BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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Application of	)	
net2phone 2.0 America, Inc. for a	)	
Certificate of Public Convenience and	)	Application No.
Necessity to Provide Fixed Interconnected	)	
VoIP Services	)	

APPLICATION OF NET2PHONE 2.0 AMERICA, INC. FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY PURSUANT TO PUBLIC UTILITIES CODE SECTION 1001

Carey Roesel, Consultant
JSI
151 Southhall Lane, Suite 450
Maitland, FL 32751
Telephone: 470-672-3012
Email: carey.roesel@jsitel.com

Dated: October 19, 2026

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

CPCN Application Form Pursuant to Public Utilities Code Section 1001

1. APPLICANT INFORMATION

Applicant Name: net2phone 2.0 America, Inc.

Business Address: 520 Broad Street, Newark, New Jersey 07102

Telephone No.: 973-438-4854

E-mail Address: carl.billek@idt.net

1.a. Principal Place of Business: (if different from address above)

1.b. List all fictitious business names under which Applicant has done business in the last five years:

None

1.c. Applicant is (check one only)

- ◉ Corporation (Inc)
- ○ General Partnership
- ○ Limited Partnership (LP)
- ○ Sole Proprietor
- ○ Limited Liability Company (LLC)
- ○ Trust
- ○ Other, specify:

Attach **Appendix A** with the following: 1) a copy of the entity's organizing documents; and (2) a copy of its Certificate of Good Standing Status certified by the California Secretary of State and/or additional evidence of the Applicant's qualification to transact business in California.

1.d. FCC Registration No.: 0010522506 **1.e CSOS Entity No.:** 4837990

1.f. Applicant has a foreign ownership interest

◉ NO ○ YES, Foreign entity interest:

2. APPLICANT REGISTERED AGENT FOR SERVICE OF PROCESS

Agent Name: CORPORATION SERVICE COMPANY WHICH WILL DO BUSINESS IN CALIFORNIA AS CSC - LAWYERS INCORPORATING SERVICE

Address: 2710 Gateway Oaks Drive, Suite 150N, Sacramento, CA 95833-3505

Telephone No.: 800-927-9800

3. APPLICANT LEGAL DOMICILE (check one only)

○ California ◉ Other, specify: Delaware

4. APPLICANT PROPOSED SCHEDULE OF PROCEEDING (check all that apply)

Ratesetting	DATE(s)	Other Proposed Schedule	DATE(s)
☑ Prehearing Conference	01/06/27	☐	
☑ Scoping Memo	02/06/27	☐	
☐ Testimony (Optional)		☐	
☐ Briefing (Optional)		☐	
☐ Evidentiary Hearing (Optional) **(Appendix B)**		☐	
☑ Proposed Decision	06/06/27	☐	

If Evidentiary Hearing is selected, attach **Appendix B** describing the issues which require hearing and length of hearing needed.

5. WHAT ISSUES ARE THERE TO BE RESOLVED IN THIS APPLICATION?
(check all that apply)

☑ Whether this application meets all state and California Public Utilities Commission (Commission) requirements for a certificate of public convenience and necessity (CPCN), including but not limited to financial, technical, and California Environmental Quality Act (CEQA) requirements.

☐ Whether the proposed construction is eligible for the Commission's 21 day expedited process for CEQA review.

☐ Consideration of a safety issue. (Provide a description of the issue below.)

☐ Consideration of an Environmental and Social Justice (ESJ) issue. (Provide a description explaining the ESJ issue for resolution. Otherwise, Applicant attests that there is no ESJ issue for consideration in this Application.)

☐ Other (Provide a description of the issue(s) below.)

6. APPLICANT WILL OPERATE AS (check all that apply)		
☐ Competitive Local Exchange Service Provider	☐ Interexchange (Intra/Inter-LATA) Service Provider	☑ Fixed Interconnected Voice over Internet Protocol (VoIP) Service Provider
6.a. Proposed Facilities	**6.b. Proposed Facilities**	**6.c. Proposed Facilities**
○ Full Facilities-Based	○ Full Facilities-Based	○ Full Facilities-Based
○ Limited Facilities-Based	○ Limited Facilities-Based	○ Limited Facilities-Based
☐ Switchless-Reseller/ Non-Facilities-Based	☐ Switchless-Reseller/ Non-Facilities-Based	☑ Non-Facilities-Based
6.d. Service Territories	**6.e. Service Territories**	**6.f. Service Territories**
☐ Within ALL the service territories of uniform regulatory framework incumbent local exchange carrier	○ Throughout the state of California.	☑ Within the service territories of uniform regulatory framework incumbent local exchange carriers
☐ Within ALL the service territories of the small incumbent local exchange carrier	○ In specific portions of the state only **(Appendix C)**	☐ Within the service territories of small incumbent local exchange carrier
☐ In specific portions of the state only **(Appendix C)**		☐ In specific portions of the state only **(Appendix C)**

Applicant that *only* selected non-Facilities-based for Proposed Facilities (Section 6.a, 6.b. and 6.c.) is not required to respond to Section 11 and 12 of the CPCN Application form. If no facilities are proposed, Applicant may be eligible to use the 1013 registration process pursuant to Pub. Util. Code Section 1013.

Attach **Appendix C** to include a list of the specific portion(s) or geographical location(s) of the State, and/or ILEC territory(ies); and a copy of the map(s).

Applicant seeking to operate in any Small Incumbent Local Exchange Carriers territories must meet the requirements contained in Appendix A of D.20 08 011.

7. DATE APPLICANT EXPECTS TO BEGIN OR HAS BEGUN OFFERING SERVICE(S) IN CALIFORNIA (If already operating in California, attach **Appendix D**)

09/01/26

8. APPLICANT WILL PROVIDE THE FOLLOWING SERVICES IN CALIFORNIA
(check all that apply)

☑ Provide voice services (traditional wireline and/or Fixed Interconnected VoIP) directly to customers

☐ Build facilities which will transmit or facilitate voice services (traditional wireline and/or Interconnected VoIP) through third parties.

☐ Other (Describe below other services applicant offers, whether or not they are within Commission's jurisdiction.)

9. SWORN AFFIDAVIT

◉ TRUE ○ NOT TRUE **(Appendix E)**

Neither Applicant, any of its affiliates, officers, directors, partners, agents, or owners (directly or indirectly) of more than 10% of Applicant, or anyone acting in a management capacity for Applicant: (a) held one of these positions with a company that filed for bankruptcy; (b) been personally found liable, or held one of these positions with a company that has been found liable, for fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; (c) been convicted of a felony; (d) been (to his/her knowledge) the subject of a criminal referral by judge or public agency; (e) had a telecommunications license or operating authority denied, suspended, revoked, or limited in any jurisdiction; (f) personally entered into a settlement, or held one of these positions with a company that has entered into settlement of criminal or civil claims involving violations of Sections 17000 et seq., 17200 et seq., or 17500 et seq. of the California Business & Professions Code, or of any other statute, regulation, or decisional law relating to fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; (g) been found to have violated any statute, law, or rule pertaining to public utilities or other regulated industries; and/or (h) entered into any settlement agreements or made any voluntary payments or agreed to any other type of monetary forfeitures in resolution of any action by any regulatory body, agency, or attorney general.

Attach **Appendix E** if Applicant's response to this section is anything other than an unqualified "True." Applicant must declare exceptions by attaching documentation and describing any such bankruptcies, findings, judgments, convictions, referrals, denials, suspensions, revocations, limitations, settlements, voluntary payments or any other type of monetary forfeitures.

9.a. List of all affiliated entities (Attach **Appendix F**)

10. APPLICANT HAS THE REQUIRED MANAGERIAL AND TECHNICAL EXPERTISE TO OPERATE AS A SERVICE PROVIDER OF THE TYPE INDICATED IN SECTION 6 OF THIS FORM.
☑ TRUE
Attach **Appendix G** with the following: 1) List of the names, titles, and street addresses of all officers, directors, partners, agents, or owners (directly or indirectly) of more than 10% of Applicant, or any person acting in such capacity whether or not formally appointed, and 2) all resumes for each personnel identified listing all employment for each officer, director, partner, agent, or owner (directly or indirectly) of more than 10% of Applicant, or any person acting in such capacity whether or not formally appointed.
10.a. APPLICANT ATTESTATION
○ TRUE ◉ NOT TRUE **(Appendix H)**
To the best of Applicant's knowledge, neither Applicant, any affiliate, officer, director, partner, nor owner of more than 10% of Applicant, or any person acting in such capacity whether or not formally appointed, is being or has been investigated by the Federal Communications Commission or any law enforcement or regulatory agency for failure to comply with any law, rule or order. Attach **Appendix H** if Applicant's response to this section is anything other than an unqualified "True." Applicant must declare exceptions by attaching documentation and describing all such investigations, whether pending, settled voluntarily or resolved in another manner.
11. CONSTRUCTION OR EXTENSION OF FACILITIES FOR LIMITED AND FULL FACILITIES-BASED APPLICANTS ONLY.
☐ YES. Attach **Appendix I** that includes all responses to **11.a.** thru **11.j.**
11.a. Description of proposed construction activities, documentation attached.
11.b. List of competing entities
11.c. Map showing proposed construction
11.d. Statement of franchises and health and safety permits
11.e. Facts showing public convenience and necessity requiring the proposed construction.
11.f. Statement showing cost of construction.
11.g. Statement showing financial ability to render service.
11.h. Statement showing proposed rates.
11.i. Annual Report Statement.
11.j. Estimated number of customers in the first and fifth years in the future

12. APPLICANT'S PROPOSED FULL FACILITIES ARE LIKELY ELIGIBLE FOR A CATEGORICAL EXEMPTION FROM CEQA AND APPLICANT REQUESTS TO UTILIZE THE ENERGY DIVISION'S 21-DAY EXPEDITED CEQA REVIEW PROCESS.

○ YES. Attach **Appendix J** with list of categorical exemptions and briefly explain the applicability of each exemption to the proposed construction.

○ NO. Attach **Appendix J** with Preliminary Environmental Assessment.

13. FINANCIAL REQUIREMENT

☑ TRUE

Applicant has a minimum of (a) $25,000 in the case of a switchless reseller/ non facilities based OR (b) $100,000 in the case of a Facilities-Based (Full and/or Limited), in each case reasonably liquid and available to meet the firm's first year expenses, including an additional $25,000 for deposits which may be required by local exchange carriers or interexchange carriers; OR (c) has profitable interstate operations to generate the required cash flow.

Attach **Appendix K** containing a financial instrument pursuant to Appendix F of D.24-11-003 that demonstrates the Applicant's financial ability as required above.

14. APPLICANT IS ELIGIBLE AND SEEKS AN EXEMPTION FROM TARIFFING REQUIREMENTS

◉ TRUE ○ NOT TRUE (Attach **Appendix L** with Applicant's Draft Initial Tariff)

15. OTHER LICENSE(S) HELD WITH THE COMMISSION, EITHER CURRENT AND/OR PRIOR

○ NONE

◉ CURRENT AND/OR PRIOR, specify:

IDT America Corp. (U-5427-C) - Active
IDT Domestic Telecom, Inc. (U-4552-C) – Withdrawn 3/20/2025
net2phone 2.0 America, Inc. (U-7553-C)

16. PERFORMANCE BOND REQUIREMENT

☑ TRUE

Applicant attests that, upon approval of its request, it will comply with the California Public Utilities Commission's performance bond requirements in accordance with Decision (D.) 10-09-017, D.11-09-026, D.13-05-035 and D.24-11-003.

I hereby declare under penalty of perjury under the laws of the State of California that the forgoing information, and all attachments, are true, correct, and complete to the best of my knowledge and belief after due inquiry, and that I am authorized to make this application on behalf of the Applicant named above.

Signed Carl Billek

Name Carl Billek

Title Vice-President - Regulatory

Dated 10/15/26

Address 520 Broad Street
Newark, New Jersey 07102

Telephone 973-438-4854

Email Address carl.billek@idt.net

Appendix A

ORGANIZING DOCUMENTS,

EVIDENCE OF QUALIFICATION IN CALIFORNIA TO TRANSACT BUSINESS

&

CALIFORNIA CERTIFICATE OF GOOD STANDING

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "NET2PHONE 2.0 AMERICA, INC.", FILED IN THIS OFFICE ON THE NINETEENTH DAY OF NOVEMBER, A.D. 2021, AT 3:50 O`CLOCK P.M.

Jeffrey W. Bullock, Secretary of State

6410566 8100
SR# 20213854977

Authentication: 204752351
Date: 11-20-21

You may verify this certificate online at corp.delaware.gov/authver.shtml

State of Delaware
Secretary of State
Division of Corporations
Delivered 03:50 PM 11/19/2021
FILED 03:50 PM 11/19/2021
SR 20213854977 - File Number 6410566

CERTIFICATE OF INCORPORATION
OF
NET2PHONE 2.0 AMERICA, INC.

FIRST: The name of the corporation is net2phone 2.0 America, Inc. (the "*Corporation*").

SECOND: The address of its registered office in the State of Delaware is 251 Little Falls Drive, in the City of Wilmington, County of New Castle, DE 19808-1674. The name of its registered agent at such address is Corporation Service Company.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law ("*DGCL*").

FOURTH: The total number of shares of stock which the corporation shall have authority to issue is 1,500 shares of common stock, par value $.01 per share.

FIFTH: The name and mailing address of the incorporator is as follows:

Name	Mailing Address
Mini Rivera	37 West 39th Street, Suite 505 New York, NY 10018

SIXTH: The Corporation is to have perpetual existence.

SEVENTH: In furtherance and not in limitation of the powers conferred by statute, the board of directors is expressly authorized to adopt, amend, alter or repeal the by-laws of the Corporation.

EIGHTH: Elections of directors need not be by written ballot unless the by-laws of the Corporation shall so provide. Meetings of stockholders may be held within or without the State of Delaware, as the by-laws may provide. The books of the Corporation may be kept (subject to any provision contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the board of directors or in the by-laws of the Corporation.

NINTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

THE UNDERSIGNED, being the incorporator hereinbefore named, for the purpose of forming a corporation pursuant to the provisions of the DGCL, does hereby make this certificate, hereby declaring and certifying that this is my act and deed and the facts herein stated are true, and accordingly have hereunto set my hand this 18th day of November 2021.

/s/ Mini Rivera
Mini Rivera, Incorporator

California Secretary of State
Electronic Certified Copy

I, SHIRLEY N. WEBER, Ph.D., Secretary of State of the State of California, hereby certify that the attached transcript of 2 pages is a full, true and correct copy of the original record in the custody of the California Secretary of State's office.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California on this day of March 17, 2022

SHIRLEY N. WEBER, Ph.D.
Secretary of State

Verification Number: KZ4BYYD
Entity (File) Number: C4837990

To verify the issuance of this Certificate, use the Verification Number above with the Secretary of State Electronic Verification Search available at *bizfile.sos.ca.gov*

California Secretary of State
Electronic Filing

FILED
Secretary of State
State of California

Corporation - Statement of Information

Entity Name:	NET2PHONE 2.0 AMERICA, INC.
Entity (File) Number:	C4837990
File Date:	03/15/2022
Entity Type:	Corporation
Jurisdiction:	DELAWARE
Document ID:	H332732

Detailed Filing Information

1. Entity Name: NET2PHONE 2.0 AMERICA, INC.

2. Business Addresses:
   a. Street Address of Principal Office in California:

   b. Mailing Address: 520 Broad Street
   Newark, New Jersey 07102
   United States of America

   c. Street Address of Principal Executive Office: 520 Broad Street
   Newark, New Jersey 07102
   United States of America

3. Officers:
   a. Chief Executive Officer: Jonah Fink
   520 Broad Street
   Newark, New Jersey 07102
   United States of America

   b. Secretary: Joyce Mason
   520 Broad Street
   Newark, New Jersey 07102
   United States of America

Certificate Verification Number: KZ4BYYD
Use bizfile.sos.ca.gov to verify the certified copy.

Document ID: H332732

California Secretary of State
Electronic Filing

Officers (cont'd):

c. Chief Financial Officer: Marcelo Fischer
520 Broad Street
Newark, New Jersey 07102
United States of America

4. Director: Not Applicable

Number of Vacancies on the Board of Directors: Not Applicable

5. Agent for Service of Process: CORPORATION SERVICE COMPANY WHICH WILL DO BUSINESS IN CALIFORNIA AS CSC - LAWYERS INCORPORATING SERVICE (C1503100)

6. Type of Business: Provision of interconnected VOIP services.

No Officer or Director of this Corporation has an outstanding final judgment issued by the Division of Labor Standards Enforcement or a court of law, for which no appeal therefrom is pending, for the violation of any wage order or provision of the Labor Code.

By signing this document, I certify that the information is true and correct and that I am authorized by California law to sign.

Electronic Signature: Jonah Fink

Use bizfile.sos.ca.gov for online filings, searches, business records, and resources.

Certificate Verification Number: KZ4BYYD
Use bizfile.sos.ca.gov to verify the certified copy.

Document ID: H332732

Secretary of State
Certificate of Status

I, SHIRLEY N. WEBER, PH.D., California Secretary of State, hereby certify:

Entity Name:	NET2PHONE 2.0 AMERICA, INC.
Entity No.:	4837990
Registration Date:	01/19/2022
Entity Type:	Stock Corporation - Out of State - Stock
Formed In:	DELAWARE
Status:	Active

The above referenced entity is active on the Secretary of State's records and is qualified to transact intrastate business in California.

This certificate relates to the status of the entity on the Secretary of State's records as of the date of this certificate and does not reflect documents that are pending review or other events that may impact status.

No information is available from this office regarding the financial condition, status of licenses, if any, business activities or practices of the entity.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of October 12, 2026.

SHIRLEY N. WEBER, PH.D.
Secretary of State

Certificate No.: 507297939

To verify the issuance of this Certificate, use the Certificate No. above with the Secretary of State Certification Verification Search available at **biz**fileOnline.sos.ca.gov.

Appendix B

EVIDENTIARY HEARING RATIONALE

Not Applicable

Appendix C

SERVICE TERRITORIES (IN SPECIFIC PORTIONS OF THE STATE ONLY)

Not Applicable

Appendix D

OPERATIONS PRIOR TO OBTAINING AUTHORITY

Applicant was granted authority as a nomadic VoIP provider under Utility ID number U-7553-C on July 6, 2026. Applicant recently commenced service on September 1, 2026.

Appendix E

DOCUMENTATION DESCRIBING BANKRUPTCIES, FINDINGS, JUDGMENTS, CONVICTIONS, REFERRALS, DENIALS, SUSPENSIONS, REVOCATIONS, LIMITATIONS, SETTLEMENTS, VOLUNTARY PAYMENTS OR ANY OTHER TYPE OF MONETARY FORFEITURES

Not Applicable

Appendix F

LIST OF ALL AFFILIATED ENTITIES

net2phone 2.0 America, Inc. is a subsidiary of a publicly traded company, IDT Corporation, and is affiliated with the following companies:

- IDT America, Corp.
- IDT Domestic Telecom, Inc.
- IDT Telecom, Inc.
- Advanced Data Services, Inc.
- IDT International Telecom, Inc.
- IDT Wireless, Inc.
- Tuyo Mobile, LLC
- Entrix Telecom, Inc.
- IDT Stored Value, Inc.
- IDT America of Virginia, LLC
- IDT Domestic-Union, LLC
- IDT Financial Services, LLC
- NRS Capital LLC
- IDT Messaging, LLC
- Union Telecard Alliance, LLC (UTA)
- IDT Payment Services of New York, LLC
- IDT Global Processing Services, Inc.
- IDT Payment Services, Inc.
- Net2Phone Global Services, LLC
- Net2Phone Cable Telephony, LLC
- Net2Phone Chile SpA
- Net2Phone Peru S.A.C.

Appendix G

KEY MANAGEMENT AND TECHNICAL PERSONNEL

The following individuals serve as officers of Applicant and may be reached through the Applicant's corporate headquarters at 520 Broad Street, Newark, New Jersey 07102.

Jonah Fink – President

Marcelo Fischer – Treasurer

Joyce Mason - Secretary

Jonah Fink – President of Net2Phone 2.0 America, Inc.

Jonah Fink has worked in various capacities for IDT Corporation and its subsidiary, Net2Phone, Inc. since 1999. Mr. Fink has been the President of Net2Phone 2.0 America, Inc. since its inception. He received a B.A. from Touro College and he is a resident of New Jersey.

Marcelo Fischer – Treasurer of Net2Phone 2.0 America, Inc.

Marcelo Fischer has served as IDT Corporation's ("the Company") Chief Financial Officer since June 3, 2019 and as Chief Financial Officer of IDT Telecom since June 2007. Mr. Fischer served as Senior Vice President–Finance (the Company's principal financial officer position) from October 31, 2011 to June 2019. Mr. Fischer also served as the Company's Senior Vice President of Finance from March 2007 to June 2007. Mr. Fischer served as the Company's Chief Financial Officer and Treasurer from June 2006 to March 2007, as the Company's Controller from May 2001 until June 2006 and as Chief Accounting Officer from December 2001 until June 2006. Prior to joining the Company, Mr. Fischer was the Corporate Controller of Viatel, Inc. from 1999 until 2001. From 1998 through 1999, Mr. Fischer was the Controller of the Consumer International Division of Revlon, Inc. From 1991 through 1998, Mr. Fischer held various accounting and finance positions at Colgate-Palmolive Corporation. Mr. Fischer, a Certified Public Accountant, received a B.A. from the University of Maryland and an M.B.A. from the New York University Stern School of Business.

Joyce Mason – Secretary of Net2Phone 2.0 America, Inc.

Joyce J. Mason has served as an Executive Vice President of IDT Corporation ("the Company") since December 1998 and as General Counsel and Corporate Secretary of the Company from its inception. Ms. Mason also served as a director of the Company from its inception until December 2006. In addition, Ms. Mason was a director of Zedge, Inc., a former subsidiary of the Company that was spun off to stockholders in June 2016, from September 2008 until May 2016, and she also served as a director of IDT Telecom from December 1999 until May 2001 and as a director of Net2Phone from October 2001 until October 2004. Ms. Mason has served as the Corporate Secretary of Rafael Holdings, Inc., a former subsidiary of the Company that was spun off to stockholders in March 2018, from its inception in July 2017. Ms. Mason has also served as a director of Genie Energy Ltd., a former subsidiary of the Company that was spun off to stockholders in October 2011, since May 2021. Ms. Mason has served as Corporate Secretary of IDW Media Holdings, Inc. since March 2023 and, prior to that from September 2019 to March 2023 as its Assistant Corporate Secretary. Prior to joining the Company, Ms. Mason had been in private legal practice. Ms. Mason received a B.A. from the City University of New York and a J.D. from New York Law School.

Appendix H

DOCUMENTATION DESCRIBING INVESTIGATIONS
BY THE FCC OR ANY LAW ENFORCEMENT OR REGULATORY AGENCY

In 2008, IDT Corporation and the FCC entered into a Settlement Agreement regarding the FCC's contention that IDT transported and terminated telecommunications to Haiti at settlement rates that were below the FCC-approved rates. Per the Settlement, IDT made a $500,000 contribution to the US Treasury and agreed to undergo training and changes to its business practices.

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	File No. EB-07-IH-5149
IDT Corporation	)	NAL/Acct. No. 200832080092
	)	FRN No. 0003-7900-37

ORDER

Adopted: October 29, 2008 **Released:** October 29, 2008

By the Enforcement Bureau:

1. In this Order, we adopt the attached Consent Decree entered into between the Enforcement Bureau (the "Bureau") and IDT Corporation (the "Company"). The Consent Decree terminates the enforcement proceeding initiated by the Bureau against the Company for possible violation of section 220 of the Communications Act of 1934, as amended (the "Act"), and sections 43.51 and 64.1001 of the Commission's rules relating to the failure to file with the Commission an agreement with Telecommunications D'Haiti S.A.M. ("Teleco Haiti") and amendments thereto; failing to file a modification request for each of the amendments to rate schedules; and failing to obtain Commission approval prior to implementing modifications to rate schedules under the terms of the agreement.[1]

2. The Bureau and the Company have negotiated the terms of the Consent Decree that resolve this matter. A copy of the Consent Decree is attached hereto and incorporated by reference.

3. In the absence of material new evidence relating to this matter, we conclude that the Bureau's investigation raises no substantial or material questions of fact as to whether the Company possesses the basic qualifications, including those related to character, to hold or obtain any Commission license or authorization.

4. Accordingly, **IT IS ORDERED** that, pursuant to section 4(i) of the Communications Act of 1934, as amended,[2] the Consent Decree attached to this Order **IS ADOPTED.**

[1] 47 U.S.C. § 220; 47 C.F.R. §§ 43.51(a)(1) and (e)(2), 64.1001(b) and (e) (2003).

[2] 47 U.S.C. § 154(i).

5. **IT IS FURTHER ORDERED** that the above-captioned investigation **IS TERMINATED**.

6. **IT IS FURTHER ORDERED** that a copy of this Order and Consent Decree shall be sent by first class mail and certified mail, return receipt requested, to Elliot Rothstein, Chief Legal Officer, IDT Corporation, 520 Broad Street, Newark, NJ 07102.

FEDERAL COMMUNICATIONS COMMISSION

Kris A Monteith

Kris Anne Monteith
Chief, Enforcement Bureau

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	File No. EB-07-IH-5149
IDT Corporation	)	NAL/Acct. No. 200832080092
	)	FRN No. 0003-7900-37

CONSENT DECREE

1. The Enforcement Bureau of the Federal Communications Commission (the "Commission" or "FCC") and IDT Corporation (the "Company"), by their authorized representatives, hereby enter into this Consent Decree for the purpose of terminating the Commission's investigation into whether IDT violated section 220 of the Communications Act of 1934, as amended (the "Act"), and sections 43.51 and 64.1001 of the Commission's Rules relating to the failure to file with the Commission an agreement with Telecommunications D'Haiti S.A.M. ("Teleco Haiti") and amendments thereto; the failure to file a modification request for each of the amendments to rate schedules; and the failure to obtain Commission approval prior to implementing modifications to rate schedules under the terms of the agreement.[1]

I. DEFINITIONS

2. For the purposes of this Consent Decree, the following definitions shall apply:

A. "Act" means the Communications Act of 1934, as amended, 47 U.S.C. § 151 *et seq.*

B. "Adopting Order" means an Order of the Bureau adopting the terms of this Consent Decree without change, addition, deletion, or modification.

C. "Bureau" means the Enforcement Bureau of the Federal Communications Commission.

D. "Commission" and "FCC" mean the Federal Communications Commission and all of its bureaus and offices.

E. "Compliance Plan" means the program described in this Consent Decree at paragraph 9.

F. "Effective Date" means the date on which the Bureau releases the Adopting Order.

G. "Foreign Carrier Service Agreements" means contracts, amendments, or modification requests related to the exchange of services, routing of traffic, accounting rates and division of tolls.

[1] 47 U.S.C. § 220; 47 C.F.R. §§ 43.51(a)(1) and (e)(2), 64.1001(b) and (e) (2003).

H. "IDT" or "Company" means IDT Corporation, its affiliates and subsidiaries, and its predecessors-in-interest and successors-in-interest.

I. "Investigation" means the investigation commenced by the Commission's requests in February 2007 for copies of any contracts between the Company and any Haitian telecommunications companies to determine whether the Company violated section 220 of the Communications Act of 1934, as amended (the "Act"), and sections 43.51 and 64.1001 of the Commission's Rules relating to the failure to file with the Commission an agreement with Telecommunications D'Haiti S.A.M. ("Teleco Haiti") and amendments thereto; the failure to file a modification request for each of the amendments to rate schedules; and the failure to obtain Commission approval prior to implementing modifications to rate schedules under the terms of the agreement, which resulted in the Commission's *Notice of Apparent Liability for Forfeiture* issued on July 10, 2008.[2]

J. "Parties" means the Company and the Bureau.

K. "Rules" means the Commission's regulations found in Title 47 of the Code of Federal Regulations.

L. "Teleco Haiti" means Telecommunications D'Haiti S.A.M. and its predecessors-in-interest and successors-in-interest.

II. BACKGROUND

3. The Commission's Rules implementing its International Settlements Policy ("ISP") facilitate detection of arrangements between U.S. and foreign carriers with market power that have the potential to result in anticompetitive actions against competing U.S. carriers to the detriment of U.S. consumers. In particular, U.S. carriers must comply with specific filing obligations relating to contracts and other arrangements between U.S. and foreign carriers concerning the exchange of international telecommunications traffic, routing of traffic, rates and other matters.

4. Specifically, section 43.51 of the Rules requires U.S. carriers who execute such agreements to file them with the Commission within thirty (30) days of execution, and to file a "modification request" prior to implementing any arrangement that offers terms different from those made available to any other carrier serving the same U.S.-international route.[3] Section 64.1001 of the Rules bars subject carriers from implementing any such arrangement absent prior Commission approval, and further requires that such carriers notify all other carriers providing service on the same international route of a modification request, concurrently with the filing of such request with the Commission.[4]

5. IDT is a publicly-traded, New Jersey-based company that provides a range of telecommunications services domestically and internationally, and is subject to the requirements discussed in paragraphs 3 through 4, above. On October 22, 2003, an IDT subsidiary entered into a Carrier Service Agreement with Teleco Haiti that established the terms and conditions for the provision

[2] 47 U.S.C. § 220; 47 C.F.R. §§ 43.51(a)(1) and (e)(2), 64.1001(b) and (e) (2003); *IDT Corporation*, Notice of Apparent Liability for Forfeiture, FCC 08-165, 2008 WL 2714526 (rel. July 10, 2008), *response pending*.

[3] 47 C.F.R. § 43.51(a)(1)(i), (ii) (2003).

[4] 47 C.F.R. § 64.1001(b) and (e) (2003).

and purchase of wholesale telecommunications services on the U.S.-Haiti route, including the initial rate for such services.[5] Between February 5, 2004 and November 4, 2004, when the ISP was lifted from the U.S.-Haiti route,[6] IDT and Teleco Haiti amended the agreement three times by establishing or amending the rates that would apply to Teleco Haiti's termination of U.S.-originated traffic.[7] The three amended rates became effective on February 23, May 12, and August 1, 2004.[8] At no point did IDT file the agreement or any of its amendments with the Commission, nor did the Company seek Commission approval or notify other carriers serving the U.S.-Haiti route before modifying or implementing the agreement and its amendments. On March 1, 2007, IDT submitted its Carrier Service Agreement with the Commission at the request of Commission staff,[9] and, on May 23, 2007, IDT identified the rates established under the agreement, again at the request of Commission staff.[10] On July 10, 2008, the Commission issued to IDT a *Notice of Apparent Liability for Forfeiture,* finding the company apparently liable for a forfeiture of $1.3 million.[11]

III. TERMS OF AGREEMENT

6. **Adopting Order.** The Parties agree that the provisions of this Consent Decree shall be subject to final approval by the Bureau by incorporation of such provisions by reference in the Adopting Order without change, addition, modification, or deletion.

