744,750)	(777,396)
Employee costs		(1,858,123)	(1,504,166)
Superannuation		(141,765)	(125,353)
Depreciation	12	(153,240)	(153,240)
Finance costs	7	(20,899)	(21,505)
Options issued to employees	18	(147,292)	(390,615)
Loss on write-off on deregistered subsidiaries		-	(3)
Other expenses	8	(459,383)	(317,660)
<b>Loss before income tax</b>		<b>(2,396,987)</b>	<b>(2,397,880)</b>
Income tax expense	9	-	-
<b>Loss after tax</b>		<b>(2,396,987)</b>	<b>(2,397,880)</b>
Other comprehensive income		-	-
<b>Items that will be reclassified subsequently to profit or loss</b>			
Exchange differences on translation of foreign operations		(6,788)	(1,797)
<b>Total comprehensive loss for the year</b>		<b>(2,403,775)</b>	<b>(2,399,677)</b>
Basic and diluted loss per share (cents)	20	(0.41)	(0.42)

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 2023**

	Notes	2023 \$	2022 \$
<b>CURRENT ASSETS</b>			
Cash at bank	10	1,782,065	1,190,967
Trade and other receivables	11	124,803	43,620
<b>TOTAL CURRENT ASSETS</b>		<b>1,906,868</b>	<b>1,234,587</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	11	111,104	111,104
Property- ROU asset	12	498,029	651,269
<b>TOTAL NON-CURRENT ASSETS</b>		<b>609,133</b>	<b>762,373</b>
<b>TOTAL ASSETS</b>		<b>2,516,001</b>	<b>1,996,960</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	384,111	308,128
Other liabilities	14	109,933	36,158
Employee Benefits	15	95,106	102,566
Lease liabilities	16	164,426	154,519
<b>TOTAL CURRENT LIABILITIES</b>		<b>753,576</b>	<b>601,371</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee Benefits	15	11,283	24,593
Lease Liabilities	16	407,523	571,949
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>418,806</b>	<b>596,542</b>
<b>TOTAL LIABILITIES</b>		<b>1,172,382</b>	<b>1,197,913</b>
<b>NET ASSETS</b>		<b>1,343,619</b>	<b>799,047</b>
<b>EQUITY</b>			
Issued capital	17	16,236,427	13,435,372
Reserves	18	2,463,472	2,322,968
Accumulated losses	19	(17,356,280)	(14,959,293)
<b>TOTAL EQUITY</b>		<b>1,343,619</b>	<b>799,047</b>

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

IODM Limited

**Consolidated Statement of Changes in Equity  
for the year ended 30 June 2023**

	Note	Issued Capital	Share Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
		\$	\$	\$	\$	\$
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	18	-	-	(6,788)	-	(6,788)
Total Comprehensive Income 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	17	2,250,000	-	-	-	2,250,000
Shares issued under exercise of options	17	591,966	-	-	-	591,966
Options issued to directors and employees	18	-	147,292	-	-	147,292
Transaction costs relating to issue of shares	17	(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>
Balance at 1 July 2021		<b>11,065,154</b>	<b>1,932,988</b>	<b>1,162</b>	<b>(12,561,413)</b>	<b>437,891</b>
Loss for the year		-	-	-	(2,397,880)	(2,397,880)
Exchange difference on translating foreign operations	18	-	-	(1,797)	-	(1,797)
Total Comprehensive Income for the year		-	-	<b>(1,797)</b>	<b>(2,397,880)</b>	<b>(2,399,677)</b>
<i>Transactions with owners in their capacity as owners</i>						
Shares issued under Share Placements	17	2,127,150	-	-	-	2,127,150
Shares issued under exercise of options	17	294,133	-	-	-	294,133
Options issued to directors and employees	18	-	390,615	-	-	390,615
Transaction costs relating to issue of shares	17	(51,065)	-	-	-	(51,065)
<b>Balance as at 30 June 2022</b>		<b>13,435,372</b>	<b>2,323,603</b>	<b>(635)</b>	<b>(14,959,293)</b>	<b>799,047</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 2023**

	Notes	2023 \$	2022 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest received and other income		4,594	219
Receipts from customers		1,205,244	853,903
Research and development tax offset income		400,046	406,312
Export market development grant		24,600	30,001
Interest paid		(20,899)	(21,505)
Payments to suppliers and employees		(3,692,325)	(3,055,163)
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	10	<b>(2,078,740)</b>	<b>(1,786,233)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Refund of refundable security deposit		-	43,402
<b>NET CASH INFLOW FROM INVESTING ACTIVITIES</b>		<b>-</b>	<b>43,402</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		2,250,000	2,127,150
Proceeds from option conversion		611,300	294,133
Share issue costs		(40,911)	(51,065)
Lease repayments		(154,519)	(87,545)
<b>NET CASH INFLOW FROM FINANCING ACTIVITIES</b>		<b>2,665,870</b>	<b>2,282,673</b>
Net increase in cash and cash equivalents		587,130	539,842
Cash and cash equivalents at beginning of year		1,190,967	651,125
Foreign exchange variation on cash		3,968	-
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	10	<b>1,782,065</b>	<b>1,190,967</b>

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

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## IODM Limited

### Notes to the Consolidated Financial Statements for the year ended 30 June 2023

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 2023. 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 2023 were approved and was authorised for issue by the Board of Directors on 30 August 2023.