7. **Jurisdiction.** IDT agrees that the Commission has jurisdiction over it and the matters contained in this Consent Decree and has the authority to enter into and adopt this Consent Decree.

8. **Effective Date; Violations.** The Parties agree that this Consent Decree shall become effective on the date on which the Bureau releases the Adopting Order. Upon release, the Adopting Order and this Consent Decree shall have the same force and effect as any other Order of the Commission. Any violation of the Adopting Order or of the terms of this Consent Decree shall constitute a separate violation of a Commission Order, entitling the Commission to exercise any rights and remedies attendant to the enforcement of a Commission Order.

9. **Compliance Plan.** IDT agrees that it will develop (or further develop), within sixty (60) calendar days from the Effective Date, an internal Compliance Plan to ensure IDT's future compliance with the Act, the Commission's Rules, and the Commission's orders governing the execution of agreements with foreign carriers for the exchange of international traffic. For purposes of this

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[5] Letter from Troy F. Tanner, Bingham McCutchen LLP, Counsel for IDT Corp., to Marlene H. Dortch, Secretary, Federal Communications Commission, dated March 1, 2007 (attaching Carrier Service Agreement between IDT and Telecommunications D'Haiti S.A.M., October 22, 2003) ("Tanner March 1 Letter").

[6] *Additional U.S.-International Routes Exempted from the International Settlements Policy*, Public Notice, 19 FCC Rcd 22032, 22035 (2004).

[7] Letter from Troy F. Tanner, Bingham McCutchen LLP, Counsel for IDT Corp., to Helen Domenici, Chief, International Bureau, Federal Communications Commission, dated May 23, 2007, at 2 ("Domenici May 23 Letter").

[8] *Id.* at 2.

[9] Tanner March 1 Letter, Attachment.

[10] Domenici May 23 Letter, at 2.

[11] *See IDT NAL.*

Compliance Plan, "IDT" shall mean IDT Corporation and any and all of its U.S. communications common carrier affiliates and subsidiaries. The Compliance Plan shall include the following components:

A. Compliance Training Program. IDT will develop (or further develop) and maintain a training program devoted to compliance with the Commission requirements governing the execution and FCC filing of agreements with foreign carriers for the exchange of international traffic on routes subject to the ISP. The training program will be for employees responsible for executing said agreements on behalf of IDT and IDT attorneys that review and/or approve said agreements. Training sessions will be conducted at least annually for such employees to ensure compliance with the Act and the Commission's regulations and policies and, for new employees who are engaged in such activities, within the first sixty (60) days of employment. This training program shall address at least the following subject matter areas:

1. the international routes currently subject to the ISP;

2. the specific filing obligations relating to contracts and other arrangements between IDT and foreign carriers for the exchange of international telecommunications traffic on routes subject to the ISP;

3. the specific filing obligations for modification requests that offer terms different from those made available to any other carrier serving the same U.S.-international route subject to the ISP;

4. the requirement for prior Commission approval before implementing any such arrangements on routes subject to the ISP;

5. the requirement to notify all other carriers providing service on the same international route, subject to the ISP, of any modification request; and

6. the potential ramifications of failing to comply with the Act and the Commission's Rules and Orders.

7. IDT shall update and enhance the foregoing training as appropriate and necessary.

B. Internal Controls. IDT will develop (or further develop), and shall maintain, internal control processes designed to ensure compliance with the Act and the Commission's Rules and Orders regarding contracts and other arrangements between IDT and foreign carriers for the exchange of international telecommunications traffic on routes subject to the ISP.

C. Self-Reporting. IDT will promptly file with the Commission all current Foreign Carrier Service Agreements or amendments of such agreements between IDT and foreign carriers for the exchange of international traffic on routes currently subject to the ISP. IDT will file such agreements and amendments within fifteen (15) days of discovery or the Effective Date of this Consent Decree, whichever is later. If there are no such agreements, IDT shall so notify the Commission. IDT will report such filings to the Chief, Investigations and Hearings Division,

Enforcement Bureau, Federal Communications Commission, 445 12th Street, S.W., Washington, D.C. 20554.

D. Compliance Report. IDT will file compliance reports with the Commission ninety (90) days after the Effective Date, twelve (12) months after the Effective Date, twenty-four (24) months after the Effective Date, and thirty-six (36) months after the Effective Date. Each compliance report shall include a compliance certificate from an officer, as an agent of IDT, stating that the officer has personal knowledge that IDT has operating procedures designed to ensure compliance with this Consent Decree. All compliance reports shall be submitted to Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, S.W., Washington, D.C. 20554.

E. Termination Date. Unless stated otherwise, the requirements of this Compliance Plan will expire thirty-six (36) months after the Effective Date.

10. **Voluntary Contribution.** IDT agrees that it will make a voluntary contribution to the United States Treasury in the amount of four hundred thousand dollars ($400,000.00) ("Voluntary Contribution") within thirty (30) days after the Effective Date of the Adopting Order. The payment must be made by check or similar instrument, payable to the Order of the Federal Communications Commission. The payment must include the Account Number and FRN Number referenced in the caption to the Adopting Order. Payment by check or money order may be mailed to Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000. Payment by overnight mail may be sent to U.S. Bank – Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101. Payments by wire transfer may be made to ABA Number 021030004, receiving bank Federal Reserve Bank of New York, and account number 27000001. The Company also will send electronic notification on the date said payment is made to Mindy.Littell@fcc.gov.

11. **Termination of Investigation.** In express reliance on the covenants and representations in this Consent Decree and to avoid further expenditure of public resources, the Commission agrees to terminate its Investigation. In consideration of IDT's Voluntary Contribution and its agreement to develop and adhere to an internal Compliance Plan as set forth herein, the Commission shall not initiate or continue any inquiries, investigations, forfeiture proceedings, hearings, or actions, or impose any sanctions or penalties, against IDT or its affiliates or subsidiaries based in whole or in part on (i) the Investigation; (ii) any other investigation or complaint related to IDT's or any of its affiliates' or subsidiaries' compliance with sections 43.51 and 64.1001 of the Commission's rules (and Sections 211 and 220 of the Communications Act, as amended, insofar as they relate to obligations to file with the Commission a copy of any agreement with a foreign carrier or modifications thereto) prior to the Effective Date with respect to any "Foreign Carrier Service Agreements" entered into by IDT on routes between the United States and any foreign country, (iii) the allegations contained in any of the foregoing, (iv) the underlying facts or conduct that relate to any of the foregoing, or (v) any act or omission by IDT or its affiliates or subsidiaries occurring prior to the Effective Date and relating to any of the foregoing.

12. **Waivers.** IDT waives any and all rights it may have to seek administrative or judicial reconsideration, review, appeal or stay, or to otherwise challenge or contest the validity of this Consent Decree and the Order adopting this Consent Decree, provided the Commission issues an Order adopting the Consent Decree without change, addition, modification, or deletion. IDT shall retain the right to challenge Commission interpretation of the Consent Decree or any terms contained herein. If either Party (or the United States on behalf of the Commission) brings a judicial action to enforce the terms of the Adopting Order, neither IDT nor the Commission shall contest the validity of the Consent Decree or the

Adopting Order, and IDT shall waive any statutory right to a trial *de novo*. IDT hereby agrees to waive any claims it may otherwise have under the Equal Access to Justice Act, 5 U.S.C. § 504 and 47 C.F.R. § 1.1501 *et seq.*, relating to the matters addressed in this Consent Decree.

13. **Subsequent Rule or Order.** The Parties agree that if any provision of the Consent Decree conflicts with any subsequent Rule or Order adopted by the Commission (except an Order specifically intended to revise the terms of this Consent Decree to which IDT does not expressly consent) that provision will be superseded by such Commission Rule or Order.

14. **Successors and Assigns.** IDT agrees that the provisions of this Consent Decree shall be binding on its successors, assigns, and transferees.

15. **Final Settlement.** The Parties agree and acknowledge that this Consent Decree shall constitute a final settlement between the Parties. The Parties further agree that this Consent Decree does not constitute either an adjudication on the merits or a factual or legal finding or determination regarding any compliance or noncompliance with the requirements of the Act or the Commission's Rules and Orders.

16. **Modifications.** This Consent Decree cannot be modified without the advance written consent of both Parties.

17. **Paragraph Headings.** The headings of the Paragraphs in this Consent Decree are inserted for convenience only and are not intended to affect the meaning or interpretation of this Consent Decree.

18. **Authorized Representative.** Each party represents and warrants to the other that it has full power and authority to enter into this Consent Decree.

19. **Counterparts.** This Consent Decree may be signed in any number of counterparts (including by facsimile), each of which, when executed and delivered, shall be an original, and all of which counterparts together shall constitute one and the same fully executed instrument.

Kris Anne Monteith Chief Enforcement Bureau Federal Communications Commission	James A. Courter Chief Executive Officer IDT Corporation
Date	Date

Appendix I

Not Applicable

Appendix J

Not Applicable

Appendix K

FINANCIAL INFORMATION

Net2phone 2.0, America, Inc. is a subsidiary of and controlled by IDT Corporation, a publicly-held corporation. Its Annual Report is attached.

IDT Corporation



2026 Annual Report



Dear Fellow Stockholders,

Our fiscal 2026 results were driven, as they have been in recent years, by our three higher-margin growth businesses, NRS, BOSS Money and net2phone. These three businesses generated $22 million more in income from operations than in fiscal 2025, increasing our consolidated income from operations by 21% year-over-year to $121 million, and boosting diluted EPS from $3.01 to $3.46. We expect to deliver more growth and further bottom-line improvement in fiscal 2027.

At NRS, top-line growth during fiscal 2026, coupled with the business's operating leverage, drove a 42% year-over-year increase in income from operations. Merchant services revenue was the primary growth driver, while our advertising businesses picked up momentum in the fourth quarter. Looking ahead, we are pursuing initiatives to further expand our retailer network and strengthen our retailers' businesses, because when our retailers do well, NRS does well too.

BOSS Money benefited from consumers' accelerating migration from retail to digital remittance channels in fiscal 2026. Growth in our digital channels, which account for nearly nine out of ten BOSS Money transactions, drove a 40% increase in income from operations for the broader Fintech reporting segment. BOSS Money's success reflects our focus on delivering unmatched value with a superior user experience.

In fiscal 2026, we added a digital wallet to the BOSS Money app, and we intend to integrate the app with our NRS terminal locations. This integration will allow customers to collect and load store promotions and rewards, fund their wallets, and use their balances to pay for in-store goods and services at participating NRS retailers. In fiscal 2027, we expect to expand BOSS Money's reach outside the U.S., introducing a stablecoin-backed wallet with a reloadable debit card.

net2phone, which increased its income from operations 84% in fiscal 2026, is in the midst of a sweeping transformation driven by its agentic AI offerings. In fiscal 2027, we will increase our investments to accelerate the development, marketing and sales of our AI offerings while remaining fiscally responsible.

Our Traditional Communications segment remains a cash-generating workhorse. Thanks to strong contributions from IDT Digital Payments and IDT Global during fiscal 2026, the segment's Adjusted EBITDA increased slightly for the second consecutive year.

Across IDT's businesses, we continue to focus on growth, innovation and sales. We are strengthening digital distribution and using agentic AI to enhance and, in some cases, reimagine our offerings.

We ended fiscal 2026 with a strong, debt-free balance sheet. In fiscal 2027, we expect to continue returning value to our stockholders through our regular quarterly dividend and opportunistic repurchases of our stock.

In closing, I thank our employees around the world for their hard work this year; our retailers, customers and partners for their trust; and our stockholders for their continued support.

Sincerely,

Shmuel Jonas



Chief Executive Officer
IDT Corporation

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended July 31, 2026.

or

☐ Transition report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934.

Commission File Number: 1-16371

IDT CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**22-3415036**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

520 Broad Street, Newark, New Jersey 07102
(Address of principal executive offices, zip code)

(973) 438-1000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol**	**Name of each exchange on which registered**
Class B common stock, par value $0.01 per share	IDT	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐

Non-accelerated filer ☐ Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting stock held by non-affiliates of the registrant, based on the adjusted closing price on January 31, 2026 (the last business day of the registrant's most recently completed second fiscal quarter) of the Class B common stock of $48.63 per share, as reported on the New York Stock Exchange, was approximately $915.3 million.

As of September 21, 2026, the registrant had outstanding 23,264,360 shares of Class B common stock and 1,574,326 shares of Class A common stock. Excluded from these numbers are 5,304,796 shares of Class B common stock and 1,698,000 shares of Class A common stock held in treasury by IDT Corporation.

DOCUMENTS INCORPORATED BY REFERENCE

The definitive proxy statement relating to the registrant's Annual Meeting of Stockholders, currently scheduled to be held December 10, 2026, is incorporated by reference into Part III of this Form 10-K to the extent described therein.

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IDT Corporation

Annual Report on Form 10-K

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Part I

As used in this Annual Report, unless the context otherwise requires, the terms the "Company," "IDT," "we," "us," and "our" refer to IDT Corporation, a Delaware corporation, and its subsidiaries, collectively. Each reference to a fiscal year in this Annual Report refers to the fiscal year ending in the calendar year indicated (for example, fiscal 2026 refers to the fiscal year ended July 31, 2026).

Item 1. Business.

OVERVIEW

IDT is a provider of fintech and communications solutions focused on certain under-served consumer and business-to-business, or B2B, markets. Our offerings are built around a common core of strategic assets, and we seek to maximize the synergies among them while integrating AI-powered functionalities, where practical, to achieve consistent growth and profitability.

IDT's key businesses are:

- **National Retail Solutions (NRS)**: Operates a leading point-of-sale, or POS, terminal-based platform for independent retailers in the United States and Canada including convenience stores, bodegas, liquor stores, small-format grocery stores, and tobacco stores. NRS' purpose-built integrated POS hardware and software solutions enable these stores to operate more effectively. Through its NRS Pay-branded payment processing offering, NRS enables these retailers to accept and process credit, debit, and electronic benefit transfer payments. NRS' nationwide network of customer-facing screens and its transaction data and analytics provide advertisers and marketers with unprecedented reach and insight into urban, multi-cultural consumer markets across the United States. NRS' software enables retailers to access differentiated services, including integrations with leading online ordering and delivery platforms;

- **BOSS Money:** Provides international and domestic money transfers and other fintech-based services to customers in the United States. BOSS Money makes it easy and convenient to share funds and other resources with friends and family in approximately 50 destination countries in Latin America, the Caribbean, Africa, Europe, and Asia, as well as within the United States. BOSS Money transactions are initiated predominantly through its digital channel where customers use a credit or debit card to initiate transfers on the BOSS Money and BOSS Revolution apps. Alternatively, customers can fund remittances with cash through BOSS Money's nationwide network of licensed retail agents. Customers typically can select from multiple payout options including bank deposit, mobile wallet, cash pick-up or delivery, depending on the recipient;

- **net2phone:** Provides businesses with workflow and communications solutions, many of which are powered by AI, that analyze, inform, and manage business processes for enhanced productivity. net2phone's offerings include: netphone AI Agent, an autonomous agentic solution; Coach, an AI-powered performance and workforce intelligence tool designed for managers of sales, support, and customer-facing teams; Unite, a unified communications as a service (UCaaS) solution; and, UContact, a contact center as a service (CCaaS) solution. All of the above-stated solutions can leverage net2phone's proprietary integration layer, called Integrate. Integrate is the bridge between net2phone's widening product portfolio and third party CRM or workflow systems. net2phone's offerings are available worldwide with a focus on solutions tailored by geography across key North and South American markets and by industry or business vertical;

- **IDT Digital Payments:** Provides prepaid digital offerings including mobile airtime top-up, mobile data bundles, digital gift cards, and eSIMs directly to consumers through BOSS' digital and retail channels. Mobile airtime top-up, or simply mobile top-up, enables customers to transfer airtime and bundles of airtime, messaging, and data to international and domestic mobile accounts. IDT Digital Payments' B2B prepaid-as-a-service platform, Zendit, enables businesses, entrepreneurs, and developers to efficiently select and offer prepaid digital offerings from Zendit's extensive portfolio;

- **BOSS Revolution**: Provides international long-distance voice calling typically at rates significantly below those of mobile network operators. BOSS Revolution is marketed primarily to immigrant communities in the United States and Canada. BOSS Revolution is provisioned through the popular BOSS Revolution app and prepaid 'hard cards' sold by a nationwide network of BOSS Revolution retail agents; and

- **IDT Global**: Provides wholesale international voice and SMS termination and outsourced traffic management solutions to telecoms worldwide. IDT Global also provides voice routing, DID numbers and messaging to small and medium businesses through its IDT Express branded self-provisioning portal.

IDT also operates other, smaller businesses and offerings including early-stage business initiatives and mature businesses in harvest mode.

Our headquarters is located at 520 Broad Street, Newark, New Jersey 07102. The main telephone number at our headquarters is (973) 438-1000 and our corporate website's home page is www.idt.net.

SEGMENT REPORTING

We have four reportable business segments: (1) NRS; (2) Fintech; (3) net2phone; and (4) Traditional Communications.

The NRS segment, which contributed revenue of $159.4 million in fiscal 2026 and $128.8 million in fiscal 2025 (12.3% and 10.5% of our total revenues, respectively), comprises our NRS business.

The Fintech segment, which contributed revenue of $176.0 million in fiscal 2026 and $154.6 million in fiscal 2025 (13.6% and 12.6 % of our total revenues, respectively), comprises our BOSS Money remittance business and other, significantly smaller, financial businesses including our Gibraltar-based bank offering certain banking services within the European Economic Union, the U.K. and Israel.

The net2phone segment, which contributed revenue of $96.6 million in fiscal 2026 and $87.9 million in fiscal 2025 (7.4% and 7.1% of our total revenues, respectively), comprises our net2phone business.

The Traditional Communications segment, which contributed revenue of $865.9 million in fiscal 2026 and $860.2 million in fiscal 2025 (66.7% and 69.8% of our total revenues, respectively) comprises IDT Digital Payments, BOSS Revolution, and IDT Global, as well as other small businesses and offerings including early-stage business initiatives and mature businesses in harvest mode.

Financial information by segment is presented in Note 3 to our Consolidated Financial Statements in Item 8 to Part II of this Annual Report.

We make available free of charge our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to these reports, and all beneficial ownership reports on Forms 3, 4 and 5 filed by directors, officers and beneficial owners of more than 10% of our equity through the investor relations page of our website (http://ir.idt.net/) as soon as reasonably practicable after such material is electronically filed with the Securities and Exchange Commission. Our website also contains information not incorporated into this Annual Report on Form 10-K or our other filings with the Securities and Exchange Commission.

KEY EVENTS IN OUR HISTORY AND RECENT DEVELOPMENTS

1990 – Howard S. Jonas, our founder, launches International Discount Telephone to provide international call re-origination services.

1996 – We successfully complete an initial public offering of our common stock.

2000 – We complete the sale of a stake in our net2phone subsidiary, a pioneer in the development and commercialization of Voice over Internet Protocol, or VoIP, technologies and services, to AT&T for approximately $1.1 billion in cash. We subsequently repurchased net2phone from AT&T.

2001 – Our common stock is listed on the New York Stock Exchange, or NYSE.

2007 – We complete the sale of IDT Entertainment to Liberty Media for $220.0 million in cash, stock and other considerations.

2008 – We launch BOSS Revolution, a pay-as-you-go international calling service. BOSS Revolution has since become our flagship brand, and the BOSS Revolution platform has expanded to include payment offerings.

2009 – We spin-off our CTM Media Holdings subsidiary to our stockholders. CTM Media Holdings was subsequently renamed IDW Media Holdings, Inc.

2011 – We spin-off our Genie Energy Ltd. subsidiary to our stockholders. Genie Energy's common stock is listed on the NYSE with the ticker symbol "GNE".

2013 – We spin-off our subsidiary, Straight Path Communications, Inc., or Straight Path, including its wireless spectrum holdings, to our stockholders. Straight Path was purchased in February 2018 by Verizon Communications Inc.

– We introduce our BOSS Revolution app for Android and iOS.

– We launch our BOSS Money international remittance service.

2015 – net2phone launches its UCaaS offering in the United States.

2016 – We spin-off our Zedge subsidiary to our stockholders. Zedge's stock is listed on the NYSE American with the ticker symbol "ZDGE".

– We launch NRS to provide POS-based services to independent retailers in the United States.

2017 – We introduce our BOSS Money app for Android and iOS.

2018 – We spin-off our Rafael Holdings, Inc. subsidiary to our stockholders. Rafael Holdings' stock is listed on the NYSE with the ticker symbol "RFL".

2019 – NRS launches NRS PAY, enabling retailers to accept credit cards and other forms of digital payment.

2022 – net2phone acquires Integra CCS, or Integra, a CCaaS provider operating in the Americas and Europe.

2024 – We initiate payment of a regular quarterly dividend to holders of our Common Stock.

2025 – net2phone launches net2phone AI Agent, a customizable, AI-powered workflow offering exceptional customer experiences across sales, support and administrative tasks, and Coach, an AI-driven workforce intelligence and coaching platform.

2026 – NRS surpasses 40,000 active terminals operating in approximately 35,000 independent retail stores, launches direct online ordering and delivery integrations with DoorDash, Grubhub and Uber Eats, and acquires a controlling interest in OnCore Digital.

– BOSS Money handles a 49% year-over-year increase in Mothers' Day send volume through its digital channel.

OUR STRATEGY

We are a fintech and communications solutions provider with synergistic offerings focused on underserved, fragmented consumer and B2B markets. Many of our offerings leverage one or more of our core strategic assets – assets that we have carefully built during the thirty-six years since our inception. These assets include:

- Our popular BOSS consumer brands (BOSS Money and BOSS Revolution) and our leading B2B brands NRS, NRS Pay, NRS Digital Media, NRS Insights, net2phone, IDT Global and Zendit;
- Our nationwide network of approximately 35,000 independent retailers who operate NRS' POS-based platform and approximately 18,000 BOSS Revolution and BOSS Money retailers who utilize our digital retailer platform;
- Our customer base of approximately 1.8 million unique monthly users, predominantly first and second-generation immigrants within the U.S.;
- Our global technology infrastructure and high-capacity transaction platforms;
- Extensive VoIP, cloud services and AI expertise; and
- Our staff of approximately 2,400 dedicated personnel working in over 30 countries on five continents including in-house technology and product development teams.

The development of each of our current high-margin growth businesses – NRS, BOSS Money, and net2phone - has been principally organic and financed with the cash flows generated by our mature businesses. Consequently, we have avoided debt financing and dilutive capital raises. Today, each of these high-margin growth businesses is cash-flow positive, and in combination with our efforts to maximize the cash generation of our lower margin, mature offerings, they have enabled us to improve our consolidated bottom-line performance in recent years, to further strengthen our balance sheet, and to return value to stockholders through market purchases of our Class B common stock and payment of a quarterly dividend. We expect that this trend will continue as the three high-margin businesses steadily become larger contributors to our top and bottom-line results.

We seek to accelerate and extend this rotation by enhancing the profitability and cash flows from each of our businesses, developing new offerings organically, and through acquisitions that leverage our balance sheet. Broadly speaking, our growth initiatives are focused on, but not limited to, our NRS, Fintech and net2phone businesses, and typically involve development or application of AI-powered technologies, expansion to new markets, and/or acquisition of customers for enhanced monetization across multiple, synergistic offerings.

Across all of our significant businesses, AI is deeply embedded in core business processes: enhancing and speeding customer service, speeding software development, product testing and release, enhancing risk mitigation and compliance functions, and optimizing marketing and pricing. As important as these changes are to driving customer acquisition, improving retention rates and strengthening operating margins, AI and particularly agentic AI is also profoundly reshaping many of our key markets.

Customer expectations are evolving rapidly as AI capabilities expand, creating significant opportunities to develop and offer AI-powered capabilities that extend or replace our traditional solutions. For example, net2phone has introduced two proprietary agentic AI solutions in the past year that have expanded net2phone's value proposition beyond communications to a broader set of critical sales, process and administrative workflows. net2phone's sales process has evolved in tandem - transitioning from transactional to consultative as it helps businesses evaluate potential applications. We seek to leverage net2phone's experience and learnings to address market evolution across our businesses.

OPERATING BUSINESS DESCRIPTIONS

NRS

NRS generated $159.4 million in revenues and income from operations of $39.3 million in fiscal 2026, as compared with revenues of $128.8 million and income from operations of $27.8 million in fiscal 2025. NRS' fiscal 2026 revenue growth was driven by increases in Merchant Services and SaaS Fees revenue, partially offset by a decline in Advertising & Data revenue. NRS' income from operations grew faster than its revenue, reflecting the operating leverage inherent in the NRS platform.

Overview

NRS operates a network of POS terminals at independent retailers throughout the United States and has a small but growing presence in Canada. The NRS solutions include integrated hardware and software tools, payment processing services, and digital commerce that enable these retailers to operate more efficiently, to grow their sales, and to compete more effectively against larger retail chains. NRS' business model is built on recurring revenue. Recurring services – Merchant Services, terminal-based software subscriptions, and advertising and data licensing – generated approximately 95% of NRS' revenue in fiscal 2026. Accordingly, NRS manages and measures its business principally by reference to the number of active terminals and payment processing accounts in its network, and by the revenue generated per terminal and per account.

The POS terminal's hardware includes a cash register, barcode scanner, retailer and customer-facing hi-definition screens, a receipt printer, and a credit card reader. NRS' integrated, proprietary software is offered to retailers as a service and provides operational tools including inventory management, sales tracking, price book management, reporting and other useful features. NRS technology teams continuously enhance the software and develop new features to better serve existing customers and facilitate expansion into additional retail market segments. In recent periods, NRS has released direct integrations that enable participating retailers to list their inventories within the portals of popular online ordering and delivery services – including DoorDash, Grubhub and, most recently, Uber Eats – powered by data drawn directly from the NRS order management platform. Because these are direct integrations rather than connections made through third-party middleware, inventory and pricing remain accurate and participating retailers do not require additional hardware or manual data entry. As online purchases are made, they flow automatically into NRS' order management tool alongside in-store orders, enabling merchants to seamlessly fulfill orders for delivery. Participating retailers have experienced meaningful increases in order volumes and revenues following activation, and NRS is progressively activating additional retailers across its network.

Target markets

The primary market for NRS' POS terminals is the independently owned convenience, bodega, liquor, grocery, and tobacco stores, many of which primarily serve multi-cultural consumer markets - predominantly in urban areas. Although quality data on these retailers is not readily available, we estimate that there are approximately 200,000 retailers in aggregate operating in our target markets. Beyond these core markets, we have identified adjacent independent retail verticals – including food service, small-format hardware stores and other specialty retailers – that our platform could address with incremental hardware formats and software functionality, and we have begun to develop differentiated offerings for certain of these verticals.

This market is highly fragmented. Most owners operate a single store, with very few owners operating more than a handful. As a result, the market must be addressed one retailer at a time, which favors providers with purpose-built products, established distribution relationships and low customer acquisition costs.

Stores in this market typically tailor their inventories to the specific needs of local residents, often focusing on the ethnic products most frequently consumed by local residents as well as mainstream branded foodstuffs and sundries. The financial performance of the retailers NRS serves is driven principally by general economic conditions affecting their shoppers, including inflation, affordability and household spending. Based on the same-store sales data that NRS publishes monthly from its own network, same-store sales among NRS retailers continued to grow throughout fiscal 2026. In certain localized markets, however, increased immigration enforcement activity adversely affected retailer foot traffic and contributed to store closures

Retailer customer base

NRS continues to increase the number of POS terminals active in its network. As of July 31, 2026, the NRS POS network included approximately 40,400 active terminals operating in approximately 35,000 independent retail stores, an increase from approximately 37,200 active terminals a year earlier. We believe that our network of NRS retailers comprises the largest POS network serving independent convenience store retailers in the United States by a significant margin. Net terminal additions vary from quarter to quarter and reflect both gross additions and retailer churn. Churn includes seasonal churn – for example, among retailers whose businesses are concentrated in the summer months or in the year-end holiday season – as well as non-seasonal churn arising from store closures, competitive displacement, payment network compliance actions and service or equipment disruptions. During fiscal 2026, elevated non-seasonal churn decelerated growth in net terminal additions. NRS has implemented a number of initiatives intended to reduce churn and increase new terminal sales, including enhancements to onboarding, service and support, and remediation of equipment and payment network compliance issues affecting a portion of its retailer base.

NRS goes to market through three channels:

- wholesale distributors;
- dedicated sales agents including exclusive agents and BOSS agents; and
- in-house telemarketing.

Revenue sources

NRS generates revenue from a portfolio of services for both retailers and third parties. Recurring services generated approximately 95% of NRS' revenue in fiscal 2026, including:

- *Merchant Services.* Merchant services revenue is generated by enabling retailers to accept and process payments made by credit cards, debit cards, electronic benefits transfer and other forms of electronic payment offered under the NRS Pay brand. Merchant Services is NRS' largest source of revenue. Its growth is driven principally by increases in the number of active payment processing accounts, by the continuing migration of consumers from cash to credit and debit card payment methods, by growth in same-store sales at NRS retailers, and by the conversion of existing NRS Pay customers to premium payment processing plans. The NRS Pay offerings are attractive to retailers for several reasons:

  - For new customers / retailers, NRS incentivizes retailers to also enroll in NRS payment processing by reducing the cost of the NRS POS hardware;

  - NRS' payment processing pricing model is straightforward and easily understood. NRS does not charge hidden fees – a frequent sore point for retailers under contract to other providers;

  - NRS provides the payment processing equipment at no cost to the retailer;

  - For new NRS terminal customers, NRS offers terminal hardware at a discount when customers also enroll in NRS Pay; and

  - NRS offers several credit card processing plans that include a cash discount offering, a standard plan and customized pricing.

  NRS operates primarily as an independent service organization (ISO), acting as an essential, retailer-facing intermediary between NRS retailers and its payment facilitator. In this capacity, NRS relies on its payment facilitator, its sponsor bank and the payment card networks for the sponsorship, settlement and compliance infrastructure required to process transactions, and NRS retailers are subject to the operating rules of the card networks and to applicable data security standards. From time to time, compliance reviews conducted by the card networks or by NRS' payment facilitator in respect of individual merchants have disrupted those merchants' processing and, in certain instances, contributed to retailer attrition

  At July 31, 2026, NRS had approximately 29,400 NRS Pay customers compared to approximately 26,500 a year earlier. The increase reflected both the enrollment of newly acquired NRS terminal customers in NRS Pay and the conversion of existing NRS terminal customers, often following the expiration of their contracts with incumbent payment processors.

- *Display Advertising*. NRS' offerings participate in the in-store retail media advertising market. Through its NRS Digital Media brand, NRS operates a nationwide, digital retail media platform. The platform leverages the 15-inch digital consumer facing display screens on each NRS terminal enabling advertisers to engage customers at the time of purchase. NRS Digital Media offers its large inventory of static and video advertisements, including video accompanying third-party provisioned content, extensive reach into the predominantly urban, multicultural consumer market served by NRS retailers. NRS Digital Media goes to market through both programmatic advertising platforms that match buyers with sellers in real time, and, to a lesser extent, through direct channels where consumer package-good sellers and other brand marketers, government agencies and non-profits purchase advertising directly from NRS Digital Media. Revenue from display advertising is a function of the size and utilization of the screen network, the volume of impressions delivered, and the effective rates, or CPMs (cost per mille – the price advertisers pay per thousand views or impressions), realized on that inventory. Advertising and data revenue declined in fiscal 2026 compared with fiscal 2025, reflecting an industry-wide decline in CPMs driven in part by the substantial expansion of digital advertising inventory as leading streaming services launched ad-supported tiers, as well as the loss of a demand partner that ceased operations. NRS seeks to increase advertising revenue by expanding its direct sales channel, developing differentiated offerings that pair its advertising inventory with its first-party transaction data to give advertisers measurable, closed-loop campaigns, and integrating the ad technology, demand relationships and publisher network of OnCore Digital, a digital media brokerage in which we acquired a controlling interest in fiscal 2026, with the NRS screen network.

- *Data and Analytics.* NRS licenses its first party retail data from merchants operating the NRS POS system to consumer-packaged goods brands, marketers, and other third-parties under its NRS Insights brand. This data captures product sales processed through the NRS POS at the transaction level including all scannable products identified with a universal product code (UPC) as well as items prepared or packaged in-house, i.e., brewed coffee, bakery, and food service. The data are provisioned based on the client's formatting and business requirements and are typically ingested into broader sales and marketing data warehouses. NRS Insights' data typically fill a blind spot in overall retail sales, as the independent retailer market that NRS serves is often either under-represented through common data syndicators or not included in their "tracked channels." Additionally, because NRS retailers' stores predominantly serve urban consumers, their shoppers over-index to multicultural demographics – a view that may be diluted or unavailable through other data providers and aggregators. NRS Insights' data assets also support commercial programs undertaken with consumer-packaged goods brands and product data scan programs launched during fiscal 2026, and NRS publishes a monthly report on same-store sales and category trends among the independent retailers in its network.

  The NRS Insights data are used by licensees both tactically and strategically. Common tactical applications of the data include sales enablement activities such as identifying core item distribution voids and monitoring speed to shelf and adoption of new product launches. Popular strategic applications of the data include gaining competitive intelligence, informing research and development activities, and informing acquisition and merger strategies.

  NRS Insights also provides analytical services to third parties, leveraging its data to assist advertising measurement, market-basket studies, inventory (SKU) optimization, and price elasticity evaluation.

- *Terminal-based software services*. NRS offers retailers several Software as a Service (SaaS) plans for its proprietary terminal software. These differentiated plans comprise packages of features and functionalities including advanced business operations tools, e-commerce functionalities, loyalty program management, and integrations with third-party online ordering and delivery services. Some services are offered to retailers on an a la carte basis. Growth in SaaS Fees revenue has consistently outpaced growth in the number of active terminals, as retailers subscribe to higher-value subscription tiers. More than 30% of NRS' retailer base had migrated to premium tiers as of the second quarter of fiscal 2026.

In addition to these recurring sources of revenue, NRS sells its POS terminals to retailers. Discounted terminal pricing is available to retailers who sign up for NRS Pay and premium software packages.

Competitive advantages

We believe that NRS' competitive advantages include:

- Our purpose-built suite of hardware and software is tailored specifically to the needs of independent retailers;
- Our established direct sales and marketing capabilities focused on independent retailers including our relationships with the wholesale distributors who supply these stores;
- Our POS terminal's 15 inch hi-definition customer-facing screen for displaying advertising and promotions provisioned via the NRS platform, and established relationships with supply side advertising platforms and with advertisers who purchase our inventory directly;
- Our ability to accept and target advertising and content in multiple formats to meet the needs of a diverse variety of potential advertising inventory buyers;
- For our data analytics business, the scale of our network and unique reach into the urban consumer convenience store market;
- Our focus on urban markets with high concentrations of first- and second-generation immigrants that provides advertisers and marketers with unprecedented reach and insight into these communities;
- For NRS payment processing, we are ideally positioned to supply payment processing services to retailers who purchase, or already utilize, our terminals, through simplified, transparent pricing plans with credit card terminals, no hidden fees and lower total cost to operate than most competitors;
- In certain states, NRS' payment processing solution is licensed to accept governmental electronic benefit transfers that certain competitors may not be licensed to accept;
- Because of our large scale compared to newcomers and smaller competitors, we can attractively price our software-as-a-service fees at levels that are generally well below theirs;
- Integration of our software with popular online delivery services can drive significant sales for individual retailers and is difficult for smaller and regional POS network operators to replicate;
- The recurring nature of substantially all of our revenue and the operating leverage inherent in our platform, which have enabled us to expand our margins as our network has grown;
- Our first-party transaction data, which we monetize directly through NRS Insights and increasingly use to improve the targeting and measurement of the advertising we deliver over our screen network;
- The breadth of our recurring offerings, which enables us to increase revenue per terminal within our installed base rather than solely through the addition of new terminals;
- Our ability to leverage new offerings for retailers through third party providers who are attracted by our scale and the flexibility of our platform; and
- Our experienced and proven management team, many of whom have been with NRS since inception.

Business strategy

NRS' strategy comprises three primary objectives - continuing to expand the number of retailers in our network, increasing revenue per terminal, and expanding margins. More specifically, we are working to:

- Deepen market penetration of our POS terminal network in our core target markets, and over time gradually expand into new retail verticals, enabled in some markets by the development of new POS hardware formats and software functionalities;

- Encouraging both current and new retailers to enroll in premium software-as-a-service plans by developing and deploying new features and functionalities including integrations with online ordering and delivery service partners;

- Increasing the percentage of current NRS terminal customers using NRS Pay for payment processing, particularly as contracts with their existing credit card processors expire, and conversion of existing NRS payment processing customers to higher margin pricing plans;

- For NRS advertising, expansion of direct sales, integrations with new programmatic advertisers and the development of differentiated offerings that enable us to more effectively leverage the unique strengths of our platform;

- Reduce retailer churn by improving onboarding, service and support, by resolving equipment and payment network compliance issues that disrupt retailers, and by deploying features that increase the value retailers derive from the NRS platform;

- Deepen the capabilities of our platform within the verticals we already serve so that our offerings remain materially more purpose-built for independent retailers than competing general-purpose POS platforms;

- Extend our direct online ordering and delivery integrations across a larger portion of our retailer base and add additional commerce and fulfillment partners;

- For NRS Insights, grow recurring data licensing revenue by increasing the number of consumer packaged goods brands, marketers, retailers, agencies and other third parties that license our data; deepen penetration within existing licensees by broadening the categories, geographies and history they license; extend our analytical and measurement services, including advertising measurement, market-basket studies, SKU optimization and price elasticity evaluation; and develop data-enabled commercial programs, such as the digital couponing and product data scan programs we launched with brands and coupon providers during fiscal 2026;

- Across NRS, we are leveraging AI for enhanced operational efficiency across customer service, internal software development and new feature deployment, and enhanced sales lead processing; and

- Selectively pursue acquisitions that extend our platform, our retail media capabilities or our reach, as we did in fiscal 2026 through our acquisition of a controlling interest in OnCore Digital.

Competition

Currently, nationwide POS platform providers, including Square, Toast, Lightspeed, Clover, and NCR, primarily serve retail chains or are focused on other retail segments, such as sit-down restaurant chains and other food service providers.

NRS markets its POS platform offerings primarily to independent convenience stores, including bodegas, and other small format retailer store owners including liquor and tobacco stores. A large majority of new NRS customers did not previously use a POS system. In the minority of cases where potential customers are using, or are considering using, an alternative solution, we believe that NRS' suite of proprietary software solutions, affordable and discounted POS equipment and free credit card terminals are key drivers behind its success versus the competition.

During fiscal 2026, NRS experienced increased competitive activity in its core markets from both established POS providers and new or early-stage entrants - primarily specialized niche market providers. We believe that in most instances these competitors deliver materially less functionality and lower total savings than our offerings. Nevertheless, this activity adversely affected the rate of gross terminal and payment processing accounts additions in fiscal 2026 and contributed to elevated rates of retailer churn.

NRS expects to encounter more frequent direct competition from local and/or national POS networks both in its traditional markets and as it expands to new adjacent target markets.

Fintech

Fintech is comprised of BOSS Money and other, significantly smaller, financial services businesses including our Gibraltar-based bank. Fintech revenues were $176.0 million in fiscal 2026 compared to $154.6 million in fiscal 2025. Fintech's income from operations was $21.5 million in fiscal 2026 compared to $15.4 million in fiscal 2025. Within Fintech, BOSS Money revenues were $156.7 million in fiscal 2026, an increase of 12.0% from revenues of $139.8 million in fiscal 2025.

Description of service

BOSS Money enables customers in the United States to send money conveniently and affordably to third parties around the world. International remittances are a primary economic activity for the tens of millions of first and second-generation immigrants in the United States. At July 31, 2026, BOSS Money provided its remittance service to 50 countries through approximately 1,800 disbursement partners and its payout network included over 250,000 cash payout locations worldwide in addition to a growing number of bank deposits, mobile money wallets, debit cards, and home delivery payout options.

Distribution

BOSS Money is primarily offered directly to consumers via our digital channels — the BOSS Money and the BOSS Revolution apps. To utilize our digital channels, customers can use their debit or credit cards or authorize ACH transfers from their bank accounts.

Our smaller retail channel network comprises licensed and authorized BOSS Money agents nationwide. Customers can initiate transfers through a BOSS Money agent with cash as well as with their debit or credit cards. While our retail network is a small fraction of the size of our retail-centric public competitors, it serves as an important gateway for new customers- often recent immigrants - to enter our larger eco-system of related offerings.

Marketing

BOSS Money's target market is first and second-generation immigrants in the United States who were born in, or have parents born in, one of our destination countries. According to the Pew Research Center, as of June 2025 over 51 million immigrants lived in the United States, and approximately half of these were born in Latin America. Immigrants and their U.S. born children together comprise over 25% of the total U.S. population. Net immigration in 2025 was 1.3 million people according to the U.S. Census Bureau.

We continue to grow our BOSS Money digital channel transaction volumes and revenues at rates well above the domestic remittance industry's average by marketing our service to this target market, and in particular to the large base of customers - predominantly from our target market - who utilize our BOSS Revolution voice calling and IDT Digital Payments offerings. We offer new customers attractive fee and foreign exchange rates, through both our digital and retail channels, and through online, media and event-based marketing.

Beginning on January 1, 2026, the federal government imposed an excise tax of 1% on the value of remittances paid with cash or money orders. Remittances funded with credit cards, debit cards or ACH transfers from U.S. bank accounts are tax exempt. In the months following the new tax's imposition, BOSS Money's digital channel growth has accelerated as former retail customers including customers of other remittance brands have avoided the tax by migrating from cash-funded remittances at retail locations to bank-funded digital channel transactions.

Revenue sources

BOSS Money generates revenues from a per-transaction fee charged to the customer and from foreign exchange differentials. Our transaction costs include commissions paid when the transaction is initiated by a retail agent, payment to the international disbursing agent, banking, compliance and foreign currency exchange costs, and, when applicable, credit and debit card or ACH processing fees.

BOSS Money's revenue per transaction is typically higher on retail transactions compared to digital to reflect the commission paid to the originating retailer. However, gross and net margins are typically higher on digital transactions compared to retail.

Competitive strengths

The money transfer industry is intensely competitive, with participants ranging from banks, digital remittance providers, fintech startups and traditional remitters. Digital competitors such as Xoom (a subsidiary of PayPal), Wise, Remitly, and Sendwave along with traditional money remitters, including Western Union, Ria, MoneyGram, Intermex and Viamericas compete in the remittance space.

We compete successfully in part by migrating customers of our other BOSS offerings from their current remittance providers to BOSS Money leveraging our highly regarded BOSS brand, insights into our customers, and cross-marketing capabilities. We compete for customers outside the BOSS ecosystem primarily based on brand reputation, low fees, and competitive foreign exchange rates. We believe that BOSS Money's competitive strengths include:

- Our BOSS name is an established and trusted brand that has served immigrant communities in the United States for well over a decade. We spend significantly on BOSS-branded marketing to support BOSS Revolution and BOSS Money in this target market;

- The BOSS customer eco-system includes the large customer bases of BOSS Revolution and IDT Digital Payments. We can significantly lower BOSS Money's customer acquisition costs, and therefore grow more efficiently, through our intensive cross-product marketing efforts within this eco-system;

- The BOSS Money digital channel, specifically the BOSS Money and BOSS Revolution apps, are used for most of our transactions. The apps share a common proprietary, internally developed, scalable platform that has earned high marks from customers for its ease of use, reliability, and customer service;

- Our comprehensive compliance processes and procedures;

- Our ready access to capital leveraging IDT's strong balance sheet including robust levels of cash and cash equivalents; and

- Our experienced management team.

Growth strategy

BOSS Money's growth strategy includes:

- Continued migration of the larger cohorts of BOSS Revolution and IDT Digital Payments customers to BOSS Money through cross-marketing campaigns;

- Offers and marketing campaigns to further accelerate the migration of competitors' retail customers to BOSS Money's digital channel;

- Expansion of our international payout network with a focus on growth in Latin America, Africa and Asia;

- Further enhancements to our BOSS Money app, BOSS Revolution app and retailer portal;

- Further integrate AI-powered applications to enhance customer service operations, improve risk mitigation and fraud detection, marketing and price optimization; and

- Deployment of a BOSS Money branded mobile wallet to receive, hold and pay for remittances and other BOSS products. The BOSS Money wallet will enable BOSS Money to develop financial service offerings tailored to both customers and recipients of all retail offerings within the larger BOSS eco-system.

net2phone

net2phone's revenues were $96.6 million in fiscal 2026 compared to $87.9 million in fiscal 2025. net2phone's income from operations was $9.1 million in fiscal 2026 compared to $4.9 million in fiscal 2025.

Service offerings

net2phone enables its customers to transform their communications by leveraging AI and its cloud platform to provide solutions that enable more intelligent, flexible and adaptive communications. net2phone's services are available to enterprises worldwide. Marketing and sales operations are focused on the United States, Canada, Mexico, Central and South America and Spain.

net2phone's offerings include:

- *net2phone AI Agent*: net2phone's autonomous, customer-facing AI agent expertly handles both routine and complex sales, customer support and administrative tasks for customers across their website, phone, and chat channels. net2phone's AI Agent can be reached via text or voice.

- *net2phone Coach*: net2phone's workforce intelligence and coaching platform uses real-time AI-powered insights to support employee performance. net2phone Coach addresses the biggest drawback of remote work – a lack of supervision and coaching– with real-time employee monitoring, performance tracking, and coaching. The platform examines multiple channels of communication, including calls, SMS, chats, emails, and video meetings. It analyzes response time, tone, sentiment, and performance trends and other tendencies to develop and deliver suggestions for improvement and productivity gains. net2phone Coach includes an AI Assistant which can be customized to respond to unique business questions for the business owner.

- *Unified Communications as a Service (UCaaS):* net2phone's UCaaS service offered under its Unite brand utilizes its cloud platform to provide conversational continuity across channels from any connected device – tethered or mobile – and to measure, manage and analyze those communications for enhanced insight and productivity. net2phone provides its UCaaS customers that convert from on-premise PBX with advanced Internet Protocol, or IP, desktop phones and/or with a bring-your-own-device solution accessed through its integrated web portal and through net2phone's mobile app. net2phone's UCaaS service includes multi-channel communications with voice management features, unlimited domestic and international calling to over 40 countries, robust messaging and chat tools, voicemail to email transcription, client analytics, AI-powered functionalities including instant call summaries and transcripts, internal team chat, the net2phone Huddle video conferencing service, and reporting and system management capabilities accessed through its online console. net2phone's UCaaS service integrates seamlessly with business communication platforms (such as Microsoft Teams and Slack), leading customer relationship management, or CRM, services (such as SalesForce, Zoho and others) and text-based communications platforms. net2phone adds features, enhancements and integrations on a regular basis leveraging its agile development philosophy. net2phone has introduced industry-specific UCaaS offerings for certain business verticals including a HIPAA compliant healthcare solution and a hospitality solution offering integration with the industry's leading CRM.

- *Contact Center as a Service (CCaaS)*: net2phone offers robust and integrated cloud CCaaS solutions under its uContact brand. uContact provides omnichannel contact center solutions including workflows, forms, reports, dashboards, CRM alerts, and monitoring for inbound, outbound, or blended contact centers. uContact also offers gamification components to improve employee efficiency and engagement. uContact is sold either as a stand-alone offer or as a bundled solution with net2phone's UCaaS, SIP Trunking and AI Agent offerings.

net2phone differentiators include superior customer service, a no-code integration layer that enables customers to configure integrations with CRMs and other third-party software, and deep localization. net2phone's global infrastructure, locally based sales and customer support teams and native language support enable net2phone clients to retain the look and feel of localized customer and user experiences.

Go-to-market

net2phone focuses primarily on an indirect go-to-market strategy in most of its markets, utilizing extensive networks of channel partners including Technology Solutions Brokerages (TSBs), Technology Services Distributors (TSDs), Managed Service Providers (MSPs), and Value-Added Resellers (VARs). This channel-centric approach enables net2phone to efficiently reach its extensive target market of midsize businesses, which rely heavily on these types of service providers to address their IT needs. net2phone's partner channel is overseen by regional channel sales managers employed by net2phone.

net2phone is developing direct-to-business capabilities to market primarily its AI offerings, net2phone AI Agent and net2phone Coach, in the small and medium-sized business market.

Both net2phone's channel partners and direct business customers choose its solutions because of our user-friendly offerings, availability of in-house support agents, value proposition, and track record of reliability and stability. Channel partners value net2phone for its extensive customization capabilities, frictionless and rapid quote generation, and competitive compensation – backed by its dedicated channel sales team.

net2phone's direct marketing to channel partners and end users includes search engine marketing, search engine optimization, third-party lead generation platforms, social media marketing, webinars, industry focused events, and other forms of demand generation.

net2phone's indirect marketing funnels through its network of partners, technology distributors, and affiliates and includes tradeshows and local events, marketing development support for partners and other forms of demand generation, layered with ongoing channel sales training, proof of concepts and demos.

net2phone closely tracks its acquisition costs across both channels to ensure it is acquiring customers in a cost-efficient manner and consistent with its targets for return on investment.

Growth strategy

net2phone's growth strategy includes:

- Further development and distribution of net2phone AI Agent and net2phone Coach through both indirect and direct channels;
- Refine net2phone AI Agent to offer additional industry vertical specific variants that integrate with popular industry-specific CRMs to handle administrative, support and sales tasks while leveraging industry specific learnings and workflows;
- Within its UCaaS offerings, expand AI-powered functionalities to further leverage the large and improving capabilities of language models to drive quantifiable improvements in customer engagement and business performance;
- Across its offerings, net2phone plans to introduce burstable line capacity that allows a customer to temporarily increase their bandwidth to handle short-term traffic spikes, providing end users with the option to leverage net2phone's robust network capabilities to temporarily exceed stipulated line limits, thereby enabling them to effortlessly add additional capacity during periods of brief demand volatility;
- For its UCaaS customers in Mexico and Brazil, net2phone provides integration with WhatsApp. With this integration, clients are able to send and receive WhatsApp messages on the net2phone portal;
- Premium plan tiers: net2phone offers multiple tiered plans with differentiated functionalities and pricing for its UCaaS and CCaaS offerings. To meet the needs of its customers and enhance revenue per customer, sales efforts will focus on upselling premium feature sets to existing customers as well as onboarding new customers on premium plans;
- Focus channel expansion on MSPs and resellers: net2phone's continuous product development makes its offerings increasingly attractive to larger, more complex organizations that demand more advanced feature sets. As a result, net2phone is focused on expanding its partnerships with both MSPs, who provision services to larger, more technologically demanding end users on a subscription basis, and resellers, who purchase services directly for subsequent resale, often under their own label, and who are responsible for customer onboarding and support;
- AI-CX Initiative: net2phone plans on releasing to the market in fiscal 2027 a new version of uContact which drives what we believe the customer-experience industry is seeking – a combined, single interface (cloud-enabled software) which is the control tower for both AI-empowered CX (customer experience) driven agents and the live humans working in tandem within a customer-experience ecosystem. We expect AI to ultimately be the driving vehicle of this uContact upgrade which will talk to, message, report and serve customers around the world; and
- Selectively pursue acquisitions and strategic investments: net2phone may continue to selectively pursue acquisitions and strategic investments to strengthen its platform with new capabilities and solutions as well as to expand its position in its existing markets or to establish a presence in new markets.

Competitive Strengths

We believe that net2phone's competitive strengths include:

- *Proprietary communications-as-a-service product suite.* net2phone provides a leading, proprietary cloud-based communications and collaboration platform for its customers. Key differentiators include net2phone's advanced feature sets, proprietary CCaaS offering, superior customer service, integrations with third-party software, and deep localization. Through net2phone's platform, customers can access voice, video, chat, an AI assistant and messaging services, softphone and mobile applications, customizable packages, and a partner portal. The seamlessly integrated solutions on net2phone's platform are delivered and centrally managed through an intuitive, 'single pane of glass' master portal that allows channel partners and customers to easily monitor and manage the product offering. net2phone's CCaaS offering provides software for customized campaign management, including inbound and outbound call management, messaging, gamification, reporting, and live monitoring. net2phone's CCaaS offering is tailored for call centers ranging from 20 to 1,000 agents. net2phone Integrate supports seamless product suite integrations with leading third-party CRMs and text-based business collaboration platforms including Google Meet, Microsoft Teams, Zoho, Slack, Zapier, and Salesforce, with new integrations added to meet demand.

- *Platform built for our channel partners.* net2phone has built its platform to both serve the needs of its customers and to empower its channel partners. We believe that net2phone's platform provides its partners with an effective way to market and sell its comprehensive solutions to new customers and manage its existing customers. In addition, net2phone's integrations with leading third-party applications enable its partners to offer more comprehensive solutions. net2phone's suite of solutions is delivered to the marketplace quickly, intuitively, and precisely. net2phone has developed a proprietary partner portal exclusively for its growing partner community. net2phone's channel partners can easily quote and deliver a net2phone proposal and agreement proceeding directly to onboarding.

- *One World, One Platform*. net2phone is deploying a single cloud-based platform to provide its unified communications service globally. This single-platform approach enables a consistent, holistic approach to new feature deployment, service upgrades, and marketing. The platform has been deployed in the United States, Canada, Brazil, and Mexico to date.

- *Distribution power of net2phone's more than 2,500 active channel partners enhanced with an emergent direct to consumer strategy.* net2phone's vast and growing partner network gives it tremendous leverage to grow its business customer base, increase revenue from its existing clients and expand its footprint to adjacent geographies. net2phone's platform is tailored to support channel partners and includes channel incentives built into its pricing structure, technology platform, and support services. net2phone puts its channel and customer priorities first. Channel partners are motivated to sell net2phone's offering due to its premier, localized channel partner support and marketing. While net2phone is primarily focused on strategically growing its channel sales, it has also been focusing on the expansion of its direct-to-business sales. Due to net2phone's widening AI portfolio, we are introducing a more "Direct to Business" tailored approach where we plan on enhancing our outreach to current logos by educating them and demonstrating for them our new AI Agent solutions and capabilities.

- *Differentiated customer support and local market presence.* net2phone offers channel partners and customers superior customer service, integrations with third-party software, and deep localization. net2phone's on-the-ground presence in international markets accounted for approximately 84% of its personnel at the end of fiscal 2026. Regional-based customer service and sales teams are a key differentiator and propel net2phone's international business.

- *Track record and focus on innovative solutions.* net2phone's long track record of innovation includes the development of its proprietary UCaaS platform, including the Huddle video conferencing service, as well as numerous patents around virtualized communication technologies. Recently, net2phone's leverage of AI includes the Huddle video platform being upgraded with real-time AI summaries and reporting as well as the launch of net2phone AI Agent and net2phone Coach.

- *Employee-friendly culture that allows net2phone to attract and retain talent*. net2phone has sought to create a workplace and culture that is entrepreneurial, positive, employee-friendly and encourages its employees to work towards its shared goals of delivering innovative solutions to its customers and supporting its partners. As of July 31, 2026, net2phone had approximately 540 employees worldwide, with 84% located outside of the United States.

Competition

net2phone's most significant competitors in the UCaaS space include RingCentral, 8x8, Crexendo, Vonage, Dialpad and Nextiva. Some AI agent focused (only) companies such as Lindy or Phonely are also competitors. Many of these companies offer more widely recognized brands, larger and more developed marketing and sales forces and/or channel agent networks, and more advanced product sets and solutions customized for specific market segments or verticals. These competitors' offerings typically also support integration of their services with other well-known, third-party CRM vendors as well as with various Google and Microsoft applications.

The CCaaS market is fragmented, highly competitive and evolving rapidly in response to shifting consumer behavior, especially the rapid adoption of AI, mobile devices and social media. This proliferation is driving change in contact center technology, as customers expect seamless communication across any channel according to their preference and needs. net2phone competes with large legacy vendors that offer on-premises contact center systems, such as Avaya and Cisco. These legacy telephony vendors are increasingly supplementing and replacing their traditional contact center systems with competing cloud offerings, through a combination of acquisitions, partnerships, and in-house development. Additionally, net2phone competes with vendors that historically provided other contact center services and technologies and expanded to offer cloud contact center software such as NICE, Five9, and Genesys. net2phone also faces competition from many smaller contact center service providers such as Talkdesk and Seranova, as well as vendors offering both unified communications and contact center solutions. In addition, Amazon and Twilio have introduced solutions aimed at companies who wish to build their own contact centers with in-house developers. CRM vendors are also increasingly offering features and functionality that were traditionally provided by contact center service providers. CRM vendors also continue to partner with contact center service providers to provide integrated solutions and may, in the future, acquire competitive contact center service providers.

Traditional Communications

Our Traditional Communications segment generated $865.9 million in revenues and income from operations of $63.4 million in fiscal 2026, as compared with revenues of $860.2 million and income from operations of $66.5 million in fiscal 2025.

Traditional Communications comprises the following businesses:

- IDT Digital Payments, which includes certain consumer prepaid offerings – primarily mobile top-up, which enables customers to transfer airtime and bundles of airtime, messaging, and data to international and domestic mobile accounts, and Zendit, its cloud-based prepaid-as-a-service platform, which enables businesses and developers to offer prepaid digital offerings globally through their apps and websites;

- BOSS Revolution, an international long-distance calling service marketed primarily to immigrant communities in the United States and Canada;

- IDT Global, a wholesale provider of international voice and SMS termination and outsourced traffic management solutions to telecoms worldwide; and

- Other small businesses and offerings including early-stage business initiatives and mature businesses in harvest mode.

IDT Digital Payments

IDT Digital Payments' revenues were $429.2 million in fiscal 2026 compared to $416.3 million in fiscal 2025 (49.6% and 48.4% of Traditional Communications' revenues in fiscal 2026 and fiscal 2025, respectively). The substantial majority of IDT Digital Payments' revenue is from sales of international mobile top-up services. IDT Digital Payments offers mobile top-up for approximately 194 different carriers in more than 113 countries, primarily in Latin America, the Caribbean and Africa. IDT Digital Payments leverages our platform capabilities, our distribution reach into foreign-born communities and our relationships with mobile operators around the world.

Go-to-market

IDT Digital Payments is sold through the BOSS platform primarily through three channels:

- direct-to-consumer, through the BOSS digital platform, including our BOSS Revolution and BOSS Money apps, and the BOSS Revolution website;
- retail, through our BOSS Revolution retail network including direct provisioning by retailers using our BOSS Revolution retailer platform, NRS terminals and through mobile operator-branded top-up cards; and
- enterprise and wholesale, in which we provision international offerings for other businesses through Zendit's cloud-based prepaid-as-a-service platform.

Growth strategy

IDT Digital Payments' growth drivers include:

- Marketing campaigns to accelerate the ongoing migration of sales from our lower margin retail channel to our higher margin direct-to-consumer channel;
- Marketing to accelerate the growth of IDT Digital's recently introduced eSIM offerings;
- Deployment of additional data-centric bundled offerings to meet the growing demand for data from mobile phone customers in developing countries worldwide and to increase the contribution of recurring revenue;
- Expansion of digital gift cards offerings, cross-selling to our current BOSS Revolution and BOSS Money customers, expansion of the Zendit prepaid platform; and
- Expansion of the direct-to-consumer digital channel to certain immigrant communities in Western Europe.

Competition

IDT Digital Payments' major competitors include:

- international mobile operators, who seek to control more of their own distribution channel or create their own products that directly compete with IDT Digital Payments; and
- other service providers, distributors, and wholesalers, including Western Union, Ria, Viamericas, DT One, Ding, and Recharge.com.

Competitive Strengths

We believe that IDT Digital Payments' competitive advantages include:

- our direct connection to most of the Tier 1 and Tier 2 mobile carriers worldwide;
- the strength of IDT's balance sheet, which allows us to compete effectively in capital intensive prepaid markets;
- our extensive distribution and retail networks that provide us with a strong presence in communities of foreign-born residents, a significant portion of whom purchase our services with cash; and
- our strong omni channel approach, which includes the BOSS Revolution retailer network, the BOSS digital platform, including the BOSS Money and BOSS Revolution apps and the BOSS Revolution website, and the enterprise and wholesale channel.

BOSS Revolution

BOSS Revolution's revenues were $180.3 million in fiscal 2026 compared to $211.2 million in fiscal 2025 (20.8% and 24.6% of Traditional Communications' revenues in fiscal 2026 and fiscal 2025, respectively).

Service offering

BOSS Revolution is a prepaid international long-distance calling service marketed primarily to foreign-born and under-banked consumers in the United States and Canada, and a digital-only offering in Europe and Australia.

BOSS Revolution includes our flagship 'BOSS Revolution' branded international long-distance prepaid calling service as well as disposable hard cards sold under a variety of brands. In the United States, BOSS Revolution served approximately 1.4 million customers per month as of July 31, 2026.

Go-to-market

BOSS Revolution is offered through our digital channels, the BOSS Revolution app and website, and through our extensive national network of BOSS Revolution retailers.