#### 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.

#### 2. Change in Accounting Policy

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

#### 3. Going Concern

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 2023 of \$2,396,987 (2022 \$2,397,880) and incurred net cash outflows from operating activities of \$2,078,740 (2022 \$1,786,233). At 30 June 2023, the Group had a net asset position of \$1,343,619 (2022 net asset position of \$799,047) and a net current asset position of \$1,153,292 (2022 \$633,216).

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:

- On 6 February 2023 the Group completed a share placement for 6,250,000 shares to raise and receive \$2,250,000 at 36 cents per share to assist the Group in its capital management and fund expansion of sales and marketing globally.
- The company is in the process of onboarding additional UK universities, with the increased revenue expected to flow from those universities via Convera in the next financial year.
- Based on work done to date by its tax advisors the Group expects to receive a R&D tax incentive commensurate with prior years, with the amount for the year ended 30 June 2023 expected to be received in the next three months.
- 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

## **IODM Limited**

### **Notes to the Consolidated Financial Statements for the year ended 30 June 2023**

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 Company has a successful history of raising additional funds when required in the past few years.

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.

#### **4. Summary of Significant 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.

A list of controlled entities is contained in note 23 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 2023 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

## **IODM Limited**

### **Notes to the Consolidated Financial Statements for the year ended 30 June 2023**

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 goods or services to its customers.

#### **Licence fees**

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

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts within other liabilities in the statement of financial position (see Note 14). 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.

Revenue is 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

## IODM Limited

### Notes to the Consolidated Financial Statements for the year ended 30 June 2023

- Student has successfully made a payment through the link on the reminder notification to the Convera payment platform

#### 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.

##### 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 Group operates equity-settled share-based employee share option scheme under its Employee Share Option Plan dated 28 June 2019. Directors and employees of The Group receive remuneration in the form of share-based payment transactions, whereby employees render services in exchange for equity instruments ('equity-settled transactions'). This Plan is in addition to the options issued to corporate advisors in previous periods.

None of the Group's plans are cash settled.

When the goods or services acquired in a share-based payment transaction do not qualify for recognition as assets, they are recognised as expenses.

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using the indicative valuation of an independent expert taking into account the terms and conditions upon which the instruments were granted.

In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of IODM Limited ('market conditions').

The cost of the equity settled transactions is recognised, together with a corresponding credit to share based payments reserve, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Group, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of the market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The Statement of Changes in Equity for a period represents the movement in cumulative expense recognised at the beginning and end of the period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had

## **IODM Limited**

### **Notes to the Consolidated Financial Statements for the year ended 30 June 2023**

not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

Where an equity settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs are allocated to share capital.

The cost of equity-settled transactions with non-employees is measured by reference to the fair value of goods and services received unless this cannot be measured reliably, in which case the cost is measured by reference to the fair value of the equity instruments granted.

The dilutive effect, if any, of outstanding options is reflected in the computation of loss per share (see note 20).

#### **(d) Employee benefits**

##### **Short-term employee benefits**

Short term employee benefits are employee benefits (other than termination benefits and equity compensation benefits) which fall due wholly within 12 months after the end of the period in which employee services are rendered.

They comprise wages, salaries, social security obligations, short-term compensation absences, profit sharing and bonuses payables within 12 months and non-mandatory benefits.

The provision for employee entitlements to wages, salaries and annual leave represents the amount that the Consolidated Entity has a present obligation to pay resulting from employee services provided up to reporting date. The undiscounted amount of short-term benefits expected to be paid is recognised as an expense.

##### **Other long-term employee benefits**

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

The Group presents employee benefit obligations as current liabilities in the Statement of Financial Position if the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting periods, irrespective of when settlement is expected to take place.

#### **(e) Impairment of non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Group. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the

## IODM Limited

### Notes to the Consolidated Financial Statements for the year ended 30 June 2023

carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

#### (f) Cash and cash equivalents

Cash and short term deposits in the Statement of Financial Position include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown as current liabilities in the Statement of Financial Position. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as described above.

#### (g) Financial instruments

##### Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs.

Financial assets are derecognised when the contractual rights to the cash flows from the finance asset expire, or when the financial asset and substantially all the risk and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

##### Classification and subsequent measurement of financial assets

Financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss (FVTPL)
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Equity instruments at FVTOCI

Classification are determined by both

- The Group's business model for managing the financial asset, and
- The contractual cash flow characteristics of the financial asset.

## **IODM Limited**

### **Notes to the Consolidated Financial Statements for the year ended 30 June 2023**

Financial assets at amortised cost

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of 'hold to collect' contractual cash flows are accounted for at amortised cost using the effective interest method. The Group's cash and cash equivalents and trade and other receivables fall into this category of financial instruments.

#### **Impairment of financial assets**

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group considers a financial asset in default when contractual payment are 90 days are due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group

#### **Classification and measurement of financial liabilities**

The Group measures all financial liabilities initially at fair value less transaction costs. Subsequently financial liabilities are measured at amortised cost using the effective interest rate method. All interest related charges are included within finance costs.