BOSS Revolution allows users to place international long-distance calls at affordable rates from the BOSS Revolution app or by calling an access number. Regardless of how the call originates, our customers must first establish and top-up a prepaid BOSS Revolution account that is linked to their phone. Customers can open a BOSS Revolution account for free and top-up with a debit or credit card using the BOSS Revolution app, through the BOSS Revolution website (www.bossrevolution.com) or by phone, or with cash at any BOSS Revolution retailer. BOSS Revolution customers' account balances are debited at a fixed rate per minute or at a fixed amount for calling plans to a specific country over a specified time period. In contrast to certain of our competitors, BOSS Revolution does not charge connection, usage or breakage fees. BOSS Revolution's per minute rates vary by the destination country, city, and whether the call is placed to a landline or mobile phone. Rates are published on the BOSS Revolution website and within the BOSS Revolution app.

Users of the BOSS Revolution app constitute the majority of BOSS Revolution's customers to date. At July 31, 2026, approximately 1.0 million customers per month utilized the BOSS Revolution app.

In the United States, we distribute our BOSS Revolution hard cards and other retail products primarily through our network of distributors that, either directly or through sub-distributors, sell to retail locations. In addition, our internal sales force sells BOSS Revolution and other platform products directly to retailers.

At July 31, 2026, approximately 18,000 retailers per month utilized the BOSS Revolution digital retailer platform to provision customers, the substantial majority of whom pay the retailer in cash. In addition, we estimate that approximately 1,700 retailers resell our disposable hard cards without utilizing our retailer portal. BOSS Revolution retailers are typically independent retailers serving foreign-born communities with significant unbanked or under-banked populations.

The BOSS Revolution retailer portal can be accessed by any broadband enabled device. Through the portal, retailers can access our platform to create accounts for new customers, add funds to existing customer balances and execute sales transactions. The platform provides us with a direct, real-time interface with our BOSS Revolution retailers to create a cost-effective and adaptable distribution model that allows us to target and promote services directly to distributors and retailers, to introduce and cross-sell new offerings, and to rapidly adapt to changes in the business environment.

In the United States, the BOSS Revolution brand is supported by national, regional, and local marketing programs that include television and radio advertising, online advertising and grass roots marketing at community and sporting events. In addition, we work closely with distributors and retailers on in-store promotional programs and events.

BOSS Revolution's retail sales have traditionally been, and continue to be, strongest in the Northeastern United States and in Florida because of our extensive local distribution network. We continue to grow BOSS Revolution's distributor relationships and expand BOSS Revolution's retail network in other areas of the United States and Canada, including the Southwest and West Coast.

Competition

BOSS Revolution is subject to fierce competition. While virtually any company offering communication services is a competitor, we face particularly strong competition from Tier 1 mobile network operators who offer flat-rate international calling plans, other PIN-less prepaid voice offerings, prepaid calling card providers, mobile virtual network operators, and VoIP and other "over the top," or OTT, service providers. Outside the United States, we also compete with large state-owned or state-sanctioned telephone companies.

Many of these companies, including AT&T, Verizon, and T-Mobile, are substantially larger and have greater financial, technical, engineering, personnel, and marketing resources, longer operating histories, greater name recognition, and larger customer bases than we do.

In addition to these larger competitors, we face significant competition from smaller prepaid calling providers.

From time to time, competitors may offer rates that are substantially below ours in an attempt to gain market share. In some instances, these rates are below what we believe to be the cost to provide the service. This predatory pricing can adversely affect our revenues and our gross margins.

The continued growth of OTT calling and messaging services such as WhatsApp, Messenger, FaceTime, and others has adversely affected the sales of BOSS Revolution and our other prepaid calling services. We expect the popularity of these IP-based services—many of which offer free voice and/or video communications—to continue to increase, which will increase substitution for, and pricing pressure on, our BOSS Revolution and other international prepaid calling offerings. However, free services typically require both the caller and recipient to have a broadband connection. BOSS Revolution utilizes telephone networks to enable voice communications even when neither party has broadband connectivity.

Many mobile operators offer unlimited international long-distance plans that include international destinations to which customers can place direct calls from their mobile phones without time limitation. These plans now include some of our most popular international destinations. The growth of these "international unlimited" plans adversely affects our revenues as these operators gain subscriber market share.

Competitive Strengths

Our ability to compete successfully against these various operators and service providers stems from several factors, including:

- our interconnect and termination agreements, network infrastructure, and least-cost-routing system enable us to offer low-cost, high-quality services;
- our continued innovation with new plans tailored to the specific needs of different corridors and finding new ways of delivering more value to consumers striving to connect with family and friends around the globe;
- our extensive distribution and retail networks provide us with a strong presence in communities of foreign-born residents, a significant portion of which purchase our services with cash;
- our BOSS Revolution brand is often highly visible in these communities and has a reputation for quality service and competitive, transparent pricing;
- our continued migration of our existing customers to our digital platform including the BOSS Revolution app; and
- our offering of synergistic IDT Digital Payments and BOSS Money over the BOSS Revolution platform that customers can conveniently access from their accounts.

Our ability to maintain and/or to capture additional market share will remain dependent upon our ability to continue to provide competitively priced services, to maintain our distribution and retail networks, to increase usage through the BOSS Revolution app, and to innovate new products and services to fit the evolving needs of our customers.

IDT Global

IDT Global's revenues were $231.5 million in fiscal 2026 compared to $209.6 million in fiscal 2025, contributing 26.7% and 24.4% of Traditional Communications' revenues in fiscal 2026 and fiscal 2025, respectively.

Service offering

IDT Global is one of the larger wholesale carriers of international long-distance minutes in the world.

IDT Global's telecommunications network is comprised of interconnections and commercial relationships reaching virtually every significant global telecom operator. These relationships enable us to carry international telecommunications traffic to more than 200 countries around the world. IDT Global's customers include our BOSS Revolution and net2phone businesses, major and niche carriers around the globe, mobile network operators, and other service providers such as call aggregators. For many of these customers, particularly the major carriers, we engage in buy-sell relationships, terminating their customers' traffic in exchange for terminating our traffic with them.

IDT Global offers competitively priced international termination rates at several quality levels. We can offer competitively priced termination services in part because of the large volumes of originating minutes generated by our BOSS Revolution business, our global platform powered by proprietary software, our team of professional and experienced account managers and market makers, and our global network of interconnections and relationships with other telecom operators. IDT Global's services are marketed and sold through our internal account management team and the IDT Express digital portal. IDT Express focuses on delivering wholesale voice and direct inward dialing, or DID, services to small and medium-sized businesses domestically and internationally.

Traditional Communications terminated 7.6 billion minutes in fiscal 2026, as compared to 7.4 billion minutes in fiscal 2025. IDT Global accounted for 6.18 billion minutes and 5.68 billion minutes of the total Traditional Communications' minutes in fiscal 2026 and fiscal 2025, respectively.

IDT Global has a significant number of direct connections to Tier 1 providers in North America, Latin America, Asia, Africa, Europe, and the Middle East. Tier 1 providers are the largest recognized licensed carriers in the country. Direct connections improve the quality of the telephone calls and reduce the cost, thereby enabling us to generate more traffic with higher margins to the associated foreign locales. We also have direct relationships with mobile network operators, reflecting their growing share of the voice traffic market.

Termination rates charged by Tier 1 and other providers of international long-distance traffic have been declining for many years. Nevertheless, termination rates charged to us by individual Tier 1 carriers and mobile operators can be volatile. Termination price volatility on heavily trafficked routes can significantly impact our minutes of use and wholesale revenues.

In addition to offering competitive rates to our carrier customers, we emphasize our ability to offer the high-quality connections that these providers often require. To that end, we offer higher-priced services in which we provide higher-quality connections, based upon a set of predetermined quality of service criteria. These services meet a growing need for higher-quality connections for some of our customers who provide services to high-value, quality-conscious retail customers. As of July 31, 2026, IDT Global, through its wholesale carrier organization and IDT Express channel had more than 1,450 customers, including more than 280 carrier relationships globally.

IDT Global's revenues are generated by sales to both postpaid and prepaid customers. Postpaid customers typically include Tier 1 carriers, mobile network operators, and our most creditworthy customers. The majority of IDT Global's prepaid customers connect via our IDT Express portal. IDT Express offers the convenience of a mobile self-service portal paired with dedicated account managers backed by customer support. Prepaid customers are typically smaller telecommunication companies as well as independent call aggregators.

IDT Global also offers outsourcing services to help fixed and mobile telephony operators enhance the profitability and value of their international voice operations. IDT Global offers these operators customized solutions, including full outsourcing, handing all inbound and outbound calls with or without switch management, and hybrid arrangements whereby the operator retains certain routes or customers directly. Pursuant to these deals, IDT Global collaborates with the operators to provide a full range of international long-distance services to their respective customers in-country and overseas.

IDT Global is subject to intense revenue and margin pressure as communications globally continues to transition away from international voice calling to video conferencing and other collaboration platforms, low-cost or free messaging services, free peer-to-peer voice calls available when both parties utilize broadband connections, and flat-rate international long-distance plans offered both by the largest mobile network operators and niche mobile virtual network operators.

Competition

The wholesale carrier industry has numerous entities competing for the same customers, primarily based on price and quality of service.

IDT Global participates in a global marketplace with:

- interexchange carriers and other long-distance resellers and providers, including large carriers such as T-Mobile, AT&T, and Verizon;
- historically state-owned or state-sanctioned telephone companies such as Telefonica, Orange SA, and KDDI;
- on-line, spot-market trading exchanges for voice minutes;
- OTT internet telephony providers;
- other VoIP providers;
- other providers of international long-distance services; and
- alliances between large multinational carriers that provide wholesale carrier services.

Competitive Strengths

We believe that IDT Global derives a competitive advantage over some participants on certain routes from several inter-related factors:

- our BOSS Revolution business generates originating minutes, which represents a desirable, negotiable asset that helps us win return traffic and obtain beneficial pricing which we can offer in the wholesale marketplace;
- the proprietary technologies powering our IDT Global platform and the software that drives VoIP enables us to scale up or down at a lower cost than many of our competitors;
- our professional, dedicated and experienced account management team; and
- our extensive network of interconnects around the globe, with the ability to connect in whichever format (IP or time-division multiplexing, or TDM) is most feasible.

Communications and Payment Network Infrastructure and Technology Development

Our products and services utilize a combination of proprietary software as well as technologies and services provided by third parties. We have developed intuitive user interfaces, customer tools and transaction processing, ML (Machine Learning) models, and database and network applications that enable our users to reliably and securely complete transactions and help our customers and partners utilize our suite of services. Our technology infrastructure simplifies the storage and processing of large amounts of data, eases the deployment and operation of large-scale global products and services, and automates much of the administration of large-scale clusters of computers.

Our technology infrastructure has been designed around industry-standard architectures to reduce downtime in the event of outages or catastrophic occurrences. We strive to continually improve our technology infrastructure to enhance customer experience and to increase efficiency, scalability, and security. Our platforms' architecture enables us to connect parties regardless of whether the transaction is occurring at a traditional physical location, online, or through a mobile device. Our platforms incorporate multiple layers of protection, both for continuity purposes and to address cybersecurity challenges. We engage in multiple efforts to protect our software platforms against these challenges, including regularly testing our systems to address potential vulnerabilities.

Our product and technology organization is responsible for the design, development, testing, and delivery of new software, technologies, and features of our products and services, as well as the continued improvement and iteration of our existing products and services. Our technology employees are distributed globally in our Newark, Jerusalem, Guatemala, Uruguay, Warsaw, and Minsk offices. Our technology team consists of our software engineering, quality engineering, ML (Machine Learning) and AI development, voice engineering, data warehousing, data engineering, systems, NOC (Network Operations Center), and operations teams. We intend to continue to invest in our research and development capabilities to extend our products and services.

AI and agentic AI tools are deployed throughout our Software Development Lifecycle (SDLC). AI assists our engineers in generating and reviewing code, our quality engineering teams in designing and executing automated test suites, and our operations teams in monitoring and maintaining our platforms. In fiscal 2026, the majority of our proprietary test suites were fully automated through a combination of proprietary software and AI, contributing to a software defect escape ratio, a measure of quality for our flagship BOSS Revolution brand, of 2.3%, meaning almost 98% of product defects were detected and fixed internally before being released to our customers. The adoption of AI across our SDLC is beginning to shorten our development cycles and enable us to deliver product enhancements to customers at more frequent intervals than our historical release cycles, while maintaining or improving quality. Our Agile development methodology is characterized by a dynamic development process with frequent revisions to a product release's features with the assistance of AI and, increasingly, autonomous ("agentic") AI systems that can execute multi-step development tasks under human supervision.

We have also invested in making our internal data more accessible and actionable through AI. Our data warehouse is empowering authorized business users across our functions to connect leading third-party AI assistants directly to governed datasets, enabling them to query, analyze, and derive insights from operational and financial data using natural language, without requiring specialized technical or query-language expertise. This AI analysis is improving our holistic portfolio management process, which has improved transparency and efficiency across the portfolio through a recurring cadence of business reviews.

REGULATION

The following summary of regulatory developments and legislation is intended to describe what we believe to be the most important, but not all, current and proposed international, federal, state, and local laws, regulations, orders, and legislation that are likely to materially affect us.

Regulation of Telecom in the United States

Telecommunications services are subject to extensive government regulation at both the federal and state levels in the United States. Any violations of the regulations may subject us to enforcement actions, including interest and penalties. The Federal Communications Commission, or FCC, has jurisdiction over all telecommunications common carriers to the extent they provide interstate or international communications services, including the use of local networks to originate or terminate such services. Each state regulatory commission has jurisdiction over the same carriers with respect to their provision of local and intrastate communications services. Local governments often indirectly regulate aspects of our communications business by imposing zoning requirements, taxes, permit or right-of-way procedures or franchise fees. Significant changes to the applicable laws or regulations imposed by any of these regulators could have a material adverse effect on our business, operating results and financial condition.

Regulation of Telecom by the Federal Communications Commission

In 1997, the FCC issued an order, referred to as the Universal Service Order, that requires all telecommunications carriers providing interstate telecommunications services to contribute to universal service support programs administered by the FCC (known as the Universal Service Fund). In addition, beginning in October 2006, interconnected VoIP providers, such as our subsidiary net2phone, are required to contribute to the Universal Service Fund. These periodic contributions are currently assessed based on a percentage of each contributor’s interstate and international end user telecommunications revenues reported to the FCC. We also contribute to several other regulatory funds and programs, most notably Telecommunications Relay Service, or TRS, FCC Regulatory Fees, and Local Number Portability (collectively, the Other Funds). We and most of our competitors pass through Universal Service Fund and Other Funds contributions as part of the price of our services, either as part of the base rate or, to the extent allowed, as a separate surcharge on customer bills. Due to the manner in which these contributions are calculated, we cannot be assured that we fully recover from our customers all of our contributions. In addition, based on the nature of our current business, we receive certain exemptions from Universal Service Fund contributions. Changes in our business could eliminate our ability to qualify for some or all of these exemptions. As a result, our ability to pursue certain new business opportunities in the future may be constrained in order to maintain these exemptions, the elimination of which could materially affect the rates we would need to charge for existing services. Changes in regulation may also have an impact on the availability of some or all of these exemptions. If even some of these exemptions become unavailable, they could materially increase our Universal Service Fund or Other Funds’ contributions and have a material adverse effect on the cost of our operations and, therefore, on our ability to continue to operate profitably, and to develop and grow our business. We cannot be certain of the stability of the contribution factors for the Other Funds. Significant increases in the contribution factor for the Other Funds in general and the TRS Fund in particular can impact our profitability. Whether these contribution factors will be stable in the future is unknown, but it is possible that we will be subject to significant increases.

Regulation of Telecom by State Public Utility Commissions

Our telecommunications services that originate and terminate within the same state, including both local and in-state long distance services are subject to the jurisdiction of that state's public utility commission, or PUC. The Communications Act of 1934, as amended, generally pre-empts state statutes and regulations that prevent the provision of competitive services but permits state PUCs to regulate the rates, terms and conditions of intrastate services, so long as such regulation is not inconsistent with the requirements of federal law. We are certified to provide facilities-based and/or resold long-distance service in all 50 states and facilities-based and resold local exchange service in 45 states. In addition to requiring certification, state regulatory authorities may impose tariff and filing requirements, consumer protection measures, and obligations to contribute to the Universal Service Fund and Other Funds. Rates for intrastate switched access services, which we both pay to local exchange companies and collect from long-distance companies for terminating in-state toll calls, are subject to the jurisdiction of the state commissions. State commissions also have jurisdiction to approve negotiated rates, or establish rates through arbitration, for interconnection, including rates for unbundled network elements. Changes in those access charges or rates for unbundled network elements could have a substantial and material impact on our business.

Regulation of Telecom—International

In connection with our international operations, we have obtained licenses or are otherwise authorized to provide telecommunications services in various foreign countries. We have obtained licenses or authorizations in Argentina, Australia, Belgium, Brazil, Canada, Chile, Denmark, Germany, Hong Kong, Italy, Japan, Mexico, the Netherlands, Peru, Singapore, South Africa, Spain, Sweden, Switzerland, the United Kingdom, and Uruguay. In numerous countries where we operate or plan to operate, we are subject to many local laws and regulations that, among other things, may restrict or limit the ability of telecommunications companies to provide telecommunications services in competition with state-owned or state-sanctioned dominant carriers.

Regulation of Internet Telephony

The use of the Internet and private IP networks to provide voice communications services is generally less regulated than traditional switch-based telephony within the United States and abroad and, in many markets, is not subject to the imposition of certain taxes and fees that increase our costs. As a result, we are able, in many markets, to offer VoIP communications services at rates that are more attractive than those applicable to traditional telephone services. However, in the U.S. and abroad, there have been efforts by legislatures and regulators to harmonize the regulatory structures between traditional switch-based telephony and VoIP. This could result in additional fees, charges, taxes, and regulations on IP communications services that could materially increase our costs and may limit or eliminate our competitive pricing advantages. Additionally, several foreign governments have adopted laws and/or regulations that could restrict or prohibit the provision of voice communications services over the Internet or private IP networks. These efforts could likewise harm our ability to offer VoIP communications services.

Money Transmitter and Payment Instrument Laws and Regulations

Our consumer payment services offerings include BOSS Money and various network branded, also called "open loop," prepaid card offerings. These industries are heavily regulated. Accordingly, we, and the products and services that we market in consumer payment services, are subject to a variety of federal and state laws and regulations, including:

- Banking laws and regulations;
- Money transmitter and payment instrument laws and regulations;
- Anti-money laundering laws;
- Privacy and data security laws and regulations;
- Consumer protection laws and regulations;
- Unclaimed property laws; and
- Card association and network organization rules.

In connection with our money transmission services and the expansion of our network branded prepaid card offerings, we have obtained money transmitter licenses in 48 of the 49 U.S. states that require such a license, as well as in Washington, D.C.

Regulation of Other Businesses

We operate other smaller or early-stage initiatives and operations, which may be subject to federal, state, local or foreign law and regulation.

INTELLECTUAL PROPERTY

We own numerous patents, trademarks, domain names and other intellectual property rights necessary to conduct our business. We actively pursue the filing and registration of patents, domain names, trademarks, and service marks to protect our intellectual property rights within the United States and abroad; in particular our registered trademarks and brands: IDT®, BOSS Revolution®, BOSS Money®, net2phone® and Zendit®. From time to time, we have also acquired or licensed intellectual property relating to present and future business strategy. We believe that our technological position significantly depends on the technical experience, expertise, and creative ability of our employees to maintain both our current businesses and pursue future business development. Our corporate policies require all employees to assign intellectual property rights developed in the scope of, or in relation to our business to us, and to protect all intellectual property and proprietary information and materials as confidential.

Our global telecommunications switching and transmission infrastructure enables us to provide an array of telecommunications, internet access and internet telephony services to our customers worldwide. We rely upon domestic and foreign patents, patent applications, and other intellectual property rights, regarding our infrastructure and global telecommunication network for our international telecommunications traffic and the international traffic of other telecommunications companies.

EMPLOYEES AND HUMAN CAPITAL RESOURCES

Attracting and retaining qualified personnel familiar with our businesses and who lead our different business units and functions is critical to our success. As of September 1, 2026, we had a total of 1,971 employees, of whom 1,965 were full-time employees.

Our human capital resources' objectives include, as applicable, identifying, recruiting, retaining, incentivizing, and integrating our existing and new employees, advisors and consultants. To accomplish that, our compensation practices are designed to attract and retain qualified and motivated personnel and align their interests with our goals and with the best interests of our stockholders. Our compensation philosophy is to provide compensation to attract the individuals necessary for our current needs and growth initiatives and provide them with the proper incentives to motivate those individuals to achieve our long-term plans, which includes among other things, equity and cash incentive plans that attract, retain and reward personnel through the granting of stock-based and cash-based compensation awards.

We believe that talent attraction and retention are critical to our ability to achieve our strategy and that a trained, diverse and inspired workforce is integral to delivering our objectives. Our recruiting process reaches a wide array of potential employees, and we employ a rigorous screening process to ensure that we identify and hire quality professionals.

We are committed to a policy of non-discriminatory treatment and respect of human rights for all current and prospective employees. We do not permit discrimination based on an individual's race, religion, creed, color, sex, sexual orientation, age, marital status, disability, national origin or veteran's status, which is illegal in many jurisdictions. We respect the human rights of all employees and strive to treat them with dignity consistent with standards and practices recognized by the international community.

Item 1A. Risk Factors.

RISK FACTORS

Investing in our Class B common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all the other information in this Annual Report on Form 10-K, including the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" *and our consolidated financial statements and related notes, before making a decision to invest in our Class B common stock. The risks and uncertainties described below may not be the only ones we face. If any of the risks occur, our business, financial condition, operating results, cash flows and prospects could be materially and adversely affected. In that event, the market price of our common stock could decline, and you could lose part or all of your investment.*

Risk Factor Summary

Our business operations are subject to numerous risks and uncertainties, including those outside of our control, that could cause our business, financial condition or operating results to be harmed, including, but not limited to, risks regarding the following:

Risks Related to Our Businesses and Operations

- an increasingly significant component of our growth strategy involves the adoption, integration, and effective utilization of AI technologies across our products, services, and internal operations;
- changes to immigrant populations could negatively impact certain of our businesses;
- cyberattacks, including AI-enabled social engineering and impersonation fraud, impacting our networks, systems, customers or business partners;
- network disruptions, security breaches, or other significant disruptions or failures of our IT infrastructure and related systems or of those we operate for certain of our customers;
- our reliance on third-party cloud, software and security service providers, and cyberattacks, outages, vulnerabilities or misconfigurations affecting them;
- evolving and overlapping cybersecurity, privacy and incident-disclosure laws and regulations, and the costs and risks of complying with them;
- the failure, or perceived failure, of one or more of our products;
- our international operations subject us to geopolitical and other risks including ongoing developments in Belarus, Ukraine and Israel;
- failures in our data center or services;
- our dependence on industry standard protocols and third-party software, including but not limited to open-source software;
- our dependence on a single supplier or small group of suppliers;
- changes to rates by our suppliers and increasing regulatory charges or tariffs;
- our customers, particularly our IDT Global customers, and partners could experience financial difficulties;
- technologies could affect our ability to track the results of ads and/or could block ads online;

Risks Related to Our NRS Business

- substantial and increasing competition in the POS industry;
- a decline in advertising on the NRS platform due to macro-economic factors, declines in CPM rates, the loss of demand partners or otherwise;
- the ability of NRS to develop products and services to address the market for POS products and services;
- elevated retailer churn, including as a result of store closures, localized immigration enforcement activity, payment network compliance actions and equipment or service disruptions;
- NRS' dependence on its payment facilitator, its sponsor bank and the payment card networks, and on compliance with payment network rules and data security standards;
- NRS' reliance on third-party sales channels;
- risks associated with NRS' expansion into new retail verticals and new geographic markets;
- risks associated with acquisitions, including our acquisition of a controlling interest in OnCore Digital;

Risks Related to Our BOSS Money Business

- BOSS Money faces a complex and dynamic regulatory landscape;
- BOSS Money depends on a licensed network of agents for its retail money remittance business;
- adverse fluctuations in exchange rates can materially impact revenue and profitability;
- money transfer services can be vulnerable to illegal activities and fraud schemes;
- BOSS Money has less brand recognition in the money remittance space compared to larger players, which could make it harder to attract and retain customers;

Risks Related to Our net2phone Business

- competition against established well-financed alternative voice communication providers, who may provide comparable services at comparable or lower pricing;
- the capacity, reliability, and performance of several third-party providers and their network infrastructure;
- scaling the business efficiently or quickly enough to meet customers' growing needs;

Risks Related to Our Traditional Communications Segment

- each of our BOSS Revolution and IDT Global businesses is highly sensitive to declining demand and prices;
- obtaining sufficient or cost-effective termination capacity to particular destinations;
- the termination of our carrier agreements with partners or our inability to enter into carrier agreements in the future;

Risks Related to Our Financial Condition

- we hold cash, cash equivalents, debt securities and equity investments that are subject to various market risks;
- if we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results;

Intellectual Property, Tax, Regulatory, and Litigation Risks

- protecting our proprietary technology;
- claims of infringement of intellectual property rights of others;
- tax and regulatory audits;
- legal proceedings;
- our disbursement partners' and our payment processors' ability to comply with a wide range of laws and regulations intended to help detect and prevent illegal or illicit activity;
- licensing and other requirements imposed by regulators and governments;
- our collection, processing, storage, use, and transmission of personal data;
- collection of sales and use, value added, or similar taxes;
- certain imminent FCC Orders and rules that effect the telecommunications marketplace;
- our ability to comply with requirements for debit card, credit card, and other digital payment methods;

Risks Related to Our Capital Structure

- holders of our Class B common stock have significantly less voting power than holders of our Class A common stock; and
- Howard S. Jonas, our Chairman and Chairman of the Board, controls shares that, in the aggregate, represent more than a majority of the combined voting power of our outstanding capital stock.

Risks Related to Our Businesses and Operations

An increasingly significant component of our growth strategy involves the adoption, integration, and effective utilization of AI technologies across our products, services, and internal operations, which introduces significant and evolving risks.

We currently incorporate AI into certain existing and planned products, as well as our internal operations. For example, some of our marketing, customer service and anti-fraud efforts are currently enhanced by AI. Further, our internal technology development efforts are leveraging AI in expanding ways, and other internal operational functions use AI to improve effectiveness and efficiency. Achieving consistent, secure, and compliant AI adoption across departments—including Product & Engineering, Marketing, Trust & Safety, Customer Support, Finance, and Legal/Compliance—requires ongoing investment in training, governance, and change management. Failure by any function to adopt or appropriately use these tools or failure to monitor and control the results of the adoption of the tools could reduce profitability, productivity, impair product quality, or cause compliance or security issues.

AI technologies are complex, resource-intensive, and rapidly evolving. Market demand and acceptance of AI-driven customer-facing offerings, such as net2phone AI Agent and net2phone Coach AI, remain uncertain, and our product development efforts may not achieve widespread adoption or may be outpaced by competitors. Competitors with greater financial, technical, data, or distribution resources may gain an advantage in attracting and retaining AI talent and in acquiring training data and compute capacity, which could impair our ability to maintain competitive AI capabilities. If our AI solutions, or those of others in our industry, draw controversy due to their perceived or actual societal impact—such as generating biased, harmful, or misleading content—we may experience brand or reputational harm, competitive harm, or legal liability, which could slow user adoption of our products.

The use of AI also raises ethical, reputational, and legal concerns. AI-based or AI-enhanced systems can generate or amplify content that is inaccurate, misleading, biased, discriminatory, harmful, or otherwise controversial, or be misused by third parties. If our AI tools produce, or are perceived to produce, such outputs, or if we fail to implement adequate human oversight, testing, and safeguards (including data governance, evaluation, and post-deployment monitoring), our brand and competitive standing could be harmed and we could face complaints, investigations, or litigation. Potential litigation or government regulation related to AI may increase the burden and cost of research and development, further subjecting us to reputational harm, competitive harm, or legal liability. Failure to address perceived or actual technical, legal, compliance, privacy, security, or ethical issues could undermine public confidence in AI, slowing customer adoption of our AI-driven products and services.

Laws and regulations focused on the development, use, and provision of AI technologies and other digital products and services are proliferating in many jurisdictions around the world. Staying compliant with evolving laws, regulations, and industry standards pertaining to AI may impose significant operational costs and constrain our ability to develop, deploy, or employ AI technologies profitably or at all. Failing to adapt appropriately to this evolving regulatory environment could result in legal liability, regulatory actions, monetary penalties and damage to our brand and reputation.

Operationally, AI models depend on the quality, provenance, and security of data and on reliable third-party infrastructure. Inadequate, outdated, biased, or compromised datasets can produce flawed outputs and “model drift.” Our reliance on third-party models, APIs, datasets, and cloud providers exposes us to outages, cost volatility, performance degradation, or changes in licensing or acceptable-use terms, which could disrupt our operations if these services become unavailable or are no longer offered on commercially reasonable terms.

Integrating AI introduces new cybersecurity risks, including prompt injection, data exfiltration, model poisoning, insecure or over-privileged AI agents and integrations that are granted access to our systems and data, and supply-chain vulnerabilities in third-party models and AI tooling, as well as the risk that employees inadvertently input confidential or personal data into external systems. Threat actors are also using AI to increase the speed, scale and sophistication of attacks against us and our customers, as described further under "Cyberattacks impacting our networks or systems could have an adverse effect on our business" below.

Intellectual property ownership surrounding AI technologies has not been fully addressed by U.S. or foreign courts or federal, state or foreign laws, nor by international legal frameworks. Our ongoing development and use of generative AI tools may result in copyright infringement claims, disputes over ownership and licensing, and potential patent infringement claims, among other things. These legal challenges could be costly to defend against, leading to substantial financial obligations and reputational damage. The evolving regulatory environment and uncertain legal precedents in this field further increase our exposure to litigation risks, which could materially affect our business, financial condition, and results of operations.

Additionally, laws and regulations focused on the development and use of AI are proliferating globally and continue to evolve (for example, comprehensive AI frameworks in the EU and emerging federal and state guidance in the United States). Compliance may require significant documentation, transparency and record-keeping, risk assessments, model governance, content provenance or watermarking, impact assessments, vendor oversight, and restrictions on certain use cases. Noncompliance could result in investigations, fines, injunctions, remediation obligations, or other sanctions. Cross-border data transfer rules, sanctions, and export controls may affect access to datasets, models, or compute resources in some jurisdictions.