The financial liabilities of the Group comprise trade payables, other payables and lease liabilities.

#### **(h) Leases**

At inception of contract, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key criteria:

- the contract contains an identified asset,
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, and
- the Group has the right to direct the use of the identified asset throughout the period of use.

#### *Measurement and recognition of leases as a lessee*

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

## **IODM Limited**

### **Notes to the Consolidated Financial Statements for the year ended 30 June 2023**

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments, variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment.

#### **(i) Finance costs**

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including interest on short-term and long-term lease liabilities.

#### **(j) Contributed equity**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### **(k) 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.

#### **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 29. 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.

#### **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.

#### **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.

## **IODM Limited**

### **Notes to the Consolidated Financial Statements for the year ended 30 June 2023**

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

#### **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.

#### **The following key judgements have been applied in relation to:**

##### *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.

#### **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 2023 amounting to \$15,421,255 (2022: \$14,180,283) and capital losses of \$160,349 (2022: \$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 2023 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.

#### **(I) Goods and services tax/Value added tax**

Revenues, expenses and assets are recognised net of the amount of GST & VAT, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO) or VAT is not recoverable from the HM Revenue & Customs (HRMC). In these circumstances the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST/VAT.

The net amount of GST/VAT recoverable from, or payable to, the ATO or HRMC is included as part of receivables or payables in the statement of financial position.

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## **IODM Limited**

### **Notes to the Consolidated Financial Statements for the year ended 30 June 2023**

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST or VAT component of investing and financing activities, which is receivable from or payable to the ATO/HRMC, are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST/VAT recoverable from, or payable to the ATO/HRMC.

#### **(m) Income tax**

Tax expense recognised in profit or loss comprises the sum of current and deferred taxes.

Current income tax comprises those obligations to tax authorities that are unpaid at balance date. Current tax is payable on taxable profit. The calculation of current tax is based upon tax rates that are enacted, or substantively enacted, by the end of the reporting period.

Deferred income tax is provided for on all temporary differences at reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

No deferred income tax will be recognised from the initial recognition of goodwill or of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss. No deferred income tax will be recognised in respect of temporary differences associated with investments in subsidiaries if the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the near future.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Profit or Loss and Other Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

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.

The carrying amount of deferred tax assets is reviewed at each reporting date and only recognised to the extent that sufficient future assessable income is expected to be obtained for items recognised in other comprehensive income or directly in equity the corresponding tax change is also recognised directly in equity then the corresponding tax change is also recognised in other comprehensive income or directly in equity.

The company and its wholly-owned subsidiaries are a tax-consolidated Group and are therefore taxed as a single entity. The head entity within the tax-consolidated Group is IODM Limited. The members of the tax-consolidated identified in Note 23.

#### **(n) Earnings per share**

##### *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group, excluding any costs of servicing equity other than dividends, by the weighted average number of ordinary shares, adjusted for any bonus elements.

##### *Diluted earnings per share*

Diluted earnings per share is calculated as net profit attributable to members of the Group, adjusted for:

## **IODM Limited**

### **Notes to the Consolidated Financial Statements for the year ended 30 June 2023**

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; and
- divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus elements.

#### **(o) Comparative Figures**

The comparative figures have been reclassified in certain circumstances to provide a more meaningful presentation of financial statement information.

#### **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.

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## IODM Limited

### Notes to the Consolidated Financial Statements for the year ended 30 June 2023

	2023	2022
	\$	\$
<b>6. Revenue</b>		
<b>From continuing operations</b>		
Implementation and customisation fees	22,800	3,000
Licence fees	746,130	793,015
Referral commission	1,721	6,005
Revenue share	366,964	1,282
<b>Total</b>	<b>1,137,615</b>	<b>803,302</b>

#### Timing of Transfer of Goods and Services

Point in time	389,764	3,000
Over time	747,851	800,302
<b>Total</b>	<b>1,137,615</b>	<b>803,302</b>

#### Primary Geographic Market

##### Australia

Point in time	22,800	3,000
Over time	687,583	734,020

##### New Zealand

Point in time	-	-
Over time	32,000	37,475

##### United Kingdom

Point in time	366,964	-
Over time	28,268	28,807
<b>Total</b>	<b>1,137,615</b>	<b>803,302</b>

Included within revenue is an amount of \$36,158 (2022: \$55,811) that was included in unearned revenue at the beginning of the period.