Further, our use of generative AI in aspects of our platforms may present risks and challenges that could increase as AI solutions become more prevalent. AI algorithms may be flawed. Datasets may be insufficient or contain biased information. These deficiencies and other failures of AI systems could have negative impacts on our users' experience and subject us to competitive harm, regulatory action, legal liability, and brand or reputational harm. Contractual indemnities from vendors may be unavailable or insufficient. We may also face claims related to privacy (including the processing of personal or biometric information), publicity rights, deceptive practices, or content moderation failures. Defending such claims can be costly and time-consuming, could require changes to our products or processes, and could harm our reputation and financial results.

Finally, AI-related development and inference can increase energy consumption and costs, and investor or regulatory focus on sustainability may impose additional constraints. If we fail to implement robust AI governance, align employee practices with our policies, maintain sufficient human oversight, and continuously evaluate and improve our systems, the risks described above could materially and adversely affect our business, financial condition, results of operations, and reputation.

Errors in our technology or technological issues outside our control could cause delays or interruptions to our customers.

Our services can be disrupted by issues with our networks, platforms, technology, and systems, including malfunctions in our servers, processors, software or facilities. In addition, there may be service interruptions for reasons outside of our control. Our customers and potential customers subscribing to our services have experienced such interruptions in the past and may experience such interruptions in the future because of these types of problems or others which may or may not be in our control. Such interruptions may cause us to lose customers and/or offer customer credits, which could adversely affect our revenue and profitability. Network and telecommunication interruptions may also impair our ability to sign-up new customers.

Cyberattacks impacting our networks or systems could have an adverse effect on our business.

Cyberattacks, including the use of malware, ransomware, computer viruses, denial of service attacks, credential harvesting, phishing and other social engineering, business email and collaboration-platform compromise, impersonation of our personnel, brands or systems (including through the use of AI-generated voice, video or text, or "deepfakes"), exploitation of software vulnerabilities and misconfigurations, and other means for obtaining unauthorized access to or disrupting the operation of our networks and systems and those of our suppliers, vendors and other service providers, could have an adverse effect on our business. Cyberattacks may cause equipment failures, loss of information (including sensitive personal information of customers or employees or valuable technical and marketing information), or disruptions to our or our customers' operations. Furthermore, ransomware could potentially deny the use of our systems until a ransom is paid. Threat actors also increasingly target our customers, retailers, agents and business partners by impersonating us, our personnel or our systems, including through third-party messaging and collaboration platforms and spoofed websites, in order to induce fraudulent payments, harvest credentials or divert funds. Such schemes can harm our customers and partners, generate customer claims and chargebacks, and damage our reputation and brands even where our own networks and systems have not been compromised, and our ability to detect and disrupt them often depends on the cooperation of third-party platform providers, financial institutions and law enforcement. Cyberattacks against companies, including us, have increased in frequency, scope, and potential harm in recent years. The increasing availability of generative AI tools has lowered the cost and increased the scale, speed and credibility of social engineering and fraud campaigns, and threat actors, including organized criminal groups and state-sponsored or state-affiliated actors, are increasingly well-resourced and persistent. They may occur alone or in conjunction with physical attacks, especially where disruption of service is an objective of the attacker. The development and maintenance of systems to prevent such attacks is costly and requires ongoing monitoring and updating to address their increasing prevalence and sophistication. While, to date, we have not been subject to cyberattacks that, individually or in the aggregate, have been material to our operations or financial condition, the preventive actions we take to reduce the risks associated with cyberattacks, including protection of our systems and networks, may be insufficient to repel or mitigate the effects of a cyberattack in the future.

We rely on third parties for a significant portion of our technology environment, including cloud infrastructure providers, software-as-a-service applications, collaboration and identity platforms, commercial and open-source software, managed service providers, payment processors and the security products and services we use to protect our systems. A cyberattack on, vulnerability in, misconfiguration of, or outage affecting any of these providers—including compromises of software supply chains or of the security tools on which we depend—could affect our operations, expose our or our customers' information, or impair our ability to detect and respond to threats, even where our own networks and systems are not directly targeted. We have limited visibility into and control over the security practices of our providers, and the concentration of our infrastructure, productivity and security tooling among a small number of large providers increases the potential impact of an incident affecting any one of them. In addition, our cloud and software environments are complex and continually changing, and errors by our personnel or our providers in configuring or securing them could result in the unauthorized exposure of data. Our third-party risk management processes may not identify or prevent all such risks.

The inability to operate or use our networks and systems or those of our suppliers, vendors, and other service providers because of cyberattacks, even for a limited period of time, may result in significant expenses to us and/or a loss of revenue and market share. The costs associated with a major cyberattack on us could include expensive incentives offered to existing customers and business partners to retain their business, increased expenditures on cybersecurity measures and the use of alternate resources, lost revenues from business interruption, and litigation. Further, certain of our businesses, such as those offering cloud services to business customers, could be negatively affected if our ability to protect our own networks and systems is called into question because of a cyberattack. In addition, a compromise of security or a theft or other compromise of valuable information, such as financial data and sensitive or private personal information, could result in lawsuits and government claims, investigations, or proceedings. The costs of responding to a significant cybersecurity incident could also include forensic investigation, legal, notification, credit monitoring and public relations expenses, regulatory fines and penalties, and the cost of remediating vulnerabilities and restoring systems, which may not be covered, or fully covered, by insurance. Any of these occurrences could damage our reputation, adversely impact customer and investor confidence and result in a material adverse effect on our results of operation or financial condition.

We are also subject to an expanding and sometimes inconsistent set of laws, regulations and contractual requirements governing cybersecurity and the reporting of security incidents, including U.S. Securities and Exchange Commission rules requiring disclosure of material cybersecurity incidents within four business days of a determination of materiality and annual disclosure regarding cybersecurity risk management, strategy and governance; Federal Communications Commission rules requiring notification of breaches of customer proprietary network information and other customer data applicable to certain of our telecommunications and interconnected VoIP services; state data breach notification laws; requirements applicable to our money transmission and other payment services and to our handling of payment card data; and requirements in the other jurisdictions in which we operate. Assessing the materiality of an incident and satisfying these overlapping obligations on short timeframes, often while an investigation is ongoing and the facts are incomplete, is challenging and could divert management attention and resources. A failure or delay in making a required disclosure or notification, or a disclosure that is later determined to have been inaccurate or incomplete, could result in regulatory enforcement, litigation, fines and penalties and reputational harm. Public disclosure of an incident may also provide information useful to threat actors and may itself adversely affect customer and investor confidence, regardless of the ultimate impact of the incident.

Changes to immigrant populations could negatively impact certain of our businesses.

Certain of our businesses, particularly BOSS Money, BOSS Revolution and IDT Digital Payments, rely in large part on immigrant communities in the United States and elsewhere. Migration of immigrants and their spending patterns are affected by (among other factors) overall economic conditions, the availability of job opportunities, changes in immigration laws and their enforcement, including the potential for large scale deportations, restrictions on immigration and travel, and political or other events (such as civil unrest, war, terrorism, natural disasters, or public health emergencies or epidemics) that would make it more difficult for workers to migrate or work outside of the their countries of origin. Changes to these factors could materially and adversely affect our business, financial condition, results of operations, and cash flows.

We could be harmed by network disruptions, security breaches, or other significant disruptions or failures of our IT infrastructure and related systems or of those we operate for certain of our customers.

To be successful, we need to continue to have available, for our and our customers' use, a high capacity, reliable and secure network. We face the risk, as does any company, of a security breach, whether through cyberattack, malware, computer viruses, sabotage, or other significant disruption of our IT infrastructure. As such, there is a risk of a security breach or disruption of the systems we operate, including possible unauthorized access to our and our customers' proprietary or classified information. We are also subject to breaches of our respective networks resulting in unauthorized utilization of our services or products, which subject us to the costs of providing those products or services, which are likely not recoverable. The secure maintenance and transmission of our and our customers' information is a critical element of our operations. Our information technology and other systems that maintain and transmit customer information, or those of service providers or business partners, may be compromised by a malicious third-party penetration of our network security, or that of a third-party service provider or business partner, or impacted by deliberate or inadvertent actions or inactions by our employees or contractors, or those of a third-party service provider or business partner. As a result, our or our customers' information may be lost, disclosed, accessed, or taken without our or our customers' consent, or our product and service may be used without payment.

Although we make significant efforts to maintain the security and integrity of these types of information and systems, there can be no assurance that our respective security efforts and measures will be effective or that attempted security breaches or disruptions would not be successful or damaging, especially in light of the growing sophistication of cyberattacks and intrusions sponsored by state or other interests. We may be unable to anticipate all potential types of attacks or intrusions or to implement adequate security barriers or other preventative measures. Certain of our business units have been the subject of attempted and successful cyberattacks in the past. We have researched these situations and do not believe any material internal, or customer information has been compromised.

Network disruptions, security breaches and other significant failures of the above-described systems could (i) disrupt the proper functioning of our networks and systems and therefore our operations or those of certain of our customers; (ii) result in the unauthorized use of our services or products without payment; (iii) result in the unauthorized access to, and destruction, loss, theft, misappropriation or release of proprietary, confidential, sensitive or otherwise valuable information of ours or our customers, including trade secrets, which others could use to compete against us or for disruptive, destructive or otherwise harmful purposes and outcomes; and (iv) require significant management attention or financial resources to remedy the damages that result or to change our systems and processes. We could be subject to claims for contract breach, damages, credits, fines, penalties, termination, or other remedies from our customers, and subject to additional scrutiny or litigation by regulators, as a result of network disruptions, security breaches and other significant failures of the above-described systems, any or all of which could result in a loss of business, damage to our reputation among our customers and the public generally and have a negative impact on our results of operations, financial condition, and cash flows.

If technology that drives one or more of our products fails, or is perceived to fail, or if there are technical defects, our reputation could be harmed, our market share may decline, and we could be subject to various liability claims.

The technology that drives and supports our products may contain undetected errors or defects that may result in failures or otherwise cause our products to fail to perform in accordance with customer expectations and contractual obligations. Moreover, our customers could incorrectly implement or inadvertently misuse our products, which could result in customer dissatisfaction and harm the perceived utility of our products and our brand. Because our customers use our products for mission-critical aspects of their business, any real or perceived errors or defects in, or other performance problems with, our products may damage our customers' businesses and could significantly harm our reputation. If that occurs, we could lose future sales, or our existing customers could cancel our services, seek payment credits, seek damages against us, or delay or withhold payment to us, which could result in service credits that reduce our revenues, an increase in collection cycles for accounts receivable, an increase in our provision for uncollectible accounts, and ultimately harm our financial results. Product performance problems could result in loss of market share, reputational harm, failure to achieve market acceptance and the diversion of development resources.

In addition, since telecommunications billing and associated telecom taxes, and the related calculations and billing of telecom taxes, are inherently complex and require highly sophisticated information systems to administer, our billing system may experience errors or we may improperly operate the system, which could result in the system incorrectly calculating the fees owed by our customers or related taxes and administrative fees. Customers also may make indemnification or warranty claims against us, which could result in significant expense and risk of litigation.

Any product liability, intellectual property, warranty, or other claims against us could damage our reputation and relationships with our customers and could require us to spend significant time and money in litigation or pay significant settlements or damages. Although we maintain general liability insurance, including coverage for errors and omissions, this coverage may not be sufficient to cover liabilities resulting from such claims. Also, our insurers may disclaim coverage. Our liability insurance also may not continue to be available to us on reasonable terms, in sufficient amounts, or at all. Any contract or product liability claims successfully brought against us would harm our business.

Failure in our data centers or services could lead to significant costs and disruptions.

All data centers, including ours, are subject to various points of failure. Problems with cooling equipment, generators, uninterruptible power supply, routers, switches, or other equipment, whether or not within our control, could result in service interruptions for our customers as well as equipment damage. Any failure or downtime could affect a significant percentage of our customers. The destruction or severe impairment of our data center facilities could result in significant downtime of our services and the loss of customer data.

Our ability to provide cloud-based communication services is dependent upon our physical and cloud-based infrastructure. While most of our physical equipment required for providing these services is redundant in nature, certain types of failures or malfunctioning of critical hardware/software equipment, including but not limited to fire, water or other physical damage may impact our ability to deliver continuous service to our customers. Acts of God or terrorism or vandalism or negligence or gross negligence of person(s) currently or formerly associated with us including failure to properly update and maintain infrastructure may result in loss of revenue, profitability, and failure to retain and acquire new customers.

Our ability to recover from disasters or failures, if and when they occur, is paramount to offering continued service to our existing customers. We maintain telecommunications points of presence in Brazil, Canada, and Spain. These network footprints do not guarantee continued reliability if a catastrophic event occurs. Despite implementation of network security measures, our servers may be vulnerable to computer viruses, break-ins, and similar disruptions from unauthorized tampering with our computer systems including, but not limited to, denial of service attacks. In addition, if there is a breach or alleged breach of security or privacy involving our services, including but not limited to data loss, or if any third party undertakes illegal or harmful actions using our communications or e-commerce services, our business and reputation could suffer substantial adverse publicity and impairment. We have experienced interruptions in service in the past. We have taken and continue to take steps to improve our infrastructure to prevent service interruptions.

In addition to our physical infrastructure, we have a cloud infrastructure deployment with Amazon Web Services, or AWS, and Google Cloud that supplements and extends our physical infrastructure. We utilize AWS' and Google Cloud's high availability configurations using multiple availability zones and, in some cases, we have services deployed in multiple AWS regions. However, we do not have cross region redundancy, which means we cannot guarantee continued reliability if AWS or Google Cloud suffers a catastrophic event which disrupts a region in which we have our services deployed. If there were a failure to respond quickly to problems, or such a catastrophic event were to occur, our customers may experience service interruptions, and we may suffer customer losses.

Our revenues and profits will suffer if our distributors and sales representatives fail to effectively market and distribute our products and services.

We rely on our distributors and representatives to market and distribute our BOSS products and services and NRS' POS terminals and portfolio of services. We utilize a network of several hundred sub-distributors that sell our BOSS products and services to retail outlets throughout most of the United States. NRS' POS terminal sales and marketing efforts are targeted, in part, to our nationwide network of BOSS Revolution retailers. If our distributors or sales representatives fail to effectively market or distribute our products and services, our ability to generate revenues and profits and grow our customer base for these products and services could be substantially impaired.

Our global operations subjects us to geopolitical and other risks that may harm our results of operations and financial condition.

We have developers, product development personnel, other employees, consultants and senior management in different countries, and some business activities may be concentrated in one or more geographic areas. As a result, our ability to design, develop or sell products and services may be affected by:

- geopolitical concerns, such as armed conflict and civil or military unrest, crime, political instability, and terrorist activity;
- natural disasters and health concerns;
- inefficient and limited infrastructure and disruptions, such as supply chain interruptions and large-scale outages or interruptions of service from utilities, transportation, or telecommunications providers;
- restrictions on our operations by governments seeking to support local industries, nationalization of our operations, and restrictions on our ability to repatriate earnings;
- differing employment practices and labor issues; and
- local business and cultural factors that differ from our normal standards and practices, including business practices that we are prohibited from engaging in by the Foreign Corrupt Practices Act, or FCPA, and other anti-corruption laws and regulations.

Legal and regulatory requirements differ among jurisdictions worldwide. Violations of these laws and regulations could result in fines; criminal sanctions against us, our officers, or our employees; prohibitions on the conduct of our business; and damage to our reputation. Although we have policies, controls, and procedures designed to ensure compliance with these laws, our employees, contractors, or agents may violate our policies.

Our global operations subject us to additional risks which could have an adverse effect on our business, operating results, and financial condition.

We have attempted to control our operating expenses by operating in foreign countries such as Poland, Belarus, Guatemala, Costa Rica, Georgia, Dominican Republic and Israel and we may in the future expand our reliance on offshore labor to other countries. Our employees in Poland, Belarus, Georgia and Israel primarily help develop, test, and maintain certain of our technology. Our labor sources in Guatemala, Costa Rica and the Dominican Republic primarily perform certain call center, administrative, operational and customer acquisition functions. We also have significant operations in Brazil, Uruguay, and Argentina as a result of net2phone's growth.

Countries outside of the United States may be subject to relatively higher degrees of political and social instability and may lack the infrastructure to withstand political unrest or natural disasters. The occurrence of natural disasters, pandemics such as COVID-19, or political or economic instability in these countries could interfere with work performed by these labor sources or could result in our having to replace or reduce these labor sources. If countries in which we operate experience civil or political unrest or acts of terrorism, especially when such unrest leads to an unseating of the established government, our operations in such countries could be materially impaired. Our vendors in other countries could potentially shut down suddenly for any reason, including financial problems or personnel issues. Such disruptions could decrease efficiency, increase our costs, and have an adverse effect on our business or results of operations.

The practice of utilizing labor based in foreign countries has come under increased scrutiny in the United States. Governmental authorities could seek to impose financial costs or restrictions on foreign companies providing services to customers or companies in the United States. Governmental authorities may attempt to prohibit or otherwise discourage us from sourcing services from offshore labor.

The FCPA and other applicable anti-corruption laws and regulations prohibit certain types of payments by our employees, vendors, and agents. Any violation of the applicable anti-corruption laws or regulations by us, our subsidiaries or our local agents could expose us to significant penalties, fines, settlements, costs, and consent orders that may curtail or restrict our business as it is currently conducted and could have an adverse effect on our business, financial condition, or results of operations.

Weakness of the United States dollar in relation to the currencies used in these foreign countries may also reduce the savings achievable through this strategy and could have an adverse effect on our business, financial condition, and results of operations.

Our technology and development ("T&D") may be adversely affected by ongoing developments in Belarus and Ukraine.

We have a significant number of T&D personnel in Belarus. Belarus shares borders with both Russia and Ukraine. In February 2022, Russian military personnel stationed in Belarus were part of an invasion force by Russian forces into Ukraine. In response to the support and facilitation by Belarus for the invasion, the United States, the European Union, or EU, and various other nations imposed sanctions against multiple individuals and entities in Belarus. Other potential retaliatory measures could be taken by the United States and other countries, particularly if Belarus were to take a more active role in the conflict. While we continue to monitor the situation in Belarus closely, any prolonged or expanded unrest, military activities, or sanctions could have an adverse effect on our product roadmap and T&D. We cannot predict whether additional sanctions or other measures will be imposed, or the nature of severity of those measures, and whether they will directly or indirectly impact our T&D in Belarus or elsewhere.

Further, our Belarusian T&D personnel could be impacted by retaliatory actions taken by third parties related to actual or perceived Belarusian actions in support of the invasion, including cyberattacks.

Should the military conflict expand to Belarus, our operations there could likely be impacted, including due to availability of personnel, electrical outages, cyberattacks, and actual battles in areas where we have personnel.

Any of the foregoing could have an adverse impact on our ability to develop technology, including corrections or enhancements of existing platforms supporting our current products and services or development of new or complementary offerings.

Global and regional economic conditions could materially adversely affect our business, results of operations, financial condition, and growth.

We have international operations with revenues outside the United States representing a significant amount of our total revenues. As a result, our operations and performance depend significantly on global and regional economic conditions. Adverse macroeconomic conditions, including inflation, slower growth, or recession, new or increased tariffs or excise taxes and other barriers to trade, changes to fiscal and monetary policy, tighter credit, higher interest rates, high unemployment, and currency fluctuations could materially adversely affect demand for our products and services. In addition, consumer confidence and spending could be adversely affected in response to financial market volatility, negative financial news, conditions in the real estate and mortgage markets, declines in income or asset values, changes to fuel and other energy costs, labor and healthcare costs, and other economic factors.

Our financial performance is subject to risks associated with changes in the value of the U.S. dollar relative to other currencies.

Our primary exposure to movements in foreign currency exchange rates relates to non–U.S. dollar–denominated revenues and operating expenses. The strengthening of foreign currencies relative to the U.S. dollar may increase our costs denominated in those currencies, thus adversely affecting our earnings. The weakening of foreign currencies relative to the U.S. dollar adversely affects the U.S. dollar value of our foreign currency–denominated revenues and earnings and could lead us to raise international pricing, potentially reducing demand for our products and services. In some circumstances, for competitive or other reasons, we may decide not to raise international pricing to offset the U.S. dollar's strengthening, which would adversely affect the U.S. dollar value of our foreign currency–denominated revenue and earnings.

We depend upon industry standard protocols and third-party software, including but not limited to open-source software.

We rely on non-proprietary third-party software, some of which may be open source. We may be subject to additional royalties, license or trademark infringement costs or other unknown costs when one or more of these third-party technologies are affected or need to be replaced due to end-of-support or end-of-sale of such third parties.

Certain functions related to our business depend on a single supplier or small group of suppliers to carry out our business, and the inability to do business with some or all of these suppliers could have a materially adverse effect on our business and financial results.

If the services of any of the single suppliers or small group of suppliers, including, without limitation, software from third-party service providers used in certain of our products and services, that we depend on were unavailable, or available only in decreased capacity or at less advantageous terms, this could result in interruptions to our ability to provide certain services, could cause reduction in service and/or quality as the function is transitioned to an alternate provider, if an alternate provider is available, or could increase our cost, which in the current competitive environment, we may not be able to pass along to customers. Accordingly, any of these events could materially and negatively impact our business, our revenues, our profits, and our relationships with customers.

Our success depends in part upon our ability to provide customer service that effectively supports the needs of our customers.

Providing customer service effectively requires that our customer support personnel have industry-specific technical knowledge and expertise. Our support personnel require extensive training on our products and services, which may make it difficult to scale up our support operations rapidly or effectively. The importance of high-quality customer support will increase as we expand our business and pursue new customers. If we do not help our customers quickly resolve post-implementation issues and provide effective ongoing support, our ability to sell additional features and services to existing customers will suffer and our reputation may be harmed.

Changes to rates by our suppliers and increasing regulatory charges, tariffs or excise taxes may require us to raise prices, which could adversely affect our financial results and business.

Our upstream carriers, suppliers and vendors may increase their prices thus directly impacting our direct cost of revenues, which would affect our earnings. Future changes in tariffs by regulatory agencies or application of tariff requirements to currently un-tariffed products or services could affect the price and sales of our products for a certain set of customers. Changes in our underlying direct costs of revenues may cause us to increase the rates we charge our customers, which could make us less competitive and impact our sales and retention of existing customers. On July 4, 2025, the One Big Beautiful Bill Act imposed a one percent excise tax on certain remittance transfers, which took effect for transfers made after December 31, 2025. The imposition of these or similar excise taxes could adversely affect our business and financial condition.

Our customers, particularly our IDT Global customers, could experience financial difficulties, which could adversely affect our revenues and profitability if we experience difficulties in collecting our receivables.

As a provider of international long-distance services, we depend upon sales of transmission and termination of traffic to other long-distance providers and the collection of receivables from these customers. The wholesale telecommunications market continues to feature many smaller, less financially stable companies. If weakness in the telecommunications industry or the global economy reduces our ability to collect our accounts receivable from our major customers, particularly our wholesale customers, our profitability may be substantially reduced. While our most significant customers, from a revenue perspective, vary from quarter to quarter, our five largest IDT Global customers collectively accounted for 4.4% and 4.2% of our total revenues in fiscal 2026 and fiscal 2025, respectively. Our IDT Global customers with the five largest receivables balances collectively accounted for 6.8% and 8.0% of our total gross trade accounts receivable on July 31, 2026 and 2025, respectively. This concentration of revenues and receivables increases our exposure to non-payment by our larger customers, and we may experience significant write-offs if any of our large customers fail to pay their outstanding balances, which could adversely affect our cash flow and profitability.

We rely on highly skilled personnel and, if we are unable to retain or motivate key personnel, hire qualified personnel, or maintain our corporate culture, we may not be able to grow effectively.

We believe that our corporate culture fosters innovation, creativity, and teamwork. Our performance largely depends on the talents and efforts of highly skilled individuals. Our future success depends on our continuing ability to identify, hire, develop, motivate, and retain highly skilled personnel for all areas of our organization, in particular our technology and software engineering organization. Competition for qualified technology and engineering employees is intense, and our compensation arrangements may not always be successful in attracting new employees and retaining and motivating our existing employees. Our continued ability to compete effectively depends on our ability to attract new employees and to retain and motivate our existing employees.

New and existing technologies could affect our ability to track the results of ads and/or could block ads online, which would harm our business.

A significant portion of our revenues are derived from customers acquired in connection with the display of advertisements online. Technologies have been developed to make tracking the results of our online advertisements more difficult or to block the display of advertisements altogether and some providers of online services have integrated technologies that could potentially impair the core functionality of third-party digital advertising. As a result, such technologies and tools could adversely affect our operating results.

Risks Related to Our NRS Business

Substantial and increasingly intense competition in the POS industry may harm NRS' business.

NRS competes in the POS market that is characterized by vigorous competition, changing technology, evolving industry standards, changing customer needs, and frequent introductions of new products and services. We expect competition to intensify in the future as existing and new competitors introduce new services or enhance existing services. NRS competes against many companies to attract customers, and some of these companies have greater financial resources and substantially larger bases of customers than NRS does, which may provide them with significant competitive advantages. These companies may devote greater resources to the development, promotion, and sale of products and services, may achieve economies of scale due to the size of their customer bases and they could and may more effectively introduce their own innovative products and services that adversely impact NRS' growth. If some or all of NRS' competitors focus additional resources on NRS' target markets, NRS' growth may slow, or we may lose customers due to the competition.

NRS may also face pricing pressures from competitors, which may result in the need for NRS to alter the pricing that it offers and could reduce our profitability. Responding to competition may also require NRS to increase its investment in product development, sales and marketing, or to increase the compensation it pays to its distributors and sales agents, any of which could reduce our margins.

If NRS fails to increase advertising on its platform, our business could be adversely affected.

NRS' strategy includes increasing its revenues from brand advertising. Brands may not do business with NRS or may reduce the amounts they are willing to spend to advertise if NRS does not deliver ads, and other commercial content and marketing programs in an effective manner, or if they do not believe that their investment in advertising with NRS will generate a competitive return relative to other alternatives. NRS' ability to increase the number of brands that use its brand advertising, and ultimately to generate advertising and marketing services revenues, depends on several factors, many of which are outside of our control. If NRS fails to increase advertising on its platform, our business could be adversely affected. NRS' advertising revenue also depends on the effective rates, or CPMs, that it realizes for its inventory. CPMs across the digital advertising industry declined during fiscal 2026, in part because leading streaming services launched ad-supported tiers that substantially expanded the supply of digital advertising inventory, and NRS' Advertising & Data revenue declined in fiscal 2026 as compared with fiscal 2025 as a result of those rate declines and the loss of a demand partner that ceased operations. NRS sells a substantial portion of its inventory through programmatic platforms and a limited number of demand partners, and the loss of, or a reduction in spending by, any of them could materially reduce NRS' advertising revenue. In addition, our plans to improve NRS' advertising results depend in part on our ability to combine our first-party transaction data with our advertising inventory and on our successful integration of OnCore Digital, and we may not realize the benefits we expect on the timetable we expect or at all.

The long-term success of NRS depends on its ability to develop products and services to address the rapidly evolving market for POS products and services, and, if it cannot implement successful enhancements and new features for its products and services, our business could be materially and adversely affected.

NRS' success will depend, in part, on its ability to develop new technologies and to adapt to technological changes and evolving industry standards. New services and technologies may be superior to, impair, or render obsolete the POS products and services that NRS currently offers or the technologies NRS currently uses to provide them. Incorporating new technologies into NRS' POS products and services may require substantial expenditures and take considerable time, and NRS may not be successful in realizing a return on these development efforts in a timely manner or at all. NRS' ability to develop new products and services may be inhibited by industry-wide standards, existing and future laws and regulations, resistance to change from its customers, or third parties' intellectual property rights. If NRS is unable to provide enhancements and new features for its products and services or to develop new products and services that achieve market acceptance or that keep pace with rapid technological developments and evolving industry standards, our business would be materially and adversely affected. NRS' recent product initiatives include premium software tiers, direct integrations with online ordering and delivery platforms, digital couponing and product data scan programs, and offerings designed for adjacent retail verticals. These initiatives require investment, including hiring in advance of commercial launch, and may not achieve the adoption, revenue or returns we expect.

Retailer churn could offset new terminal sales and slow or reverse the growth of the NRS network.

NRS' revenue is substantially recurring and depends on the number of active terminals and payment processing accounts in its network. NRS' retailers are small, independently owned businesses, most of which operate a single store, and they are susceptible to closure, ownership change and business disruption

Churn among NRS retailers arises from a number of factors, including seasonal closures among retailers whose businesses are concentrated in the summer months or in the year-end holiday season; store closures, including closures in certain localized markets that we believe have been affected by increased immigration enforcement activity; competitive displacement; compliance reviews conducted by the payment card networks or NRS' payment facilitator that disrupt processing for individual merchants; and technical issues affecting equipment and its interaction with third-party service providers. Churn may increase for these or other reasons, including as a result of adverse economic conditions affecting the consumers our retailers serve. If churn increases, or if NRS is unable to sustain or increase its rate of new terminal sales, the growth of the NRS network and of NRS' recurring revenue would slow or could reverse, and our business, financial condition and results of operations could be materially and adversely affected.

NRS depends on its payment facilitator, its sponsor bank and the payment card networks, and changes in their rules, pricing or willingness to support NRS' merchants could materially harm NRS' business.

NRS operates primarily as an ISO and does not itself hold the sponsorship and settlement relationships required to process payment card transactions. NRS therefore depends on its payment facilitator, its sponsor bank and the payment card networks, and NRS and its retailers must comply with payment network operating rules and with applicable data security standards, including the Payment Card Industry Data Security Standard.

The payment networks and NRS' payment facilitator may change their rules, fees, interchange or assessment structures; may conduct compliance reviews that disrupt or terminate processing for individual merchants, as occurred with respect to certain NRS merchants during fiscal 2026; or may decline to continue supporting NRS' merchant portfolio or particular categories of merchants that NRS serves, including merchants in higher-risk categories. NRS also acts as an intermediary in respect of chargebacks and merchant fraud losses and may incur losses that it is unable to recover from retailers. Any of these developments could increase NRS' costs, reduce its Merchant Services revenue and margins, cause retailer attrition, or, if NRS were required to replace its payment facilitator or sponsor bank, materially disrupt NRS' operations.

NRS relies on third-party sales channels to acquire a substantial portion of its new customers.

A significant and varying proportion of NRS' new terminal and NRS Pay sales originates with wholesale distributors, exclusive and non-exclusive sales agents, and other resellers. These channel partners are generally not obligated to promote NRS' offerings, may promote competing offerings, and receive commissions and residual payments that exceed the cost to NRS of originating a comparable sale in-house. An increase in the proportion of sales sourced through these channels, as occurred in certain periods of fiscal 2026, increases NRS' selling expense and reduces the profitability of the associated revenue. The loss of one or more significant distributors or agents, a deterioration in NRS' relationships with them, or a decision by them to favor competing offerings could reduce NRS' new sales, increase churn, and materially and adversely affect our results of operations.