There were two customers that contributed more than 10% of the customer's total revenue in 2023 (2022: one). The revenue of the two major clients in 2023 was \$501,018 (2022: one major client \$81,818)

#### Other Income

Interest	9,198	219
Export Market Development Grant	24,600	30,001
Research and development tax incentive	400,046	406,312
<b>Total</b>	<b>433,844</b>	<b>436,532</b>

	2023	2022
	\$	\$
<b>7. Finance costs</b>		
Finance costs for the reporting periods consist of the following		
Interest expense in respect of leases	13,950	17,719
Interest expense - other	6,949	3,786
<b>Total</b>	<b>20,899</b>	<b>21,505</b>

**IODM Limited****Notes to the Consolidated Financial Statements for the year ended 30 June 2023**

<b>8. Other Expenses</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Advertising and promotion	73,000	43,902
Capital assets written off	7,819	1,692
Commission	12,915	26,657
Entertainment	28,380	14,392
General expenses	66,484	64,482
Insurance	90,794	54,504
Travel and accommodation	169,550	109,631
Website	10,444	2,400
<b>Total other expenses</b>	<b>459,386</b>	<b>317,660</b>

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**IODM Limited****Notes to the Consolidated Financial Statements for the year ended 30 June 2023**

	2023	2022
	\$	\$
<b>9. Income tax</b>		
<b>(a) Income tax benefit</b>		
The components of tax expense/(benefit) comprise		
<b>Current tax</b>		
Current tax benefit	-	-
<b>Total current tax benefit</b>	<b>-</b>	<b>-</b>
<b>Deferred tax</b>		
Deferred tax benefit	(296,920)	(369,058)
Adjustment for deferred tax of prior periods	-	14,482
<b>Total deferred tax benefit</b>	<b>(296,920)</b>	<b>(354,576)</b>
<b>Income tax benefit</b>	<b>(296,920)</b>	<b>(354,576)</b>
<b>(b) Income tax recognised in profit / (loss)</b>		
The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Loss from operations	(2,396,987)	(2,397,880)
Prima facie tax benefit on loss from ordinary activities before income tax at 25% (2021: 26%)	(599,247)	(599,470)
Research and Development incentive	(100,012)	(101,578)
Non-deductible expenses	43,918	102,078
Non-assessable income	(966)	-
Research and Development expenditure	359,417	229,912
Adjustment for prior periods	-	14,482
<b>Income tax expense/(benefit)</b>	<b>(296,920)</b>	<b>(354,576)</b>
<b>Income tax attributable to the entity</b>	<b>-</b>	<b>-</b>
<b>(c) Deferred tax assets</b>		
<b>Unrecognised deferred tax asset balances:</b>		
Timing differences	214,131	252,998
Tax losses - revenue	3,855,314	3,545,071
Tax losses - capital	40,087	40,087
Offset against deferred tax liabilities (refer (d) below)	(124,507)	(162,817)
Amounts in equity	10,228	12,766
<b>Deferred tax assets not brought to account</b>	<b>3,995,253</b>	<b>3,688,105</b>
<b>(d) Deferred tax liabilities</b>		
<b>Unrecognised deferred tax liability balances:</b>		
Timing differences	(124,507)	(162,817)
Offset by deferred tax assets (not brought to account)	124,507	162,817
<b>Deferred tax liabilities brought to account</b>	<b>-</b>	<b>-</b>

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## IODM Limited

### Notes to the Consolidated Financial Statements for the year ended 30 June 2023

	2023	2022
	\$	\$
<b>10. Cash and cash equivalents</b>		
<b>Reconciliation of loss after tax to net cash flows used in operating activities</b>		
Loss from ordinary activities after tax	(2,396,987)	(2,397,880)
<b>Non-cash items</b>		
Depreciation	153,240	153,240
Unrealised foreign exchange gain	(3,970)	-
Foreign currency translation	(6,788)	(1,797)
Share Based payments	147,292	390,615
<b>Changes in assets and liabilities</b>		
Decrease/(increase) in trade and other receivables	(14,890)	(25,603)
(Increase)/decrease in prepayments	(16,724)	34,038
Increase in trade payables	50,370	37,763
Increase/(decrease) in other creditors	30,487	(6,124)
(Decrease)/increase in employee benefits	(20,770)	29,515
<b>Net cash outflow from operating activities</b>	<b>(2,078,740)</b>	<b>(1,786,233)</b>
<b>Reconciliation of cash</b>		
Cash balance comprises:		
Cash at bank	1,782,065	1,190,967
	<b>1,782,065</b>	<b>1,190,967</b>
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>11. Trade and other receivables</b>		
<b>Current</b>		
Trade receivables	51,817	12,906
Less provision for Expected Credit Loss (ECL)	-	-
<b>Trade receivables Net of Provision for ECL</b>	<b>51,817</b>	<b>12,906</b>
Accrued revenue	25,548	-
Prepayments	47,438	30,714
	<b>124,803</b>	<b>43,620</b>
<b>Non-Current</b>		
Other receivables	111,104	111,104
<b>Total Trade and other receivables</b>	<b>235,907</b>	<b>154,724</b>

Other receivables (non-current) comprises an amount of \$111,104 (2022: \$111,104) as a deposit for the Group's leases as referred to within note 16.

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 24.

All trade receivables fall within the current to 30 day ageing brackets.