NRS' expansion into new retail verticals and new geographic markets may require significant investment and may not succeed.

NRS' growth strategy contemplates the gradual extension of its platform into adjacent independent retail verticals and, over time, into markets outside of the United States and Canada. Entering new verticals may require new hardware formats, new software functionality, new distribution relationships and different pricing, and retailers in those verticals may already use competing POS systems or may be served more effectively by specialized providers. International expansion would expose NRS to additional risks, including local payment infrastructure, licensing and regulatory requirements, differing data protection regimes, currency and repatriation risk, local competition, and the need to establish local sales, service and support capabilities. These initiatives require management attention and capital, may divert resources from NRS' core markets, and may not generate the returns we expect.

We may not realize the anticipated benefits of acquisitions, including our acquisition of a controlling interest in OnCore Digital.

During fiscal 2026, we acquired an 80% controlling interest in OnCore Digital, a digital media brokerage whose ad technology, demand relationships and publisher network we intend to integrate with the NRS screen network and NRS' first-party transaction data in order to improve the monetization of NRS' advertising inventory. Acquisitions of this type present risks, including the diversion of management attention; difficulties in integrating technology, personnel, processes and commercial relationships; the retention of key employees, demand partners and publishers; the assumption of unknown or contingent liabilities; the presence of minority interests and earn-out arrangements that may not fully align incentives; and the impairment of goodwill and other intangible assets if the acquired business does not perform as expected. We may not realize the revenue, margin or strategic benefits we expect from OnCore Digital or from any future acquisition.

Risks Related to Our BOSS Money Business

BOSS Money and its retailers face a complex and dynamic regulatory landscape; changes in laws and regulations can impact business operations, and non-compliance or failure to comply with laws can result in hefty fines, penalties, operational restrictions and reputational damage.

BOSS Money and its retailers face a complex and dynamic regulatory landscape related to anti-money laundering (AML), know your customer (KYC), consumer protection laws and data privacy. Changes in laws and regulations can impact business operations, and non-compliance or failure to comply with laws can result in hefty fines, penalties, operational restrictions and reputational damage. For example, certain banks, in an effort to comply with increasingly more challenging regulations, have gradually imposed stricter restrictions and limitations and higher costs on money remittance retailers making deposits to bank accounts. This can negatively affect the business of the BOSS Money retailers and, at times, disincentivize retailers from growing their BOSS Money business. As governments and regulatory bodies place increasing emphasis on anti-money laundering, data privacy, consumer protection and financial transparency, BOSS Money and its retailers may face rising costs to ensure compliance with, among others, customer due diligence, transaction monitoring, and consumer data privacy protection and reporting, which can negatively affect, among other things, the ability of BOSS Money to maintain and grow its retailer network.

BOSS Money depends on a licensed network of agents for its retail money remittance business.

BOSS Money depends on a licensed network of agents for its retail money remittance business. Maintaining good relationships with agents, ensuring their compliance, and managing risks associated with their actions is critical but costly. Agents may not always act in BOSS Money's best interest, engaging in fraudulent activities, regulatory violations, or causing reputational damage. In addition, agents could affect BOSS Money's revenue and profitability due to non-payment of remittances collected or termination of the relationship.

BOSS Money has financial and business exposure to fluctuations in the foreign exchange markets.

BOSS Money's international remittance business is subject to daily fluctuations in U.S. dollar exchange rates, resulting from devaluation or appreciation of currencies, exchange rate volatility, or currency restrictions, which can materially impact revenue and profitability.

BOSS Money can be vulnerable to illegal activities and fraud schemes.

BOSS Money's transfer services can be vulnerable to illegal activities and fraud schemes such as identity theft, account takeover, money laundering, and terrorist financing. Failure to detect and mitigate these risks could lead to regulatory penalties, reputational harm and significantly and adversely affect revenues and profitability.

BOSS Money's rapid growth can strain resources and internal controls which could potentially lead to, among other things, operational inefficiencies, increased costs and reduced profitability.

BOSS Money is experiencing rapid growth, which can strain resources and internal controls, carrying inherent risks and uncertainties when scaling operations or entering new markets, potentially leading to operational inefficiencies, increased costs and reduced profitability. BOSS Money's growth depends on acquiring and retaining customers in a competitive market. BOSS Money invests significantly in marketing to grow its customer base. Rising costs of customer acquisition, especially in competitive markets, could adversely affect profitability.

The rapid evolution of payment technologies and shifts in consumer preferences along with adoption of new technologies could disrupt the money transfer industry.

The rapid evolution of payment technologies and shifts in consumer preferences along with adoption of new technologies such as mobile wallets, real-time payment systems and blockchain-based cryptocurrencies could disrupt the money transfer industry and require significant investments to stay competitive. Failure to innovate, adopt new technologies, or keep pace with industry advancements can potentially lead to market share and revenue declines. In addition, the inability to adapt to changing customer needs could significantly and negatively impact business growth.

Disruptions in mobile networks or changes in consumer preferences for mobile devices could impact our business.

BOSS Money relies heavily on mobile technology. Any disruptions in mobile networks or changes in consumer preferences for mobile devices could adversely impact our business. The BOSS Money and BOSS Revolution mobile apps are distributed through Apple's App Store and Google Play app store. Changes in app store policies or restrictions could negatively impact our ability to reach customers. BOSS Money's direct to consumer channel relies on the performance and uptime of its digital platform which means that failures in technology or software could impact transaction flow, customer satisfaction and ultimately revenues.

BOSS Money has less brand recognition than many of its competitors in the money remittance space which could make it harder to attract and retain customers.

Compared to its larger competitors such as Western Union, MoneyGram, Ria, Intermex, Xoom, Wise and Remitly, BOSS Money has less brand recognition in the money remittance space which could make it harder to attract and retain customers. BOSS Money leverages the brand value and trust built by BOSS Revolution. The remittance industry is highly sensitive to consumer trust. As such, negative publicity, such as being associated with poor service, fraud or money laundering, could significantly and negatively harm BOSS Money's reputation, leading to a loss of customers and revenue.

BOSS Money relies on partnerships with global banks and payout agents to process transactions in its receiving markets.

BOSS Money relies on partnerships with global banks and disbursement agents to process transactions in its receiving markets. If these partners face operational, financial, or regulatory issues, it could severely and negatively impact the company's ability to conduct business. BOSS Money's success depends, in part, on reliable access to international banking systems and payment infrastructure. Disruptions in these systems due to political or economic issues, or regulatory changes, could severely and negatively impact the company's ability to provide services.

Changes in U.S. immigration policy and enforcement could reduce the size of our target market and adversely affect Boss Money.

A substantial majority of the customers of Boss Money, our international money transfer business, and of certain of our other consumer offerings, are first- and second-generation immigrants to the United States who send funds to family members and others in their countries of origin. The size of our addressable market, and demand for our services, is therefore closely tied to the number of foreign-born individuals residing and working in the United States and their ability to earn and transmit income.

Beginning in 2025, the U.S. federal government has significantly increased immigration enforcement activity, including removals of individuals who have resided in the United States for extended periods, and has reduced or suspended a number of lawful immigration pathways. These actions have included the termination of Temporary Protected Status designations covering nationals of numerous countries, including several of the countries to which our customers send money; the suspension or curtailment of refugee, humanitarian parole and other admissions programs; restrictions on visa processing for nationals of a large number of countries; and a marked decline in new entries at the southern border.

To the extent these or similar measures continue or expand, the population of individuals in the United States who send money abroad could contract, individuals who lose work authorization could experience reduced income and remit less, and customers who fear enforcement action may reduce their use of formal, in-person or identity-verified channels. Any of these outcomes could reduce our transaction volumes, revenues and profitability.

Immigration policy is subject to executive action, legislation and ongoing litigation, and we cannot predict the timing, scope or duration of future changes. A sustained reduction in the immigrant population of the United States, or in the ability of that population to work and send money abroad, could have a material adverse effect on our business, results of operations and financial condition.

Risks Related to Our net2phone Business

net2phone's VoIP or cloud-based communications service competes against established well financed alternative voice communication providers who may provide comparable services at comparable or lower pricing or deploy new services that net2phone is unable to offer.

Pricing in the telecommunications industry is very fluid and competitive. Price is often a substantial motivating factor in a customer's decision to switch to net2phone's cloud-based communications products and services. net2phone's competitors may reduce their rates, which may require it to reduce its rates, which would affect our revenues and profitability, or otherwise make our pricing non-competitive. net2phone may be at a disadvantage compared with those competitors who have substantially greater resources than us or may otherwise be better positioned to withstand an extended period of downward pricing pressure.

Many of net2phone's current and potential competitors have longer operating histories, significantly greater resources and brand awareness, and a larger base of customers than net2phone has. As a result, these competitors may have greater credibility with net2phone's existing and potential customers. net2phone's competitors may also offer bundled service arrangements that present a more differentiated or better integrated product to customers. Certain of net2phone's competitors that have more significant R&D capabilities may develop or deploy new value-added services that net2phone is unable to offer. Announcements, or expectations, as to the introduction of new products and technologies by net2phone's competitors or net2phone could cause customers to defer purchases of net2phone's existing products, which also could have a material adverse effect on our business, financial condition, or operating results.

net2phone depends in part upon the capacity, reliability, and performance of several third-party providers and their network infrastructure, the failure of which could cause delays or interruptions of net2phone's service and impact our revenue and profitability.

net2phone depends on several third-party providers to provide service to maintain its operations. net2phone does not have control over these providers, and some of these providers are also its competitors. net2phone may be subject to interruptions or delays in their service and its reputation and business may be harmed. The failure of any of these third party service providers to properly maintain services may result in negative consequences to net2phone, including but not limited to: (i) a loss of customers, (ii) adverse impact on its reputation, (iii) negative publicity, (iv) negative impact on its ability to acquire customers, (v) negative impact on its revenue and profitability, (vi) potential lawsuits for not reaching emergency E-911 services, and (vii) potential lawsuits for loss of business and loss of reputation.

Internet Bandwidth Providers. net2phone's cloud-based communications service requires its customers to have an operative broadband Internet connection and an electrical power supply, which are provided by the customer's broadband Internet service provider and electric utility company and not by net2phone. The quality of some broadband Internet connections may be too poor for customers to use net2phone's services properly. In addition, if there is any interruption to a customer's broadband Internet service or electrical power supply, that customer will be unable to make or receive calls, including emergency calls, using net2phone's service. In addition, Internet backbone providers may be able to block, degrade or charge for access to, or the bandwidth use of certain of net2phone's products and services which could have a negative effect on its services and could lead to additional expenses and the loss of users. Further, customers who access net2phone's mobile application (or future applications) through their smartphones must have a high-speed connection to use its services. This access is provided by companies that have significant and increasing market power in the broadband and Internet access marketplace and some of these providers offer products and services that directly compete with net2phone's offerings, which give them a significant competitive advantage.

Tier 1 and non-Tier 1 Telecom suppliers for Telecom Origination and Termination Services. net2phone depends on these companies to provide telecom services, sourcing of DID, porting of numbers, and delivering telephone calls from and to endpoints and devices on our network. If net2phone fails to maintain reliable connectivity or performance with its upstream carriers it could significantly reduce customer demand for its services and damage its business.

E-911 and other emergency service providers. net2phone maintains an agreement with an E-911 provider to assist it in routing and terminating emergency calls directly to an emergency service dispatcher at the public-safety answering point, or PSAP, in the customer's registered location. net2phone also contracts with a provider for the national call center that operates 24 hours a day, seven days a week to receive certain emergency calls and with several companies that maintain PSAP databases for the purpose of deploying and operating E-911 services. The dispatcher will have automatic access to the customer's telephone number and registered location information. If a customer moves their service to a new location, the customer's registered location information must be updated and verified by the customer. Until that takes place, the customer will have to verbally advise the emergency dispatcher of his or her actual location at the time of an E-911 call. This can lead to delays in the delivery of emergency services. Interruptions in service from these vendors could also cause failures in net2phone's customers' access to E-911 services and expose it to liability.

Local number portability providers. net2phone has agreements with companies that initiate its local number portability, which allows new customers to retain their existing telephone numbers when subscribing to its services. net2phone needs to work with these companies to properly port numbers. The failure to port numbers may cause net2phone to lose customers.

net2phone faces risks from the outsourcing of the manufacturing of its desktop telephones ("*desktop devices*"*).*

net2phone primarily sells Polycom, Yealink and Grandstream-branded desktop devices, although it supports other third-party devices as well. These desktop devices are being manufactured by vendors in China. Recent supply-chain challenges in China and global ramifications of supply-chain difficulties, the U.S. trade war with China, including trade protection measures such as tariffs, and the effects of any new wave of COVID-19 infections or another pandemic may cause disruptions in obtaining its desktop devices. This may increase pricing, slow delivery times or may force net2phone to find other third-party manufacturers for its branded desktop devices.

net2phone targets sales to small, mid-market and enterprise customers. Not properly managing these customers could negatively affect our business, cash flow and operations.

A substantial percentage of net2phone's revenues comes from small and medium-sized businesses. These customers may be more adversely affected by economic downturns than larger, more established businesses. The majority of net2phone's customers pay for subscriptions with credit cards. Weakness in certain segments of the credit markets in the U.S. and global economies may result in increased numbers of rejected credit and debit card payments, which could negatively affect net2phone's business. If small and medium-sized businesses experience financial hardship because of a weakening economy, industry consolidation, or any other reason, the overall demand for net2phone's products and services could be materially and adversely affected.

Selling to larger enterprise customers also contains inherent risks and uncertainties. The loss of a key customer or the failure of some to renew or to continue to recommend net2phone's products may have a material negative impact on its results. net2phone has a limited history of selling its services to larger businesses and may experience challenges in configuring and providing ongoing support for the products it sells to large customers. Larger customers' networks are often more complex than those of smaller customers, and the configuration of services for these customers usually requires customer assistance. There is no guarantee that the customer will make available to net2phone the necessary personnel and other resources for a successful configuration of services. Lack of assistance from the customers or lack of local resources may prevent net2phone from properly configuring its services for these customers, which can in turn adversely impact the quality of services that it delivers over its customers' networks, and/or may result in delays in the implementation of its services and impact the quality and ability to continue to provide the services. This could also create a public perception that net2phone is unable to deliver high-quality service to its customers, which could harm its reputation. In addition to the foregoing, larger customers tend to require higher levels of customer service and individual attention, which may increase net2phone's costs for implementing and delivering services.

If net2phone's existing customers terminate their subscriptions or reduce their subscriptions and related usage, its revenues and earnings will be harmed, and we will be required to spend more money to grow net2phone's customer base.

net2phone expects to continue to derive a significant portion of its revenues from existing customers. As a result, retaining its existing customers is critical to its future operating results. net2phone offers monthly, annual and multiple-year contracts to its customers, generally with 30 days' notice required for reductions in the number of seats. Increases in the number of seats can be provisioned almost immediately.

Subscriptions and related usage by existing customers may decrease if:

- customers are not satisfied with the services, prices or the functionality of net2phone's products;
- the stability, performance or security of net2phone's products is not satisfactory;
- the U.S. or global economy declines;
- net2phone's customers' business or demand for net2phone's services declines due to industry cycles, seasonality, business difficulties or other reasons;
- customers favor products offered by other providers, particularly as competition continues to increase;
- alternative technologies, products or features emerge or gain popularity that net2phone does not provide;
- net2phone's customers or potential customers experience financial difficulties; or
- fewer customers purchase services from net2phone.

If net2phone's existing customers' subscriptions and related usage decrease or are terminated, net2phone will need to spend more money to acquire new customers and still may not be able to maintain its existing level of revenues. net2phone incurs significant costs and expenses, including sales and marketing expenses, to acquire new customers, and those costs and expenses are an important factor in determining our profitability. There can be no assurance that net2phone's efforts to acquire new customers will be successful.

net2phone must acquire new customers on an ongoing basis to maintain and increase its customers and revenues, and the significant costs to acquire new customers may hinder profitability.

net2phone has to acquire new customers to increase revenues. net2phone incurs significant costs to acquire new customers, and those costs are an important factor in determining our profitability. Therefore, if net2phone is unsuccessful in retaining customers or is required to spend significant amounts to acquire new customers, its revenue and or profits may decrease, which would negatively affect profitability. Sales and marketing expenditures are an ongoing requirement of net2phone's business as it strives to acquire more new customers.

net2phone's customer churn rate may increase in future periods, which may adversely impact its revenue or require it to spend more money to grow its customer base.

net2phone's customers generally have initial service periods of between two and three years and may discontinue their subscriptions for services after the expiration of their initial subscription period. In addition, net2phone's customers may renew for lower subscription amounts or for shorter contract lengths. net2phone may not accurately predict cancellation rates for its customers. net2phone's cancellation rates may increase or fluctuate because of several factors, including customer needs, pricing changes, number of applications used by its customers, customer satisfaction with its service, the acquisition of net2phone's customers by other companies, and deteriorating general economic conditions. If net2phone's customers do not renew their subscriptions for its service or decrease the amount they spend with net2phone, its revenue will decline, and our business will suffer.

net2phone may not be able to scale its business efficiently or quickly enough to meet its customers' growing needs, in which case our operating results could be harmed.

As usage of net2phone's cloud-based communications services by mid-market and larger distributed enterprises expands and as customers continue to integrate its services across their enterprises, net2phone is required to devote additional resources to improving its application architecture, integrating net2phone's products and applications across our technology platform as well as expanding integration and performance. net2phone will need to appropriately scale its internal business systems and services organization, including its onboarding and customer support services to serve a growing customer base. Any failure of or delay in these efforts could impair net2phone's systems' performance and reduce customer satisfaction, which could result in decreased sales to new customers and lower renewal rates by existing customers and eventually hurt net2phone's revenue growth and its reputation. We cannot guarantee that the expansion and improvements to our infrastructure and systems will be fully or effectively implemented on a timely basis, if at all, which failure may reduce our revenue and earnings and adversely impact our financial results.

Risks Related to Our Traditional Communications Segment

Each of our BOSS Revolution and IDT Global businesses is highly sensitive to declining prices, which may adversely affect our revenues and profitability.

The worldwide telecommunications industry is characterized by intense price competition, which has resulted in declines in both our average per-minute price realizations and our average per-minute termination costs. Many of our competitors continue to aggressively price their services or offer them for free. The intense competition has led to continued erosion in our pricing power, in both our retail and wholesale markets, and we have generally had to pass along all or some of the savings we achieve on our per-minute costs to our customers in the form of lower prices. In the case of some international calling locations, indirect competitors, such as wireless carriers, may include calls to those locations at no extra cost, which increases our risk of losing customers. Any price increase by either our BOSS Revolution or IDT Global business may result in our prices becoming less attractive to customers, which may result in a reduction of revenue. If these trends in pricing continue or accelerate, it could have a material adverse effect on the revenues generated by our BOSS Revolution and IDT Global businesses and/or our profitability.

We may not be able to obtain sufficient or cost-effective termination capacity to particular destinations, which could adversely affect our revenues and profits.

Most of our telecommunications traffic is terminated through third-party providers. To support our minutes of use demand and geographic footprint, we may need to obtain additional termination capacity or destinations. We may not be able to obtain sufficient termination capacity from high-quality carriers to particular destinations or may have to pay significant amounts to obtain such capacity. This could result in our not being able to support our minutes of use demands or in higher cost-per-minute to particular destinations, which could adversely affect our revenues and profits.

The termination of our carrier agreements with partners or our inability to enter into carrier agreements in the future could materially and adversely affect our ability to compete, which could reduce our revenues and profits.

We rely upon our carrier agreements with partners to provide our telecommunications services to our customers. These carrier agreements are for finite terms and, therefore, there can be no guarantee that these agreements will be renewed at all or on favorable terms to us. Our ability to compete would be adversely affected if our carrier agreements were terminated or we were unable to enter into carrier agreements in the future to provide our telecommunications services to our customers, which could result in a reduction of our revenues and profits.

Risks Related to Our Financial Condition

We hold cash, cash equivalents, debt securities and equity investments that are subject to various market risks.

At July 31, 2026, we had cash, cash equivalents, debt securities, and current equity investments of $271.9 million (excluding restricted cash and cash equivalents). Debt securities and equity investments carry a degree of risk, as there can be no assurance that we can redeem them at any time and that our investment managers will be able to accurately predict the course of price movements and, in general, the securities markets have in recent years been characterized by great volatility and unpredictability. As a result of these different market risks, our holdings of cash, cash equivalents, debt securities, and equity investments could be materially and adversely affected.

If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results, and current and potential stockholders may lose confidence in our financial reporting which could have a negative effect on the trading price of our stock.

We are required by the Securities and Exchange Commission to establish and maintain adequate internal control over financial reporting that provides reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements in accordance with accounting principles generally accepted in the United States. We are likewise required, on a quarterly basis, to evaluate the effectiveness of our internal controls and to disclose any changes and material weaknesses in those internal controls. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

We cannot be certain that we will continue to maintain an effective system of internal control over our financial reporting in future periods. Any failure to maintain such internal controls could adversely impact our ability to report our financial results on a timely and accurate basis. If our financial statements are not accurate, investors may not have a complete understanding of our operations. Likewise, if our financial statements are not filed on a timely basis as required by the Securities and Exchange Commission and The New York Stock Exchange, we could face severe consequences from those authorities. In either case, there could be a material adverse effect on our business. Inferior internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our stock.

We may be required to record impairment charges against goodwill and other intangible assets.

As a result of acquisitions completed within our NRS, BOSS Money, and net2phone businesses, our consolidated balance sheet includes goodwill and other intangible assets. We test goodwill for impairment at least annually, and we test goodwill and other long-lived assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. A sustained decline in the operating performance or projected cash flows of a reporting unit, an increase in discount rates, a sustained decline in the trading price of our Class B common stock, or adverse changes in the markets in which these businesses operate could result in a non-cash impairment charge. Any such charge could be material and would reduce our reported results of operations in the period in which it is recorded.

We may reduce, suspend, or discontinue our dividend or our share repurchase program.

In March 2024, our Board of Directors initiated a quarterly cash dividend on our Class A and Class B common stock, and it has increased that dividend twice since then, most recently in May 2026. We also maintain a share repurchase program. Our Board of Directors is under no obligation to declare dividends or to repurchase shares, and any determination to do so will depend on our results of operations, cash requirements, financial condition, capital allocation priorities, and other factors that our Board of Directors considers relevant. A reduction, suspension, or discontinuation of our dividend or of repurchases under our repurchase program, including in order to allocate capital to acquisitions or to organic investment in our growth businesses, could adversely affect the trading price of our Class B common stock.

Intellectual Property, Tax, Regulatory, and Litigation Risks

Changes in national policy, governmental actions related to tariffs or international trade agreements, as well as shifts in social, political, regulatory, and economic conditions or laws and policies governing foreign trade, manufacturing, development, and investment in the regions where we operate, can significantly impact our business. Such changes could lead to negative sentiments towards us, potentially depressing economic activity or restricting access to suppliers or customers and thereby have a material adverse effect on our business, results of operations and outlook.

In January 2025, the global tariff landscape began to quickly change with the United States implementing tariffs on goods from various foreign countries, either generally or with respect to certain products, and certain of those foreign countries implementing rebalancing tariffs on goods from the United States, either generally or with respect to certain products. In certain circumstances the United States and certain foreign countries temporarily suspended tariffs they had recently implemented, either in whole or in part. Since then, the United States has continued to impose tariffs on imported goods, and affected countries have often responded by imposing tariffs on U.S. goods. In April 2025, the U.S. announced a baseline tariff of 10% on goods from all countries and instituted additional individualized reciprocal tariffs for countries with which the United States has significant trade deficits. The United States continues to implement new, reinstated or adjusted tariffs, and we expect that it will continue with this practice. Foreign countries subject to these U.S. tariffs continue to implement new, reinstated or adjusted rebalancing tariffs, and we expect that foreign countries will continue with that practice.

The U.S. tariffs and rebalancing tariffs that were recently enacted or that may be enacted have contributed to uncertainty about current global economic conditions. Sustained uncertainty could result in a global economic slowdown and long-term changes to global trade. Such changes could lead to negative sentiments towards us, potentially depressing economic activity or restricting access to suppliers or customers and thereby have a material adverse effect on our business, results of operations and outlook.

We provide communications and payment services to consumers and are therefore subject to various federal and state laws and regulations.

As a provider of communications and payment services to consumers, such as BOSS Revolution and BOSS Money, we are subject to various federal and state laws and regulations relating to the way we advertise our services, describe and present the terms of our services, and communicate with our customers and consumers in general. Compliance with these laws requires us to be constantly vigilant as they often vary from state to state. Failure to comply with these laws could result in action being taken by federal and state agencies or offices responsible for consumer protection, like the Federal Trade Commission, or FTC, which could have a material adverse effect on our results of operations, financial condition, revenues, and profits.

We may be adversely affected if we fail to protect our proprietary technology.

We depend on proprietary technology and other intellectual property rights in conducting our various business operations. We rely on a combination of patents, copyrights, trademarks and trade secret protection, and contractual rights to establish and protect our proprietary rights. Circumstances outside our control could pose a threat to our intellectual property rights. For example, effective intellectual property protection may not be available in every country in which our products and services are distributed. Also, the efforts we have taken to protect our proprietary rights may not be sufficient or effective enough. Any significant impairment of our intellectual property rights could harm our business or our ability to compete. Also, protecting our intellectual property rights is costly and time consuming. Any increase in the unauthorized use of our intellectual property could make it more expensive to do business and harm our operating results. Failure of our patents, copyrights, trademarks, and trade secret protection, non-disclosure agreements and other measures to provide protection of our technology and our intellectual property rights could enable our competitors to compete with us more effectively and have an adverse effect on our business, financial condition, and results of operations.

Rapid, significant, and disruptive technological changes impact the industries in which we operate, and we expect new services and technologies to continue to emerge and evolve. We cannot predict the effects of technological changes on our businesses. Developing and incorporating new technologies into our products and services may require significant investment, take considerable time, and ultimately may not be successful.

In addition, we may be required to litigate in the future to enforce our intellectual property rights, to protect our trade secrets, to determine the validity and scope of the proprietary rights of others, or to defend against claims of infringement or invalidity. Any such litigation could result in substantial costs and diversion of resources and could have a material adverse effect on our business, financial condition, or results of operations, and there can be no assurances that we will be successful in any such litigation.

We may incur costs in complying with, or face exposure from the failure to comply with, laws, regulations or initiatives regarding greenhouse gas emissions or reporting of our direct and indirect emissions.

Several states have either passed (California) or are drafting (e.g., Washington, New York, Illinois, and Minnesota) what is being referred to as "sustainability legislation." This class of legislation generally requires companies generating certain levels of annual revenue (either globally or in the relevant state) and who have a presence in the relevant state to report data on the impact of the company on the environment, including as to direct and indirect greenhouse gas emissions or other factors believed to impact climate. Each company that meets the requirements will be required to report the data to a state regulator and may also be required to post the data online. Significant monetary penalties may apply to companies that fail to report in a timely manner. We believe that we will be required to report under the California legislation, and may also be subject to other states' legislation, if passed. We are currently evaluating the resources necessary to comply with the law. While, barring unforeseen circumstances, we anticipate meeting the requirements in a timely manner, there can be no assurance that we will do so.

In addition, many foreign jurisdictions have enacted laws and regulations mandating certain reporting related to direct and indirect greenhouse gas emissions by businesses operating in those areas. Our costs to comply with any legislation, regulations or initiatives may be significant and we could be exposed to fines and penalties and other negative impacts on our businesses if we do not comply with the laws and regulations that apply to us.

We may be subject to claims of infringement of intellectual property rights of others, which could have a material adverse effect on our results of operations, financial condition, revenues, and profits.

Companies in the telecommunications industry and other industries in which we compete own large numbers of patents, copyrights and trademarks and frequently enter into litigation based on allegations of infringement or other violations of intellectual property rights. As we face increasing competition, the possibility of intellectual property claims against us grows. Although we do not believe that we infringe upon the intellectual property rights of others, our technologies may not be able to withstand any third-party claims or rights against their use. From time to time, we may be subject to claims and legal proceedings from third parties regarding alleged infringement by us of trademarks, copyrights, patents, and other intellectual property rights. Such lawsuits can be expensive and time-consuming and could distract us and our management from focusing on our businesses. Further, the loss of such lawsuits could result in financial burdens and the requirement to modify our modes of operation, which could materially adversely affect our business.

We are subject to tax and regulatory audits which could result in the imposition of liabilities that may or may not have been reserved.

We are subject to audits by taxing and regulatory authorities with respect to certain of our income and operations. These audits can cover periods for several years prior to the date the audit is undertaken and could result in the imposition of liabilities, interest, and penalties if our positions are not accepted by the auditing entity.

Our 2017 FCC Form 499-A, which reported our calendar year 2016 revenue was audited by the Universal Service Administrative Company, or USAC. The USAC's final decision imposed a $2.9 million charge on us for the Federal TRS Fund. We have appealed the USAC's final decision to the FCC and do not intend to remit payment for the TRS Fund fees unless and until a negative decision on our appeal has been issued. We have made certain changes to our filing policies and procedures for years that remain potentially under audit. If we do not properly calculate, or have not properly calculated, the amount payable by us to the FCC, we may be subject to interest and penalties.

We are subject to value added tax, or VAT, audits from time-to-time in various jurisdictions. In the conduct of such audits, we may be required to disclose information of a sensitive nature and, in general, to modify the way we have conducted business with our distributors until the present, which may affect our business in an adverse manner.

We are also subject to audits in various jurisdictions for various other taxes, including utility excise tax, sales and use tax, communications services tax, gross receipts tax, and property tax.

Our business is subject to strict regulation under federal law regarding anti-money laundering and anti-terrorist financing. Failure to comply with such laws, or abuse of our programs for purposes of money laundering or terrorist financing, could have a material adverse impact on our business, financial condition, and operating results.

Provisions of the USA PATRIOT Act, the Bank Secrecy Act and other federal laws impose substantial regulations on financial institutions that are designed to prevent money laundering and the financing of terrorist organizations. Increasing regulatory scrutiny of our industry with respect to money laundering and terrorist financing matters could result in more aggressive enforcement of these laws or the enactment of more onerous regulation, which could have a material adverse impact on our business. In addition, abuse of our money transfer services or prepaid card programs for purposes of money laundering or terrorist financing, notwithstanding our efforts to prevent such abuse through our regulatory compliance and risk management programs, could cause reputational or other harm that would have a material adverse impact on our business, financial condition, and operating results.

Our business is subject to a wide range of laws and regulations intended to help detect and prevent illegal or illicit activity and our failure, or the failure of one of our disbursement partners or payment processors to comply with those laws and regulations could harm our business, financial condition, and operating results.