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## IODM Limited

Notes to the Consolidated Financial Statements for the year ended 30 June 2023

12. Property – Right of use Asset	Buildings	Total
	\$	\$
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)
<b>Balance at 30 June 2023</b>	<b>(306,480)</b>	<b>(306,480)</b>
<b>Carrying amount 30 June 2023</b>	<b>498,029</b>	<b>498,029</b>
Gross carrying amount		
Balance at 1 July 2021	-	-
Additions	804,509	804,509
Disposals	-	-
<b>Balance at 30 June 2022</b>	<b>804,509</b>	<b>-</b>
Amortisation and impairment		
Balance at 1 July 2021	-	-
Depreciation	(153,240)	(153,240)
Balance at 30 June 2022	(153,240)	(153,240)
<b>Carrying amount 30 June 2022</b>	<b>651,269</b>	<b>651,269</b>
<b>Included in the net carrying amount of property, plant and equipment are right-of use assets as follows:</b>		
	<b>30 June 2023</b>	
	\$	
Buildings and car park	498,029	
<b>Total right-of-use assets</b>	<b>498,029</b>	
<b>Depreciation charge on right-of-use assets</b>	<b>30 June 2023</b>	
	\$	
Buildings and car park	153,240	
<b>Depreciation charge on right-of-use assets</b>	<b>153,240</b>	

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**IODM Limited****Notes to the Consolidated Financial Statements for the year ended 30 June 2023**

	2023	2022
	\$	\$
<b>13. Trade and other payables</b>		
Trade creditors	186,246	104,661
GST payable	(1,773)	3,101
Accruals	111,024	136,728
Employee benefits payable	88,614	63,638
	<b>384,111</b>	<b>308,128</b>

<b>14. Other liabilities</b>		
Unearned Revenue	90,600	36,158
Other liabilities	19,333	-
	<b>109,933</b>	<b>36,158</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 2024.

Other liabilities represents part payment received on 30 June 2023 for options that were exercised on 3 July 2023.

	2023	2022
	\$	\$
<b>15. Employee Benefits</b>		
<b>Current</b>		
Annual Leave	58,112	70,835
Long Service Leave	36,994	31,731
	<b>95,106</b>	<b>102,566</b>
<b>Non-current</b>		
Long Service Leave	11,283	24,593
	<b>11,283</b>	<b>24,593</b>

**Movement in Employee Benefit Provisions**

Balance at beginning of the year	127,159	97,644
Movement in provision during the year (accrued less taken)	(20,770)	29,515
Balance at end of the year	<b>106,389</b>	<b>127,159</b>

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## IODM Limited

### Notes to the Consolidated Financial Statements for the year ended 30 June 2023

#### 16. Leases

##### The Group as a lessee

The Group has a lease over assets including buildings.

	2023	2022
	\$	\$
Lease Liabilities (current)	164,426	154,519
Lease Liabilities (non-current)	407,523	571,949
	<b>571,949</b>	<b>726,468</b>

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

There are no issues re: 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 Undiscounted	Finance charges	Lease liabilities included in this Consolidated Statement of Financial Position
<b>2023</b> Lease Liabilities	<b>174,366</b>	<b>414,347</b>	<b>588,713</b>	<b>(16,764)</b>	<b>571,949</b>
<b>2022</b> Lease Liabilities	168,469	588,713	757,182	(30,714)	726,468

##### 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

	2023	2022
	\$	\$
Depreciation of right-of-use assets	153,240	153,240
Lease interest	13,950	17,719
	<b>167,190</b>	<b>170,959</b>

##### Consolidated Statement of Cash Flows

Total cash outflow for leases	154,519	87,545
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## IODM Limited

Notes to the Consolidated Financial Statements for the year ended 30 June 2023

### 17. Issued capital

	2023	2022
(a) Issued and paid up capital	\$	\$
Ordinary shares fully paid	<u>16,236,427</u>	<u>13,435,372</u>

	2023		2022	
	Number of shares	\$	Number of shares	\$
(b) Movements in ordinary shares on issue				
Opening Balance	581,894,866	13,435,372	571,273,908	11,065,154
Shares issued on exercise of options	8,507,829	591,966	3,529,292	294,133
Shares issued under Share Placement	6,250,000	2,250,000	7,091,666	2,127,150
Creditors settled for equity			-	-
Transaction costs on share issues		(40,911)	-	(51,065)
	<u>596,652,695</u>	<u>16,236,427</u>	<u>581,894,866</u>	<u>13,435,372</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
7 August 2020	30 June 2024	\$0.192	312,500
23 July 2021	30 June 2025	\$0.300	816,667
21 October 2021	30 June 2025	\$0.300	1,281,111
3 May 2023	30 June 2026	\$0.390	550,000
<b>Total</b>			<b>2,960,278</b>

#### (e) Capital risk management

The Group's capital comprises share capital and reserves less accumulated losses. As at 30 June 2023, the Group has net assets of \$1,343,619 (2022: net assets of \$799,047).

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 2023

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 24 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.

	2023	2022
	\$	\$
<b>18. Reserves</b>		
Share based payments reserve	2,470,895	2,323,603
Foreign currency translation reserve	(7,423)	(635)
<b>Total</b>	<b>2,463,472</b>	<b>2,322,968</b>

#### Movements in Reserves:

##### *Share based payment reserve*

At beginning of the period	2,323,603	1,932,988
Options issued to employees	147,292	390,615
<b>Balance at the end of the year</b>	<b>2,470,895</b>	<b>2,323,603</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	(635)	1,162
Exchange difference on translation of foreign operations	(6,788)	(1,797)
<b>Balance at the end of the year</b>	<b>(7,423)</b>	<b>(635)</b>

	2023	2022
	\$	\$

#### **19. Accumulated losses**

Movements in accumulated losses were as follows:

Opening balance	14,959,293	12,561,413
Loss for the year	2,396,987	2,397,880
<b>Balance at the end of the year</b>	<b>17,356,280</b>	<b>14,959,293</b>

## IODM Limited

### Notes to the Consolidated Financial Statements for the year ended 30 June 2023

	2023	2022
	\$	\$
<b>20. Loss per share</b>		
Loss used in calculating basic and dilutive EPS	(2,396,987)	(2,397,880)

	Number of Shares	
	2023	2022
Weighted average number of ordinary shares used in calculating basic loss per share:	586,237,081	576,325,960
<b>Effect of dilution:</b>		
Adjusted weighted average number of ordinary shares used in calculating diluted loss per share:	586,237,081	576,325,960

On the basis of the Group's losses, the outstanding options as at 30 June 2022 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)	(0.41)	(0.42)
--	--------	--------

	2023	2022
	\$	\$
<b>21. 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	54,750	50,000
	<u>54,750</u>	<u>50,000</u>

## 22. 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.

### 22.1 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 totalling \$ 41,206 (2022 \$39,400) of which \$3,448 (2022 \$3,283) 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 \$2,750 (2022 Nil) of which \$2,750 (2022 Nil) was outstanding at year end.

There were no other transactions or loans made to key management personnel for the year ended 30 June 2023.

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## IODM Limited

### Notes to the Consolidated Financial Statements for the year ended 30 June 2023

#### 22.2 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:

	2023	2022
	\$	\$
<b>Short-term employee benefits</b>		
Salaries	407,240	403,919
Short-term incentives	215,000	230,000
Other	9,400	10,000
Directors fees	187,249	177,570
Leave entitlements	19,763	27,306
<b>Total short-term employee benefits</b>	<b>838,652</b>	<b>848,795</b>
Long-term benefits	30,807	22,466
Post-employment benefits	57,806	55,418
Share-based payments	98,889	291,350
<b>Total remuneration</b>	<b>1,026,154</b>	<b>1,218,029</b>

#### 23. 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	
		2023	2022
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 January 2022 the following IODM Limited dormant subsidiary companies were deregistered finalising the process of the members voluntary liquidation.

Name of Subsidiary	Deregistration Date
Paradigm Queensland Pty Limited	22 January 2022
Brazil Graphite Pty Limited (previously Paradigm NSW Pty Limited)	24 January 2022
Tungsten NSW Pty Ltd	24 January 2022

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## IODM Limited

### Notes to the Consolidated Financial Statements for the year ended 30 June 2023

#### 24. 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:

	2023	2022
	\$	\$
<b>Financial Assets</b>		
Cash and cash equivalents	1,782,065	1,190,967
Trade and other receivables	235,907	154,724
	<b>2,017,972</b>	<b>1,345,691</b>
<b>Financial Liabilities</b>		
Trade and other payables	384,111	308,128
Lease liabilities	571,949	726,468
	<b>956,060</b>	<b>1,034,596</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.

As the Group does not have external borrowings there is no exposure to interest rate risk.

##### (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 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 2023

Consolidated – 2023	Weighted average interest rate	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Remaining Contractual Maturities \$
<b>Non-derivatives</b>					
<i>Non-interest bearing</i>					
Trade payables	-	186,246	-	-	105,255
Other payables	-	197,865	-	-	170,768
<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>847,972</b>

Consolidated – 2022	Weighted average interest rate	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Remaining Contractual Maturities \$
<b>Non-derivatives</b>					
<i>Non-interest bearing</i>					
Trade payables	-	104,661	-	-	104,661
Other payables	-	203,467	-	-	203,467
<i>Interest bearing</i>					
Lease liabilities	4%	154,519	164,426	407,523	726,468
<b>Total Non-derivatives</b>		<b>462,647</b>	<b>164,426</b>	<b>407,523</b>	<b>1,034,596</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 2023

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 no significant concentration of credit risk with respect to any single counter party or group of counterparties.

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 2023 (2022: nil).

At 30 June 2023, 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).

#### **(b) 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 borrowings or enter into hedges. An increase in interest rates on cash at bank by 0.5% during the whole of the respective periods would have lead to a decrease in losses of less than \$6,000.

##### **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 flunctations is continually monitored and measured using sensitivity analysis and cashflow forecasting.

At 30 June 2023 and 2022 there were no forward exchange contracts.

## IODM Limited

### Notes to the Consolidated Financial Statements for the year ended 30 June 2023

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	
	2023	2022	2023	2022
	\$	\$	\$	\$
British pounds	197,805	5,122	15,483	-
US dollars	-	-	11,984	9,052
Singapore dollars	-	-	-	-
AED dollars	-	-	1,967	-
	<b>197,805</b>	<b>5,122</b>	<b>29,434</b>	<b>9,052</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.

#### (c) Fair Value Measurement

There were no financial assets or liabilities at 30 June 2023 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.