Our BOSS Money and network branded prepaid card services are subject to a strict set of legal and regulatory requirements intended to help detect and prevent money laundering, terrorist financing, fraud, and other illicit activity. The interpretation of those requirements by judges, regulatory bodies and enforcement agencies is changing, often quickly and with little notice. Economic and trade sanctions programs that are administered by the U.S. Treasury Department's Office of Foreign Assets Control prohibit or restrict transactions to or from or dealings with specified countries, their governments, and in certain circumstances, with individuals and entities that are specially designated nationals of those countries, narcotics traffickers and terrorists or terrorist organizations. As federal, state, and foreign legislative regulatory scrutiny and enforcement action in these areas increase, we expect our costs to comply with these requirements will increase, perhaps substantially. Failure to comply with any of these requirements by us, our regulated retailers or our disbursement partners could result in the suspension or revocation of a money transmitter license, the limitation, suspension or termination of our services, the seizure and/or forfeiture of our assets and/or the imposition of civil and criminal penalties, including fines.

Furthermore, failure by us or our agents to comply with applicable laws and regulations could also result in termination of contracts with our banks and/or merchant payment processors. Termination of services by one of our retail banks would seriously diminish our ability to collect funds from our BOSS Revolution agents. Likewise, termination of services by our merchant processor would negatively impact our ability to process payments in our digital channels.

The foregoing laws and regulations are constantly evolving, unclear, and inconsistent across various jurisdictions, making compliance challenging. If we fail to update our compliance system to reflect legislative or regulatory developments, we could incur penalties. New legislation, changes in laws or regulations, implementing rules and regulations, litigation, court rulings, changes in industry practices or standards, changes in systems rules or requirements or other similar events could expose us to increased compliance costs, liability, reputational damage, and could reduce the market value of our BOSS Money and network branded prepaid card services or render them less profitable or obsolete.

The Dodd-Frank Act, as well as the regulations required by the Dodd-Frank Act and the Consumer Financial Protection Bureau could harm us and the scope of our activities, and could harm our operations, results of operations, and financial condition.

The Dodd-Frank Act, which became law in the United States on July 21, 2010, enacted significant structural reforms and substantive regulation across the financial services industry. In addition, the Dodd-Frank Act created the Consumer Financial Protection Bureau, or CFPB, whose purpose is to issue and enforce consumer protection initiatives governing financial products and services, including money transfer services.

We may be subject to examination by the CFPB, which has broad authority to enforce consumer financial laws. The CFPB has a large budget and staff and has broad authority with respect to our money transfer service and related business. It is authorized to collect fines and provide consumer restitution in the event of violations, engage in consumer financial education, track consumer complaints, request data, and promote the availability of financial services to underserved consumers and communities. In addition, the CFPB may adopt other regulations governing consumer financial services, including regulations defining unfair, deceptive, or abusive acts or practices, and new model disclosures. The CFPB's authority to change regulations adopted in the past by other regulators, or to rescind or alter past regulatory guidance, could increase our compliance costs and litigation exposure.

The Dodd-Frank Act established a Financial Stability Oversight Council that is authorized to designate as "systemically important" non-bank financial companies and payment systems. Companies designated under either standard will become subject to new regulation and regulatory supervision. If we were designated under either standard, the additional regulatory and supervisory requirements could result in costly new compliance burdens or may require changes in the way we conduct business that could harm our business, financial condition, and operating results.

We are subject to licensing and other requirements imposed by U.S. state regulators, and the U.S. federal government. If we were found to be subject to or in violation of any laws or regulations governing money transmitters, we could lose our licenses, be subject to liability or be forced to change our business practices, which could harm our business, results of operations, and financial condition.

Several states and territories have enacted legislation regulating money transmitters, with 49 states requiring a license. We hold licenses to operate as a money transmitter in 48 U.S. states and Washington, D.C. We are also registered as money services businesses with the Financial Crimes Enforcement Network of the U.S. Department of the Treasury, or FinCEN. As a licensed money transmitter, we are subject to bonding requirements, liquidity requirements, restrictions on our investment of customer funds, reporting requirements, and inspection by state and foreign regulatory agencies. If we were found to be subject to and in violation of any banking or money services laws or regulations, we could be subject to liability or additional restrictions, such as increased liquidity requirements. In addition, our licenses could be revoked, or we could be forced to cease doing business or change our practices in certain states or jurisdictions or be required to obtain additional licenses or regulatory approvals that could impose a substantial cost on us. Regulators could also impose other regulatory orders and sanctions on us. Any change to our business practices that makes our service less attractive to customers or prohibits use of our services by residents of a particular jurisdiction could decrease our transaction volume and harm our business, financial condition, and operating results.

Our disbursement partners generally are regulated institutions in their home jurisdiction, and money transfers are regulated by governments in both the United States and in the jurisdiction of the recipient. If our disbursement partners fail to comply with applicable laws, it could harm our business, results of operations, and financial condition.

Money transfers are regulated by state, federal and foreign governments. Many of our disbursement partners are banks that are heavily regulated by their home jurisdictions. Our non-bank disbursement partners are also subject to money transfer regulations. We require regulatory compliance as a condition to our continued relationship, perform due diligence on our disbursement partners, and monitor them periodically with the goal of meeting regulatory expectations. However, there are limits to the extent to which we can monitor their regulatory compliance. Any determination that our disbursement partners or their sub-disbursement partners have violated laws and regulations could seriously damage our reputation, resulting in diminished revenue and profit and increased operating costs. While our services are not directly regulated by governments outside the United States, except with respect to IDT Financial Services Limited, or IDTFS, our Gibraltar-based bank as discussed below, it is possible that in some cases we could be liable for the failure of our disbursement partners or their sub-disbursement partners to comply with laws, which also could harm our business, financial condition, and results of operations.

IDTFS is a licensed bank regulated by the Gibraltar Financial Services Commission ("GFSC"). As a deposit-taking institution, IDTFS is authorized to provide a wide range of regulated banking and financial services, including the issuance of electronic money, payment services and foreign exchange services. As a regulated bank, IDTFS is subject to stringent supervisory oversight and is required to maintain robust governance, risk management, anti-money laundering (AML) controls, and capital adequacy in accordance with Gibraltarian and EU financial regulations. The GFSC's oversight extends to all aspects of IDTFS' operations, including customer due diligence, transaction monitoring, and safeguarding of client funds. Failure to comply with regulatory obligations could result in fines, enforcement actions, reputational damage, or, in severe cases, revocation of the banking license.

IDT Services Limited (IDTS) is regulated by the Malta Financial Services Authority (MFSA) and operates under the Maltese and EU legal framework for financial services providers. It was licensed by the MFSA as an Electronic Money Institution (EMI) in May 2025, authorizing it to issue electronic money and provide payment services. While its operational scope differs from that of IDTFS, IDTS is nonetheless subject to similar regulatory expectations regarding AML compliance, internal governance, data protection, and financial reporting. The MFSA conducts regular supervision to ensure ongoing compliance with applicable regulations. Non-compliance could result in regulatory sanctions or, ultimately, the withdrawal of authorization.

We receive, store, process, and use personal information and other data, which subjects us to governmental regulation and other legal obligations related to privacy. Our actual or perceived failure to comply with such obligations could harm our business, financial condition, and results of operations.

We receive, store, and process personal information and other customer data, including bank account numbers, credit and debit card information, identification numbers, and images of government identification cards. As a result, we are required to comply with the privacy provisions of the Gramm-Leach-Bliley Act of 1999, or the Gramm-Leach-Bliley Act, and the Payment Card Industry Data Security Standard, or PCI DSS. There are also numerous other federal, state, local, and international laws, such as the California Consumer Privacy Act, or CCPA and the EU's General Data Protection Regulation, or GDPR, regarding privacy and the storing, sharing, use, processing, disclosure, and protection of personal information and other customer data, the scope of which are changing, subject to differing interpretations, and may be inconsistent among different jurisdictions or conflict with other applicable rules. It is possible that these obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our business practices.

Additionally, with advances in computer capabilities and data protection requirements to address ongoing threats, we may be required to expend significant capital and other resources to protect against potential security breaches or to alleviate problems caused by security breaches.

Any failure or perceived failure by us to comply with our privacy policies, our privacy-related obligations to customers or other third parties, or our privacy-related legal obligations, or any compromise of security that results in the unauthorized release or transfer of personally identifiable information or other customer data, may result in governmental enforcement actions, fines, or litigation. If there is a breach of credit or debit card information that we store, we could also be liable to the issuing banks for their cost of issuing new cards and related expenses. In addition, a significant breach could result in our being prohibited from processing transactions for any of the relevant network organizations, such as Visa or MasterCard, which would harm our business. If any third parties with whom we work, such as marketing partners, vendors, or developers, violate applicable laws or our policies, such violations may put our customers' information at risk and could harm our business. Any negative publicity arising out of a data breach or failure to comply with applicable privacy requirements could damage our reputation and cause our customers to lose trust in us, which could harm our business, results of operations, financial position, and potential for growth.

We may be harmed by certain imminent FCC Orders and rules that effect the telecommunications marketplace.

In the Telephone Robocall Abuse Criminal Enforcement and Deterrence, or TRACED, Act, Congress gave the FCC new tools to fight unwanted, and often illegal, robocalls, the top consumer complaint reported to the FCC annually. The TRACED Act required the FCC to mandate the STIR/SHAKEN caller identification framework. STIR/SHAKEN enables phone companies to verify that the caller ID information transmitted with a call matches the caller's real phone number. The FCC has issued a series of Orders and adopted several rules to implement the TRACED Act.

The FCC's rules present several concerns to all carriers. Notably, the FCC has prohibited STIR/SHAKEN compliant carriers, such as IDT, from doing business with non-compliant carriers.

Additionally, the rules extend to many foreign carriers, and it is unclear whether foreign carriers will be sufficiently educated and experienced to implement U.S. rules and regulations. Foreign carrier compliance, or the lack thereof, could impact U.S. carriers as they seek to meet their own regulatory obligations. There may also be changes in the marketplace as foreign carriers may look to limit U.S. carrier partners to whom they transmit calls for termination in the U.S. that are subject to the STIR/SHAKEN rules.

In Canada, the Canadian Radio-Television and Telecommunications Commission, or CRTC is implementing near-identical STIR/SHAKEN rules as the FCC is implementing in the U.S. although it is not apparent whether the CRTC will punish service providers who fail to meet their obligations with the zealousness of the FCC. We expect that additional national communications regulators will implement similar, if not identical, STIR/SHAKEN legislation.

We anticipate meeting our regulatory obligations under the STIR/SHAKEN rules and we are undertaking efforts to prevent us from being harmed by potential changes in the marketplace. Nevertheless, the FCC's rules allow for the possibility that well-prepared carriers with anti-robocalling procedures in place may fail and be punished for their failure, despite their best efforts. Moreover, because the STIR/SHAKEN rules may have a significant impact on the telecommunications marketplace, it is difficult to predict their outcome. We are prepared for the implementation of STIR/SHAKEN but are concerned about its impact on the market as a whole and on us specifically.

Federal and state regulations may be passed that could harm our business, financial condition, and results of operations.

Our ability to provide VoIP communications services at attractive rates arises in large part from the fact that VoIP services are not currently subject to the same level of regulation as traditional, switch-based telephony. The use of the Internet and private IP networks to provide voice communications services is largely unregulated within the United States, although several foreign governments have adopted laws and/or regulations that could restrict or prohibit the provision of voice communications services over the Internet or private IP networks. In the United States, the California PUC has expanded its authority to regulate interconnected VoIP. Other states are expected to follow the California PUC's lead. If interconnected VoIP services become subject to state regulation and/or additional regulation by the FCC, such regulation will likely lead to higher costs and reduce or eliminate the competitive advantage interconnected VoIP holds over traditional telecommunications services by virtue of its lesser regulatory oversight. More aggressive regulation of the Internet in general, and Internet telephony providers and services specifically, may materially and adversely affect our business, financial condition, and results of operations.

Our ability to offer services outside of the United States is subject to the local regulatory environment, which may be unfavorable, complicated, and often uncertain.

Regulatory treatment outside the United States varies from country to country. We distribute our products and services through resellers that may be subject to telecommunications regulations in their home countries. The failure of these resellers to comply with these laws and regulations could reduce our revenue and profitability or expose us to audits and other regulatory proceedings. Regulatory developments such as these could have a material adverse effect on our operating results.

In many countries in which we operate, or our services are sold, the status of the laws that may relate to our services is unclear. We cannot be certain that our customers, resellers, or other affiliates are currently in compliance with regulatory or other legal requirements in their respective countries, that they or we will be able to comply with existing or future requirements, and/or that they or we will continue in compliance with any requirements. Our failure or the failure of those with whom we transact business to comply with these requirements could materially adversely affect our business, financial condition, and results of operations.

While we expect additional regulation of our industry in some or all these areas, and we expect continuing changes in the regulatory environment as new and proposed regulations are reviewed, revised and amended, we cannot predict with certainty what impact new laws in these areas will have on us, if any.

net2phone's VoIP services are subject to regulation in the United States and Canada. Future legislative, regulatory, or judicial actions could adversely affect net2phone's business and expose it to liability and limit its growth potential.

The United States and Canada have applied some traditional telephone company regulations to VoIP and continue to evaluate how VoIP should be regulated, as are other countries as we expand globally. The effects of future regulatory developments are uncertain. At the federal level in the United States, the FCC has imposed certain telecommunications regulations on VoIP services including, but not limited to:

- Requirements to provide E-911 service;
- Communications Assistance for Law Enforcement Act obligations;
- Obligation to support Universal Service;
- Customer Proprietary Network Information, or CPNI, requirements;
- Disability access obligations;
- Local Number Portability requirements; and
- Consumer protection, including protection from unwanted telemarketing and other calls.

In Canada, the CRTC regulates VoIP Service. These regulated services are similar to those regulated in the United States discussed above. We are subject to a variety of other federal, state and international laws and regulations as well as oversight from a variety of governmental agencies and public service commissions. The laws governing our business may change in ways that harm our business. Federal, state, or international governmental agencies administering and enforcing such laws may also choose to interpret and apply them in ways that harm our business. These interpretations are also subject to change. Regulatory action could materially impair or force us to change our business model and may adversely affect our revenue, increase our compliance costs, and reduce our profitability. In addition, governmental agencies such as the Securities and Exchange Commission, Internal Revenue Service, FTC, FCC, and state taxing authorities may conclude that we have violated federal laws, state laws or other rules and regulations, and we could be subject to fines, penalties or other actions that could adversely impact our financial results or our ability to conduct business.

We are subject to legal proceedings in the ordinary course of business that may have a material adverse effect on our business, results of operations, cash flows, or financial condition.

Various legal proceedings that have arisen or may arise in the ordinary course of business have not been finally adjudicated, which may have a material adverse effect on our results of operations, cash flows, or financial condition (see Note 23 to our Consolidated Financial Statements in Item 8 to Part II of this Annual Report).

Our telecommunications services are required to comply with industry standards, FCC regulations, privacy laws as well as certain state and local jurisdiction specific regulations. Failure to comply with existing laws and any new laws that may become applicable to us may subject us to penalties, increase our operating costs, and may also require us to modify existing products and/or service.

The acceptance of telecommunications services is dependent upon our meeting certain industry standards. We are required to comply with certain rules and regulations of the FCC regarding safety standards. Standards are continuously being modified and replaced. As standards evolve, we may be required to modify our existing products or develop and support new versions of our products. We must comply with certain federal, state, and local requirements regarding how we interact with our customers, including marketing practices, consumer protection, privacy, and billing issues, the provision of emergency 911 service, and the quality of service we provide to our customers. The failure of our products and services to comply or delays in compliance with various existing and evolving standards could delay future offerings and impact our revenues and profitability. Changes to the Universal Service Fund by the FCC or various state Universal Service Funds may require us to increase our cost which could negatively affect revenue and profitability.

We are subject to Federal laws and FCC regulations that require us to protect customer information. While we have protections in place to protect customer information there is no assurance that our systems will not be subject to failure or intentional fraudulent attack. The failure to protect required information could subject us to penalties and diminish the confidence our customers have in our systems, which could negatively affect results. While we try to comply with all applicable data protection laws, regulations, standards, and codes of conduct, as well as our own posted privacy policies and contractual commitments to the extent possible, any failure by us to protect our customers' privacy and data, including as a result of our systems being compromised by hacking or other malicious or surreptitious activity, could result in a loss of customer confidence in our services and ultimately in a loss of customers, which could materially and adversely affect our business as well as subject us to lawsuits, civil fines and criminal penalties.

Governmental entities, class action lawyers, and consumer advocates are reviewing the data collection and use by companies that must maintain such data. Our own requirements as well as regulatory codes of conduct, enforcement actions by regulatory agencies, and lawsuits by other parties could impose additional compliance costs on us as well as subject us to unknown potential liabilities. These evolving laws, rules, and practices may also curtail our current business activities, which may delay or affect our ability to become profitable as well as affect customers and other business opportunities.

In addition, several foreign countries and governmental bodies, including the EU, Brazil, and Canada, have laws and regulations concerning the collection and use of personally identifiable information obtained from their residents, including payment card information, which are often more restrictive than those in the U.S. Laws and regulations in these jurisdictions apply broadly to the collection, use, storage, disclosure, and security of personally identifiable information, including payment card information identifying, or which may be used to identify, an individual, such as names, email addresses, and, in some jurisdictions, IP addresses, device identifiers, and other data. As we conduct business or become deemed to conduct business in foreign jurisdictions, including through websites that we host that may be available in these locations, we may become subject to those laws and regulations.

We are also subject to privacy and data protection-related obligations in our contracts with our customers and other third parties. Any failure, or perceived failure, to comply with federal, state, or international laws, or to comply with our contractual obligations related to privacy, could result in proceedings or actions against us which could result in significant liability to us as well as harm to our reputation. Additionally, third parties with whom we contract may violate or appear to violate laws or regulations which could subject us to the same risks. Any new laws, regulations, other legal obligations or industry standards, or any changed interpretation of existing laws, regulations or other standards may require us to incur additional costs and restrict our business operations.

Our collection, processing, storage, use, and transmission of personal data could give rise to liabilities because of governmental regulation, conflicting legal requirements, differing views on data privacy, or security breaches.

We engage in electronic billing and processing of our customers using secure transmission of sometimes confidential information over public networks. We have systems and processes in place that are designed to protect consumer information and prevent fraudulent credit card transactions and other security breaches. However, there is no guarantee that such systems and processes will not experience failures. Our failure to protect against fraud or breaches may subject us to costly breach notification and other mitigation obligations, class action lawsuits, investigations, fines, forfeitures, or penalties from governmental agencies that could adversely affect our operating results. We may be unable to prevent our customers from fraudulently receiving goods and services. Personal data is increasingly subject to legal and regulatory protections around the world, which vary widely in approach and which possibly conflict with one another. In recent years, for example, U.S. legislators and regulatory agencies, such as the FTC, as well as U.S. states have increased their focus on protecting personal data by law and regulation and have increased enforcement actions for violations of privacy and data protection requirements. The CCPA requires, among other things, covered companies to provide new disclosures to California consumers, and afford such consumers new abilities to opt-out of certain sales of personal information. While we believe that we are not a covered entity under the law, the effects of the CCPA potentially are significant, and may require us to modify our data processing practices and policies and to incur substantial costs and expenses to comply. We may also from time to time be subject to, or face assertions that we are subject to, additional obligations relating to personal data by contract or due to assertions that self-regulatory obligations or industry standards apply to our practices.

We may also experience losses due to customer fraud and theft of service, such as fraudulent credit card transactions. Customers have, in the past, obtained access to our service without paying for monthly service and international toll calls by unlawfully using fraudulently obtained codes. If our existing anti-fraud procedures are not adequate or effective, consumer fraud and theft of service could have a material adverse effect on our business, financial condition, and operating results.

The GDPR and the Data Protection Act in the United Kingdom are intended to protect the privacy and security of personal data, including credit card information that is collected, processed, and transmitted in or from the relevant jurisdiction. We stopped hosting websites in GDPR-compliant countries or countries from which the bulk of business came from countries subject to GDPR. We also took steps to block those countries from accessing any other sites we host. While we do not currently provide services in countries where compliance would be required and are therefore not required to be compliant, if we did provide those services or otherwise were required to become compliant, implementation of and compliance with these laws and regulations may be more costly or take longer than we anticipate, or could otherwise adversely affect our business operations, which could negatively impact our financial position or cash flows.

Additionally, media coverage of data breaches has escalated, in part because of the increased number of enforcement actions, investigations, and lawsuits. As this focus and attention on privacy and data protection increases, we also risk exposure to potential liabilities and costs resulting from compliance with or any failure to comply with applicable legal requirements, conflicts among these legal requirements, or differences in approaches to privacy.

We could fail to comply with requirements for debit card, credit card, and other digital payment methods, which could have a material adverse effect on our revenues, results of operations, and financial condition.

A significant and increasing portion of our transactions are processed using debit cards, credit cards, and other digital payment methods. The banks, credit card companies, networks, and other payment processing providers impose strict regulatory, compliance, system, and other requirements to participate in such parties' payment systems. We are required to comply with the privacy provisions of various federal and state privacy statutes and regulations, and the PCI DSS, each of which is subject to change at any time. Compliance with PCI DSS does not guarantee a completely secure environment and notwithstanding the results of this assessment, there can be no assurance that payment card brands will not request further compliance assessments or set forth additional requirements to maintain access to credit card processing services. Compliance with PCI DSS is an ongoing effort, and the requirements evolve as new threats are identified. Compliance with these requirements is often difficult and costly, and our failure, or our counterparty's failure, to comply may result in significant fines or civil penalties, regulatory enforcement action, or liability under or termination of necessary agreements, each of which could have a material adverse effect on our financial position and/or operations and that of our distributors who could be liable as well.

Further, our payment services are subject to stringent requirements by regulators and trade organizations in various jurisdictions. Our payment services unit is subject to federal and state banking regulations, and we are also subject to further regulation by those states in which we are licensed as a money transmitter. We may not be able to comply with all such requirements in a timely manner or remain in compliance. If we are not in compliance, we could be subject to penalties or the termination of our rights to participate in such payment systems or provide such services, which could have a material negative impact on our ability to grow our businesses and our revenues and profits.

We face risks in our sales to certain market segments including, but not limited to, sales subject to HIPAA Regulations.

Our customers can use our services to store contact and other personal or identifying information, and to process, transmit, receive, store, and retrieve a variety of communications and messages, including information about their own customers and other contacts. In addition, customers may use our services to store protected health information, or PHI, that is protected under the Health Insurance Portability and Accountability Act, or HIPAA. We have sold and will continue to attempt to sell to certain customer segments which may have requirements for additional privacy or security. In addition, sales may be made to customers that are subject to additional security requirements. Selling into segments with additional requirements increases potential liability that in some instances may be unlimited. While we believe we meet or exceed all requirements for sales to such segments, there is no assurance that our systems fully comply with all requirements. Noncompliance with laws and regulations relating to privacy and HIPAA may lead to significant fines, penalties, or civil liability.

Our ability to offer services outside the United States is subject to different regulations which may be unknown and uncertain.

Regulatory treatment of VoIP providers outside the United States varies from country to country and among local jurisdictions. Many times, the laws are vague, unclear and regulations are not enforced uniformly. We are licensed as a VoIP seller in our international markets and are considering expanding to other countries. We also cannot control if our customers take their devices out of the United States and use them abroad. Our resellers may sell to customers who maintain facilities outside the United States. The failure by us or our customers and resellers to comply with laws and regulations could reduce our revenue and profitability. As we expand to additional countries there may be additional regulations that we are required to comply with, the failure of complying or properly assessing regulations may subject us to penalties, fines, and other actions that could materially affect our business.

Examinations by relevant tax authorities may result in material changes in related tax reserves for tax positions taken in previously filed tax returns or may impact the valuation of certain deferred income tax assets, such as net operating loss carry-forwards.

Based on the outcome of examinations by relevant tax authorities, or because of the expiration of statutes of limitations for specific jurisdictions, it is reasonably possible that the related tax reserves for tax positions taken regarding previously filed tax returns will materially change from those recorded in our financial statements. In addition, the outcome of examinations may impact the valuation of certain deferred income tax assets (such as net operating loss carry-forwards) in future periods. It is not possible to estimate the impact of the amount of such changes, if any, on previously recorded uncertain tax positions.

There may be a negative effect on our business going forward because of changes to net neutrality.

The principle that Internet service providers should treat all Internet communications equally and not charge users different rates for various tiers of service or prioritize certain traffic while blocking or slowing down others, is called net neutrality. On January 4, 2018, the FCC released an order that largely repealed prior FCC rules that prevented broadband internet access providers from degrading or otherwise disrupting a broad range of services provisioned over consumers' and enterprises' broadband internet access lines. In April 2024, the FCC adopted an order that reclassified broadband internet access service as a telecommunications service and reinstated net neutrality rules. On January 2, 2025, the U.S. Court of Appeals for the Sixth Circuit set aside that 2024 order in its entirety, holding that broadband internet access service is an information service and that the FCC therefore lacks statutory authority to impose net neutrality requirements on broadband providers. As a result, the FCC's January 2018 order remains in effect.

Many of the largest providers of broadband services, like cable companies and traditional telephone companies, have publicly stated that they will not degrade or disrupt their customers' use of applications and services, like ours. However, there is no guarantee that they will not do so in the future. If such providers were to degrade, impair, or block our services, it would negatively impact our ability to provide services to our customers, and we would likely lose revenue and profits. We would probably incur legal fees in an attempt to restore our customers' access to our services. Broadband internet access providers may also attempt to charge us or our customers additional fees to access services like ours that may result in the loss of customers and revenue, or increase our costs thereby reducing our profitability, or make our services less competitive if we increase our rates to our customers.

Following the adoption of the FCC's January 2018 order, several states passed state-level net neutrality laws. However, we cannot rely on those state laws because of potential opposition from the federal government. We cannot predict the ultimate outcome of these disputes.

States are adding regulations for VoIP providers which could increase our costs and change certain aspects of our service.

Certain states take the position that offerings by VoIP providers may include intrastate communications and should therefore be subject to state regulation including state taxes or surcharges. We have registered as an interconnected VoIP provider in those states where registration is required; however, our rates are not regulated in the same manner as traditional telephone service providers. We believe that the FCC has pre-empted states from regulating VoIP providers in the same manner as providers of traditional telecommunications services. We cannot predict how this issue will be resolved or its impact on our business at this time.

Taxing authorities may successfully assert that we should have collected or in the future should collect sales and use, value added, or similar taxes, and any such assessments could adversely affect our business, financial condition, and results of operations.

Jurisdictions in which we do not collect sales, use, value added, or similar taxes on VoIP services or other products may assert that such taxes are applicable, which could result in tax assessments, penalties, and interest, and we may be required to collect such taxes in the future. Such tax assessments, penalties, interest, or future requirements could adversely affect our financial condition and results of operations. Further, in June 2018, the Supreme Court held in *South Dakota v. Wayfair, Inc.* that states could impose sales tax collection obligations on out-of-state sellers even if those sellers lack any physical presence within the states imposing the sales taxes. Under *Wayfair*, a person requires only a "substantial nexus" with the taxing state before the state may subject the person to sales tax collection obligations therein. An increasing number of states (both before and after the publication of *Wayfair*) have considered or adopted laws that attempt to impose sales tax collection obligations on out-of-state sellers. The Supreme Court's *Wayfair* decision has removed a significant impediment to the enactment and enforcement of these laws, and it is possible that states may seek to tax out-of-state sellers on sales that occurred in prior tax years, which could create additional administrative burdens for us, put us at a competitive disadvantage if such states do not impose similar obligations on our competitors, and decrease our future sales, which would adversely impact our business, financial condition, and results of operations.

Risks Related to Our Capital Structure

Holders of our Class B common stock have significantly less voting power than holders of our Class A common stock.

Holders of our Class B common stock are entitled to one-tenth of a vote per share on all matters on which our stockholders are entitled to vote, while holders of our Class A common stock are entitled to three votes per share. As a result, the ability of holders of our Class B common stock to influence our management is limited.

We are controlled by our principal stockholder, which limits the ability of other stockholders to affect the management of the Company.

Howard S. Jonas, our Chairman and Chairman of the Board of Directors, controls a majority of the voting power of our capital stock. As of September 21, 2026, Mr. Jonas has voting power over 1,574,326 shares of our Class A common stock (which are convertible into shares of our Class B common stock on a 1-for-1 basis) and 2,515,451 shares of our Class B common stock, representing approximately 70.6% of the combined voting power of our outstanding capital stock. Mr. Jonas will be able to control all matters requiring approval by our stockholders, including the election of all the directors and the approval of significant corporate matters, including any merger, consolidation or sale of all or substantially all of our assets. As a result, the ability of any of our other stockholders to influence our management is limited.

We engage in transactions with entities affiliated with our Chairman, and we may be permitted to rely on governance accommodations available to controlled companies.

We occupy office space in Jerusalem, Israel that is owned by Rafael Holdings, Inc., an entity affiliated with Howard S. Jonas, and we have from time to time entered into other transactions and arrangements with entities affiliated with Mr. Jonas. Transactions with affiliates present potential conflicts of interest, and although such transactions are subject to review under our related-party transaction policies, their terms may differ from those that we could obtain from an unaffiliated third party. In addition, because Mr. Jonas controls a majority of the combined voting power of our capital stock, we may qualify as a "controlled company" under the New York Stock Exchange listing standards and may elect not to comply with certain of the corporate governance requirements applicable to other listed companies. To the extent we rely on any of those exemptions, our stockholders would not have the same protections afforded to stockholders of companies that are subject to all of those requirements.

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity.

Cybersecurity risk management and strategy

Our cybersecurity risk management is based on recognized cybersecurity industry frameworks and standards, including those of the National Institute of Standards and Technology, the Center for Internet Security Controls, and the International Organization for Standardization. We use these frameworks, together with information collected from internal assessments, to develop policies for the use of our information assets (for example, business information and information resources such as mobile phones, computers and workstations), access to specific intellectual property or technologies, and protection of personal information. We protect these information assets through industry-standard techniques, such as multifactor authentication, endpoint detection and response, network segmentation, email and web filtering, vulnerability and patch management, encryption, and centralized logging and monitoring of security events. We also work with internal stakeholders across the company to integrate foundational cybersecurity principles throughout our organization's operations, including the employment of multiple layers of cybersecurity defenses, restricted access based on business needs, and integrity of our business information. We also regularly train our employees on cybersecurity awareness, confidential information protection and simulated phishing attacks.

We regularly engage third-party assessors to conduct penetration testing and measure our program to industry standard frameworks. We also have standing engagements with incident response experts and external counsel. We frequently collaborate with industry experts and cybersecurity practitioners at other companies to exchange information about potential cybersecurity threats, best practices and trends.