#### 25. Contingent Liabilities

There are no known contingent liabilities as at 30 June 2023 (2022: nil).

#### 26. Subsequent Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of the operations, or the state of affairs of the Group in future financial years.

#### 27. Commitments

There are no known commitments as at 30 June 2023 (2022:nil).

#### 28. 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 2023.

The balance of the franking account is nil at 30 June 2023 (2022: nil).

## IODM Limited

### Notes to the Consolidated Financial Statements for the year ended 30 June 2023

#### 29. Share Based Payments

##### (a) Share Based Employee Remuneration

The Group issued 550,000 to employees over ordinary shares under its employee share option plan throughout the year ended 30 June 2023. 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 May 2023		
	Tranche 1	Tranche 2	Tranche 3
No of Options	183,334	183,334	183,332
Vesting period ends	30 June 2026	30 June 2026	30 June 2026
Share price at date of grant	\$0.33	\$0.33	\$0.33
Volatility	70%	70%	70%
Length of time to vesting (year)	0.66 years	1.66 years	2.66 years
Length of time to expiry (year)	3.16 years	3.16 years	3.16 years
Expected life (year)	2.7 years	2.9 years	3.1 years
Dividend yield	0%	0%	0%
Weighted average risk-free investment rate	3.11%	3.08%	3.08%
Weighted average exercise price	\$0.39	\$0.39	\$0.39
Weighted average fair value per option at grant date	\$0.135	\$0.141	\$0.146

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 2022	11,315,178
Granted	550,000
Forfeited	268,182
Exercised	8,507,829
<b>Outstanding at 30 June 23</b>	<b>3,089,167</b>
Exercisable at 30 June 23	1,796,948

In total \$147,292 (2022 \$390,615) 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 2023

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

2023								
Grant Date	Expiry Date	Exercise Price	Balance 01/07/22	Granted	Exercised	Expired or Forfeited	Balance 30/06/23	Number vested and exercisable
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>

2022								
Grant Date	Expiry Date	Exercise Price	Balance 01/07/21	Granted	Exercised	Expired or Forfeited	Balance 30/06/22	Number vested and exercisable
05/07/2019	30/06/2023	\$0.066	3,090,908	-	652,020	-	2,438,888	2,438,888
06/09/2019	30/06/2023	\$0.102	1,600,000	-	1,066,666	-	533,334	533,334
21/11/2019	30/06/2023	\$0.066	6,372,728	-	1,060,606	-	5,312,122	5,312,122
21/11/2019	30/06/2023	\$0.096	1,125,000	-	750,000	-	375,000	375,000
17/08/2020	30/06/2024	\$0.192	312,500	-	-	-	312,500	208,334
23/07/2021	30/06/2025	\$0.300	-	933,334	-	-	933,334	311,113
21/10/2021	30/06/2025	\$0.300	-	1,410,000	-	-	1,410,000	470,002
<b>TOTAL</b>			<b>12,501,136</b>	<b>2,343,334</b>	<b>3,529,292</b>	<b>-</b>	<b>11,315,178</b>	<b>9,648,793</b>

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## IODM Limited

### Notes to the Consolidated Financial Statements for the year ended 30 June 2023

#### 30. Parent entity information

The following details information related to the legal parent entity, IODM Limited at 30 June 2023. The information presented here has been prepared using consistent accounting policies as presented in note 4.

	2023 \$	2022 \$
Current assets	1,894,548	1,223,321
Non-current assets	609,133	762,373
<b>Total assets</b>	<b>2,503,681</b>	<b>1,985,694</b>
Current liabilities	768,945	602,518
Non-current liabilities	418,806	596,542
<b>Total liabilities</b>	<b>1,187,751</b>	<b>1,199,060</b>
<b>Net assets</b>	<b>1,315,930</b>	<b>786,634</b>
Issued capital	28,291,098	25,490,043
Reserves	2,574,305	2,427,013
Accumulated losses	(29,549,473)	(27,130,422)
<b>Total surplus</b>	<b>1,315,930</b>	<b>786,634</b>
Loss of the parent entity	(2,419,051)	(2,417,656)
<b>Total comprehensive loss of the parent entity</b>	<b>(2,419,051)</b>	<b>(2,417,656)</b>

The parent entity had no capital commitments or contingent liabilities at 30 June 2023 or 30 June 2022.

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## **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 2023 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
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 2023**

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**Auditor's Independence Declaration**  
**Under Section 307c of the *Corporations Act 2001***  
**To the Directors of IODM Limited and its Controlled Entities**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been:

- (i) no contraventions of the auditor independence requirements of 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**  
Partner

30 August 2023

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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 2023, 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, and notes to the financial statements, including a summary of significant accounting policies, 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 2023 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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*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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### Key Audit Matters

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

Key Audit Matter	How We Addressed the Key Audit Matter
<b>Going Concern – Note 3</b>	
<p>The Group's consolidated financial statements have been prepared on a going concern basis.</p> <p>The Group incurred a net loss after tax for the year ended 30 June 2023 of \$2,396,987 (2022 \$2,397,880) and incurred net cash outflows from operating activities of \$2,078,740 (2022 \$1,786,233).</p> <p>At 30 June 2023, the Group had a net asset position of \$1,343,619 (2022 : \$799,047) and a net current asset position of \$1,153,292 (2022 : \$633,216).</p> <p>The ability to continue as a going concern is dependent upon a number of factors including achieving forecast sales predominantly associated with UK Universities or raising additional funds.</p> <p>The calculations supporting the assessment require management to make highly subjective judgements and are based on estimates of future performance.</p> <p>They are also fundamental to assessing the suitability of the basis adopted for the preparation of the financial statements.</p> <p>We have therefore spent significant audit effort on verifying University revenue including the time of senior members of our audit team, in assessing the appropriateness of these assumptions.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>■ Obtaining the Group's cash flow forecast covering the period of 12 months from the date the financial statements are approved.</li> <li>■ Reviewing the Group's historic record of being able to raise additional capital.</li> <li>■ Comparing actual results for the year ended 30 June 2023 against the forecast results to determine the accuracy of management's historic forecasting.</li> <li>■ Reviewing the reasonableness of key assumptions used in the cash flow forecast. This includes a review of supporting documentation for significant revenue streams , operating costs , capital expenditure, expenditure payment cycles, and timing of revenue inflows and other sources of funding.</li> <li>■ Performing a sensitivity analysis based on consideration of downside scenarios in the forecast and comparing the forecast to the latest management accounts.</li> </ul> <p>Evaluating the adequacy of disclosure of Going Concern in Note 3 of the Group financial statements.</p>

### 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 2023 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.

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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 9 to 14 of the Directors' Report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of IODM Limited, for the year ended 30 June 2023, 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**  
Partner

Melbourne, Victoria  
Date: 30 August 2023

## IODM Limited – Corporate Governance Statement

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This statement has been approved by the Board. It is current as at 310 August 2023 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 2022.

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 2023 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	4	31%
Women in senior executive positions	1	7.7%
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 4 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 seven times during the financial year. Director's attendances are set out on page 6 of the 2023 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	84 months
Mr. David Ireland	70 months
Ms Karen Penney	3 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 2023, the Board comprised one non-executive Chair, four 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

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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*

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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 2023 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.

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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

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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:*

## IODM Limited – Corporate Governance Statement

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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 21 August, 2023

### Distribution of Share Holders

	Ordinary Shares	
	Number of Holders	Number of Shares
1 - 1,000	154	21,487
1,001 - 5,000	119	325,249
5,001 - 10,000	50	383,847
10,001 - 100,000	336	16,035,308
100,001 - and over	253	579,903,340
<b>TOTAL</b>	<b>912</b>	<b>596,669,231</b>

### Substantial Shareholders

Holder	No Shares	% Holding
Arena IODM Portfolio	35,854,427	6.01

### 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 596,669,231 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 2,960,278 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.

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## IODM Limited

### Top Twenty Share Holders

Position	Holder Name	Holding	%
1	J P MORGAN NOMINEES AUSTRALIA	81,928,116	13.73%
2	CITICORP NOMINEES (AUSTRALIA) LIMITED	45,863,545	7.69%
3	ARENA IODM PORTFOLIO PTY LTD <ARENA IODM PORTFOLIO A/C>	35,854,427	6.01%
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	33,181,529	5.56%
5	YONGALA INVESTMENTS PTY LTD	29,425,758	4.93%
6	HAY STREET PROPERTY PTY LTD <HAY STREET PROPERTY A/C>	22,967,000	3.85%
7	EVERFLOW TECHNOLOGIES INC	22,877,901	3.85%
8	ROGERS IODM PORTFOLIO PTY LTD <ROGERS IODM PORTFOLIO A/C>	20,387,013	3.42%
9	MARK REILLY	19,679,697	3.29%
10	ROGERS RUBIO SUPERANNUATION FUND<ROGERS RUBIO SUPERFUND>	19,331,934	3.24%
11	CSF INVESTMENTS (QLD) PTY LTD <CRANOT SUPER FUND A/C>	15,243,590	2.55%
12	LALA INVESTMENTS PTY LTD <ALI-OOP S/FUND A/C>	12,810,257	2.15%
13	WINDPAC PTY LTD <THE SLACK FAMILY A/C>	11,260,000	1.88%
14	THE RUFUS PARTNERSHIP (VIC) PTY LTD	10,349,105	1.73%
15	262 CAPITAL PTY <ST INCOME A/C>	10,000,000	1.68%
16	STARWAY CORPORATION PTY LTD <GILES SUPER FUND A/C>	9,625,952	1.61%
17	NICSA PTY LTD <HALSALL FAMILY A/C>	8,573,686	1.44%
18	CLAYDON SUPER PTY LTD <CLAYDON SUPER FUND A/C>	6,871,401	1.43%
19	BEEZ AND HONEY PTY TLD <THE HONEY POT A/C>	6,569,189	1.15%
20	JENGUS HOLDINGS PTY LTD <JENGUS SUPERFUND A/C>	5,450,000	0.94%
	Total Securities of Top 20 Holdings	428,462,147	71.81%
	<b>Total of Securities</b>	<b>596,669,231</b>	

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