Our cybersecurity risk management extends to risks associated with our use of third-party service providers. For instance, we conduct risk and compliance assessments of third-party service providers that request access to our information assets. We also seek to include security, confidentiality and incident-notification requirements in our agreements with key providers, monitor our external attack surface and cloud environments for misconfigurations and exposures, and evaluate the security of the software and artificial intelligence tools we adopt.

Our cybersecurity risk management is an important part of our comprehensive business continuity program and enterprise risk management. Our global information security team periodically engages with a cross-functional group of subject matter experts and leaders to assess and refine our cybersecurity risk posture and preparedness. For example, we regularly evaluate and update contingency strategies for our business in the event that a portion of our information resources were to be unavailable due to a cybersecurity incident. We practice our response to potential cybersecurity incidents through regular tabletop exercises, threat hunting and red team exercises. We maintain a cybersecurity incident response plan that establishes procedures for detecting, containing, investigating and remediating incidents; for escalating incidents to senior management, the Audit Committee and, where appropriate, law enforcement; and for evaluating, together with our legal counsel and senior management, whether an incident is material and requires public disclosure or regulatory or customer notification.

Governance of cybersecurity risk management

Our Board of Directors, as a whole, has oversight responsibility for our strategic and operational risks. Our Audit Committee of our Board of Directors assists the Board of Directors with this responsibility by reviewing and discussing our risk assessment and risk management practices, including cybersecurity risks, with members of management. The Audit Committee, in turn, periodically reports on its review with the Board of Directors. Our Global Chief Information Officer and Chief Information Security Officer ("CIO/CISO") reports to the Audit Committee at least quarterly on the state of our cybersecurity program, including significant threats and incidents, the results of internal and third-party assessments, and remediation efforts, and is expected to inform the Audit Committee and senior management promptly of any cybersecurity incident that could be significant to the Company

Management is responsible for the day-to-day assessment and management of cybersecurity risks. Our cybersecurity program is led by our CIO/CISO, who has served us for approximately 30 years and has approximately 30 years of experience in information security and information technology, including an offensive security background and extensive experience directing the investigation of, response to and remediation of cyberattacks and fraud schemes, coordinating with federal law enforcement and industry partners, and evaluating and deploying security technologies. The CIO/CISO oversees our global information security team, whose members hold relevant industry certifications and have experience in security operations, threat intelligence, incident response, penetration testing, cloud and network security, and governance, risk and compliance, and works closely with the technology and operational leaders of each of our business segments to address risks specific to their operations. The CIO/CISO and the information security team are informed about and monitor the prevention, detection, mitigation and remediation of cybersecurity incidents through security monitoring and alerting, threat intelligence, internal and third-party assessments, and reports from our business units and service providers, and reports regularly to senior management and to the Audit Committee.

As of the date of this Annual Report, we are not aware of any risks from cybersecurity threats, including as a result of any previous cybersecurity incident, that have materially affected or are reasonably likely to materially affect the Company, including our business strategy, results of operations, or financial condition.

Item 2. Properties.

Our headquarters is located at 520 Broad Street, Newark, New Jersey. We occupy approximately 42,300 square feet of space in this building and have parking rights in a parking garage located across the street at 36 Atlantic Street, Newark, New Jersey.

We also occupy approximately 3,600 square feet of office space in Jerusalem, Israel that is owned by Rafael Holdings.

We lease space in New York, New York for corporate purposes as well as a number of other locations in metropolitan areas. These leased spaces are utilized primarily to house telecommunications equipment and retail operations.

We also maintain other international office locations and telecommunications facilities in regions of Europe, Latin America, the Middle East, Asia, and Africa where we conduct operations.

Item 3. Legal Proceedings.

Legal proceedings disclosure is presented in Note 23 to our Consolidated Financial Statements in Item 8 to Part II of this Annual Report.

Item 4. Mine Safety Disclosures.

Not applicable.

Part II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Our Class B common stock trades on the New York Stock Exchange under the symbol "IDT."

On September 21, 2026, there were 243 holders of record of our Class B common stock and one holder of record of our Class A common stock. All shares of our Class A common stock are beneficially owned by Howard S. Jonas, our Chairman and Chairman of the Board. The number of holders of record of our Class B common stock does not include the number of persons whose shares are in nominee or in "street name" accounts through brokers. On September 21, 2026, the last sales price reported on the New York Stock Exchange for our Class B common stock was $69.84 per share.

In fiscal 2018, our Board of Directors discontinued our quarterly dividend, electing instead to repurchase shares of our Class B common stock when warranted by market conditions, available resources, and our business outlook and results, as well as to invest in our growth business initiatives. Accordingly, no dividends were paid from fiscal 2018 until fiscal 2024.

In March 2024, our Board of Directors initiated a quarterly cash dividend of $0.05 per share on our Class A and Class B common stock. In fiscal 2024, we paid aggregate cash dividends of $2.5 million on our Class A and Class B common stock.

In March 2025, our Board of Directors increased the quarterly cash dividend on our Class A and Class B common stock to $0.06 per share from $0.05 per share.

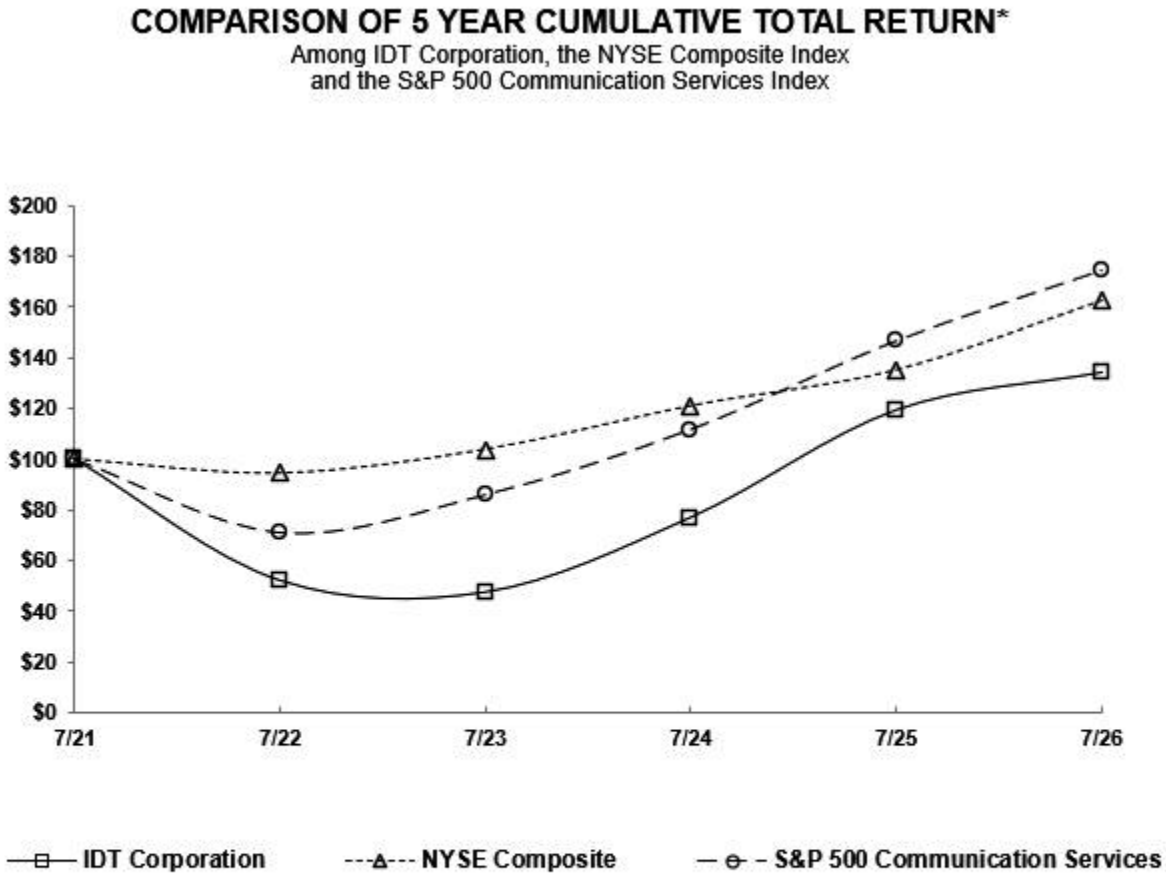
In May 2026, our Board of Directors increased the quarterly cash dividend on our Class A and Class B common stock to $0.07 per share from $0.06 per share.

In fiscal 2026 and fiscal 2025, we paid aggregate cash dividends of $6.5 million and $5.6 million, respectively.

On September 22, 2026, our Board of Directors declared a cash dividend on our Class A and Class B common stock of $0.07 per share payable on or about October 14, 2026 to stockholders of record as of the close of business on October 5, 2026.

The information required by Item 201(d) of Regulation S-K will be contained in our Proxy Statement for our Annual Stockholders Meeting, which we will file with the Securities and Exchange Commission within 120 days after July 31, 2026, and which is incorporated by reference herein.

Performance Graph of Stock



*$100 invested on 7/31/21 in stock or index, including reinvestment of dividends.
Fiscal year ending July 31.

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Issuer Purchases of Equity Securities

The following table provides information with respect to purchases by us of our shares during the fourth quarter of fiscal 2026.

	Total Number of Shares Purchased (1)	Average Price per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (2)
May 1 – 31, 2026	—	$ —	—	3,790,777
June 1 – 30, 2026	—	$ —	—	3,790,777
July 1 – 31, 2026	30,752	$ 65.00	30,752	3,760,025
Total	30,752	$ 65.00	30,752	

(1) Total number of shares purchased consists of shares of our Class B common stock that were purchased under our repurchase program, as well as shares of our Class B common stock that were withheld to satisfy employee tax withholding obligations.

(2) On January 22, 2016, our Board of Directors approved a stock repurchase program to purchase up to 8.0 million shares of our Class B common stock.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements that contain the words "believes," "anticipates," "expects," "plans," "intends" and similar words and phrases. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from the results projected in any forward-looking statement. In addition to the factors specifically noted in the forward-looking statements, other important factors, risks and uncertainties that could result in those differences include, but are not limited to, those discussed under Item 1A to Part I "Risk Factors" in this Annual Report. The forward-looking statements are made as of the date of this Annual Report, and we assume no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those projected in the forward-looking statements. Investors should consult all of the information set forth in this report and the other information set forth from time to time in our reports filed with the Securities and Exchange Commission pursuant to the Securities Act of 1933 and the Securities Exchange Act of 1934, including our periodic and current reports on Forms 10-Q and 8-K.

The following discussion should be read in conjunction with the Consolidated Financial Statements and Notes thereto included in Item 8 of this Annual Report.

Our Management's Discussion and Analysis of Financial Condition and Results of Operations included in this Annual Report generally discusses fiscal 2026 and fiscal 2025 items and year-to-year comparisons between fiscal 2026 and fiscal 2025. Discussions of fiscal 2024 items and year-to-year comparisons between fiscal 2025 and fiscal 2024 that are not included in this Annual Report can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of our Annual Report on Form 10-K for the fiscal year ended July 31, 2025.

CRITICAL ACCOUNTING ESTIMATES

Our financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America, or U.S. GAAP. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses as well as the disclosure of contingent assets and liabilities. Critical accounting estimates are estimates made in accordance with U.S. GAAP that involve a significant level of estimation uncertainty and have had, or are reasonably likely to have, a material impact on our financial condition or results of operations. Our critical accounting estimates include those related to goodwill impairment testing, valuation of long-lived assets, allowance for credit losses, and income taxes, sales taxes. See Note 1 to the Consolidated Financial Statements in Item 8 to Part II of this Annual Report for a complete discussion of our significant accounting policies.

Goodwill Impairment Testing

Under U.S. GAAP, goodwill is not amortized but is reviewed annually for impairment at a level of reporting referred to as a reporting unit. A reporting unit is an operating segment, or one level below the operating segment, depending on whether certain criteria are met.

Our annual assessment date is May 1. An interim impairment test would be required whenever events or circumstances make it more likely than not that an impairment may have occurred. The goodwill impairment test compares the fair value of a reporting unit with its carrying amount. We would recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized would not exceed the total amount of goodwill. Additionally, we consider income tax effects from any tax-deductible goodwill on the carrying amount of the reporting unit when measuring the goodwill impairment loss, if applicable.

We have the option to perform a qualitative assessment to determine whether it is necessary to perform the quantitative goodwill impairment test. However, we may elect to perform the quantitative goodwill impairment test even if no indications of a potential impairment exist.

The carrying amount of our goodwill by reporting unit was as follows:

(in millions)

July 31,	**2026**	**2025**
Retail Communications	$ 11.3	$ 11.3
net2phone	9.9	9.9
Fintech	3.2	3.2
IDT Digital Payments	2.1	2.1
TOTAL	$ 26.5	$ 26.5

For our annual goodwill impairment tests as of May 1, 2026 and 2025, we performed qualitative assessments for all of our reporting units that indicated that it was more likely than not that the fair values of our reporting units exceeded their respective carrying values and, therefore, did not result in any impairments.

We do not believe we are currently at risk of goodwill impairment based on qualitative assessments of our reporting units for the three months ended July 31, 2026. We considered several factors in these qualitative assessments including (i) the business enterprise value of the reporting unit from the last quantitative test and the excess of the fair value over carrying value, (ii) macroeconomic conditions including changes in interest rates and discount rates, (iii) industry and market considerations including industry revenue, EBITDA margins, and multiples based on business enterprise value to revenues and to EBITDA, and (iv) the recent financial performance and budget of the reporting unit.

Calculating the fair value of a reporting unit requires significant estimates and assumptions by management. The key assumptions and judgments underlying our quantitative assessment include the discount rates and terminal growth rates used in our discounted cash flow analysis, the revenue and EBITDA projections for our reporting units, and estimates of future levels of gross and operating profits and capital expenditures. Should the estimates and assumptions regarding the fair value of the reporting units prove to be incorrect, we may be required to record impairments to goodwill in future periods.

Valuation of Long-Lived Assets

We test the recoverability of our long-lived assets whenever events or changes in circumstances indicate that the carrying value of any such asset may not be recoverable. Such events or changes in circumstances include:

- significant actual underperformance relative to expected performance or projected future operating results;
- significant changes in the manner or use of the asset or the strategy of our overall business;
- significant adverse changes in the business climate in which we operate; and
- loss of a significant contract.

There were no such events or changes in circumstances in fiscal 2026 or fiscal 2025. If we determine that events or changes in circumstances indicate the carrying value of certain long-lived assets may not be recoverable, we test for impairment based on the projected undiscounted cash flows to be derived from such asset. If the projected undiscounted future cash flows are less than the carrying value of the asset, we will record an impairment loss based on the difference between the estimated fair value and the carrying value of the asset. We generally measure fair value by considering sale prices for similar assets or by discounting estimated future cash flows from the asset using an appropriate discount rate. Cash flow projections for specific assets and fair value estimates of assets require significant estimates and assumptions by management that have a significant level of estimation uncertainty. Should our estimates and assumptions prove to be incorrect, we may be required to record impairments in future periods and such impairments could be material.

Allowance for Credit Losses on Accounts Receivable

Our allowance for credit losses was $6.9 million and $9.1 million at July 31, 2026 and 2025, respectively. The decrease was partially due to the write-off of aged net2phone trade accounts receivable and the related allowance. The allowance as a percentage of gross trade accounts receivable decreased to 10.2% at July 31, 2026 from 17.5% at July 31, 2025 because, at July 31, 2026 compared to July 31, 2025, gross trade accounts receivable increased 30.3% and the allowance decreased 23.7%. The most significant increase in the trade accounts receivable balance at July 31, 2026 compared to July 31, 2025 was in NRS, due to trade accounts receivable generated by the post-acquisition operations of NRS OnCore, the entity through which the Company operates the business acquired from Oncore Digital (see Note 2 to our Consolidated Financial Statements).

We maintain an allowance for credit losses on our trade accounts receivable based on a forward-looking current expected credit loss ("CECL") model. In estimating expected credit losses, we consider the probability of recoverability of accounts receivable based on historical write-off experience, net of recoveries, current collection trends, the aging of accounts receivable, and general economic factors, including bankruptcy rates. Allowances generally increase as receivables age, and specific accounts may be fully reserved when known collection issues exist, such as pending bankruptcies. Account balances are written off against the allowance when recovery is determined to be unlikely. We have elected the practical expedient under ASU 2025-05 for our current trade accounts receivable. Under this expedient, rather than developing separate forecasts of future economic conditions, we assume in estimating expected credit losses that current conditions as of the balance sheet date will not change over the assets' remaining lives.

Our allowance for credit losses estimate is subject to change due to new developments, changes in assumptions or changes in our strategy. We continually assess the likelihood of potential amounts or ranges of recoverability and adjust our allowance accordingly; however, actual collections and write-offs of trade accounts receivable may materially differ from our estimates.

Income Taxes and Sales Taxes

Our current and deferred income taxes and associated valuation allowance and accruals for sales taxes, are impacted by events and transactions arising in the normal course of business as well as in connection with special and non-routine items. Assessment of the appropriate amount of income taxes and sales taxes is dependent on several factors, including estimates of the timing and realization of deferred income tax assets, judgments about the potential results of audits and applicability of regulatory agency rules and regulations, as well as judgments and assumptions about changes in income tax, sales tax, and regulatory agency laws, rules, or regulations.

The valuation allowance on our deferred income tax assets was $11.6 million and $14.9 million at July 31, 2026 and 2025, respectively. In fiscal 2026, we decreased the valuation allowance by $3.3 million, due to profitability in the United Kingdom as well as restructuring of foreign operations. In fiscal 2025, we decreased the valuation allowance by $3.4 million, due to profitability in the United Kingdom, offset by $4.7 million of additions in other jurisdictions.

On June 21, 2018, the United States Supreme Court rendered a decision in South Dakota v. Wayfair, Inc., holding that a state may require a remote seller with no physical presence in the state to collect and remit sales tax on goods and services provided to purchasers in the state, overturning certain existing court precedent. It is possible that one or more jurisdictions may assert that we have liability for periods for which we have not collected sales, use or other similar taxes, and if such an assertion or assertions were successful it could materially and adversely affect our business, financial position, and operating results. One or more jurisdictions may change their laws or policies to apply their sales, use or other similar taxes to our operations, and if such changes were made it could materially and adversely affect our business, financial position, and operating results.

RECENTLY ISSUED ACCOUNTING STANDARDS NOT YET ADOPTED

In September 2025, the FASB issued ASU 2025-06, *Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40)*: Targeted Improvements to the Accounting for Internal-Use Software, which simplifies the capitalization guidance by removing all references to software development project stages, making the guidance neutral to different software development methodologies, including Agile and other iterative approaches. The amendments are effective for us for annual reporting periods beginning August 1, 2028 (fiscal year 2029), with early adoption permitted. An entity may apply the amendments prospectively, retrospectively, or on a modified retrospective basis. Based on our preliminary assessment, we do not expect adoption to have a material effect on our consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, *Income Statement-Reporting Comprehensive Income–Expense Disaggregation Disclosures (Subtopic 220-40)*, to improve disclosures about an entity's expenses by requiring more detailed information about the types of expenses underlying commonly presented income statement captions. The amendments will require us to disclose, in tabular format at each interim and annual reporting period, disaggregated information about prescribed expense categories underlying relevant income statement captions, as well as the total amount of selling expense and a qualitative description of the composition of amounts not separately disclosed. The amendments are effective for our fiscal year beginning on August 1, 2027 (fiscal year 2028) and for interim periods beginning August 1, 2028 (fiscal year 2029), with early adoption permitted. The amendments may be applied either prospectively or retrospectively to any or all prior periods presented, and we are currently evaluating the timing of adoption and the transition method. We do not expect adoption to have a material effect on our financial position or results of operations, but expect that adoption will result in additional disclosures in the notes to our consolidated financial statements.

RESULTS OF OPERATIONS

We evaluate the performance of our business segments based primarily on income (loss) from operations. Accordingly, the income and expense line items below income (loss) from operations are only included in our discussion of consolidated results of operations.

As of July 31, 2026, we owned 94.0% of the outstanding shares of our subsidiary, net2phone 2.0, Inc., or net2phone 2.0, which owns and operates the net2phone segment, and 82.3% of the outstanding shares of NRS. On a fully diluted basis assuming all the vesting criteria related to various rights granted have been met, we would own 90.0% of the equity of net2phone 2.0 and 80.2% of the equity of NRS.

Reclassifications

During fiscal 2026, we reclassified certain prepaid expenses to trade accounts receivable. Specifically, in the consolidated balance sheet at July 31, 2025, $2.1 million previously reported within "Prepaid expenses" was reclassified to "Trade accounts receivable." In the consolidated statements of cash flows for the fiscal years ended July 31, 2025 and 2024, cash provided by (used in) operating activities of $0.5 million and $(1.0) million, respectively, previously reported within "Prepaid expenses, other current assets, and other assets" were reclassified to "Trade accounts receivable."

During fiscal 2026, we also reclassified settlement assets and disbursement prefunding in the consolidated statements of cash flows, which had previously been included within "Settlement assets, disbursement prefunding, prepaid expenses, other current assets, and other assets." In the consolidated statements of cash flows for the fiscal years ended July 31, 2025 and 2024, cash (used in) provided by operating activities of ($13.9) million and $8.2 million respectively, previously reported within "Settlement assets, disbursement prefunding, prepaid expenses, other current assets, and other assets" were reclassified to be presented as a separate line item, "Settlement assets and disbursement prefunding."

Concentration of Customers

While they may vary from quarter to quarter, our five largest customers collectively accounted for 12.5%, 8.9%, and 10.3% of our consolidated revenues in fiscal 2026, fiscal 2025, and fiscal 2024, respectively. Our customers with the five largest receivables balance collectively accounted for 9.9% and 20.4% of our consolidated gross trade accounts receivable at July 31, 2026 and 2025, respectively. This concentration of customers increases our risk associated with nonpayment by those customers. In an effort to reduce our risk, we perform ongoing credit evaluations of our significant customers, and in some cases, do not offer credit terms to customers, choosing instead to require prepayment. Historically, when we have issued credit, we have not required collateral to support trade accounts receivable from our customers. However, when necessary, we have imposed stricter credit restrictions on our customers. In some cases, this has resulted in our sharply curtailing, or ceasing completely, sales to certain customers.

Explanation of Performance Metrics

Our results of operations discussion may include the following performance metrics:

- for NRS: active point-of-sale, or POS, terminals, payment processing accounts, recurring revenue, and monthly average recurring revenue per terminal;
- for the BOSS Money business within the Fintech segment: digital and retail transactions, digital and retail revenue, average BOSS Money revenue per transaction, and send volume;
- for net2phone: seats and subscription revenue; and
- for Traditional Communications: minutes of use.

NRS utilizes two performance metrics to measure the size of its customer base: active POS terminals and payment processing accounts. Active POS terminals are POS terminals that have completed at least one transaction in the calendar month. They exclude POS terminals that have not been fully installed by the end of the month. Payment processing accounts are accounts that can generate revenue. They exclude accounts that have been approved but not activated.

In addition to the foregoing, NRS uses recurring revenue and monthly average recurring revenue per terminal as performance metrics. NRS recurring revenue is NRS' revenue in accordance with U.S. GAAP, excluding its revenue from POS terminal sales. Monthly average recurring revenue per terminal is recurring revenue divided by the average number of active POS terminals in the relevant period, divided further by the number of months in the relevant period. Trends and comparisons between periods for these metrics are used in the analysis of revenue, direct cost of revenue, and gross profit.

BOSS Money uses several performance metrics including transactions, average revenue per transaction, and send volume, to evaluate customer usage and revenue productivity. Transactions represent the number of remittance transfers processed during the period, average revenue per transaction is calculated by dividing BOSS Money revenue by the number of transactions, and send volume represents the aggregate amount of principal remitted by customers. Trends and comparisons between periods for these metrics are used in the analysis of revenue, direct cost of revenue, and gross profit.

net2phone's UNITE (UCaaS) and uContact (CCaaS) offerings are priced on a per-seat basis, with customers paying based on the number of users in their organization. net2phone AI Agent and Coach (an AI-based contact center performance optimization tool) offerings are priced according to fixed bundles of interaction credits. net2phone's subscription revenue is its revenue in accordance with U.S. GAAP including its AI Agent bundled offerings but excluding sales of its equipment revenue and revenue generated by a legacy SIP Trunking offering in Brazil. Trends and comparisons between periods for these metrics are used in the analysis of revenue, direct cost of revenue, and gross profit.

Minutes of use is a nonfinancial metric that measures aggregate customer usage during a reporting period. Minutes of use is an important factor in BOSS Revolution's and IDT Global's revenue recognition since satisfaction of our performance obligation occurs when the customer uses our service. Minutes of use trends and comparisons between periods are used in the analysis of revenues, direct cost of revenues, and gross profits.

Year Ended July 31, 2026 compared to Year Ended July 31, 2025

The following table sets forth certain items in our statements of income as a percentage of our total revenues:

Year ended July 31,	2026	2025	2024
REVENUES:			
NRS	12.3%	10.5%	8.6%
Fintech	13.6	12.6	10.0
net2phone	7.4	7.1	6.8
Traditional Communications	66.7	69.8	74.6
TOTAL REVENUES	100.0	100.0	100.0
DIRECT COST OF REVENUES	61.7	63.8	67.6
GROSS PROFIT	38.3	36.2	32.4
OPERATING EXPENSES:			
Selling, general and administrative	24.5	23.4	22.4
Technology and development	4.3	4.1	4.2
Severance	0.1	—	0.1
Other operating expense, net	0.0	0.5	0.3
TOTAL OPERATING EXPENSES	28.9	28.0	27.0
INCOME FROM OPERATIONS	9.3	8.2	5.4
Interest income, net	0.5	0.5	0.4
Other income (expense), net	0.2	(0.1)	(0.7)
INCOME BEFORE INCOME TAXES	10.0%	8.6%	5.1%

NRS Segment

NRS, which represented 12.3%, 10.5%, and 8.6% of our total revenues in fiscal 2026, fiscal 2025, and fiscal 2024, respectively, operates a POS network in the United States and Canada that provides independent retailers with POS equipment, store management software, electronic payment processing, and other ancillary merchant services. NRS' POS platform also provides marketers with retail media advertising and transaction data.

(in millions)				2026 change from 2025		2025 change from 2024	
Year ended July 31,	**2026**	**2025**	**2024**	**$/#**	**%**	**$/#**	**%**
Revenues:							
Recurring	$ 151.9	$ 122.6	$ 96.9	$ 29.3	23.9%	$ 25.7	26.6%
Other	7.5	6.2	6.2	1.3	21.9	—	(1.5)
Total revenues	159.4	128.8	103.1	30.6	23.8	25.7	24.9
Direct cost of revenues	(12.8)	(11.9)	(11.6)	(0.8)	6.9	0.3	2.6
Gross profit	146.6	116.9	91.5	29.8	25.5	25.4	27.7
Selling, general and administrative	(96.1)	(78.0)	(62.6)	(18.1)	23.1	15.4	24.5
Technology and development	(10.8)	(8.7)	(7.1)	(2.1)	24.1	1.6	22.8
Other operating expense, net	(0.5)	(2.4)	(0.2)	1.9	nm	2.2	nm
Income from operations	$ 39.3	$ 27.8	$ 21.6	$ 11.5	41.6%	$ 6.2	28.3%
Gross margin percentage	92.0%	90.7%	88.7%	1.3%		2.0%	

nm—not meaningful

(in thousands)				2026 change from 2025		2025 change from 2024	
July 31,	**2026**	**2025**	**2024**	**#**	**%**	**#**	**%**
Active POS terminals	40.4	37.2	32.1	3.2	8.7%	5.1	15.8%
Payment processing accounts	29.4	26.5	21.3	2.9	10.9%	5.2	24.1%

Revenues. Revenues increased in fiscal 2026 compared to fiscal 2025 driven primarily by continued growth in recurring revenue, reflecting the expansion of NRS' retailer network, increased penetration of payment processing services, improved payment processing economics, retail customers' increasing use of credit/debit cards rather than cash at NRS locations, and increased software revenue per terminal as retailers increasingly adopted premium software as a service (SaaS) features and functionalities. Net additions of POS terminals and NRS Pay accounts moderated compared to fiscal 2025, though both continued to grow at double-digit rates. Growth in recurring revenue was increasingly driven by higher revenue per terminal.

Direct Cost of Revenues. Direct cost of revenues increased in fiscal 2026 compared to fiscal 2025 driven primarily by higher direct costs associated with the increased scope of NRS' operations and increased sales, including increased costs related to POS terminal sales and merchant services. Direct costs of revenues increased at a slower rate than revenue, contributing to an increase in gross margin.

Selling, General and Administrative. Selling, general and administrative expense increased in fiscal 2026 compared to fiscal 2025 primarily driven by increases in personnel-related costs and other operating expenses supporting NRS' continued growth. As a percentage of NRS' revenue, NRS' selling, general and administrative expense was 60.3%, 60.6%, and 60.7% in fiscal 2026, fiscal 2025, and fiscal 2024, respectively.

Technology and Development. Technology and development expense increased in fiscal 2026 compared to fiscal 2025 primarily driven by general ongoing business investments to develop premium software services provided through the NRS platform, to develop offerings for new markets, and in other development and operations supporting our business platforms.

Fintech Segment

Fintech, which represented 13.6%, 12.6%, and 10.0% of our total revenues in fiscal 2026, fiscal 2025, and fiscal 2024, respectively, is comprised of: (i) BOSS Money, a provider of international money remittance and related value/payment transfer services; (ii) IDT Financial Services Limited, or IDT Financial Services, a Gibraltar-based bank; (iii) IDT Services Limited ("IDTS"), a Malta-based electronic money institution; and (iv) other, significantly smaller, financial services businesses, including a variable interest entity ("VIE"), that processes disbursement payments, which we refer to as the Disbursement Payments VIE.

(in millions)				2026 change from 2025		2025 change from 2024	
Year ended July 31,	**2026**	**2025**	**2024**	**$/#**	**%**	**$/#**	**%**
Revenues:							
BOSS Money	$ 156.7	$ 139.8	$ 108.3	$ 16.8	12.0%	$ 31.5	29.1%
Other	19.3	14.8	12.4	4.5	30.7	2.4	19.3
Total revenues	176.0	154.6	120.7	21.4	13.8	33.9	28.1
Direct cost of revenues	(66.3)	(63.9)	(53.4)	(2.5)	3.9	10.5	19.6
Gross profit	109.7	90.7	67.3	18.9	20.8	23.4	34.8
Selling, general and administrative	(77.9)	(66.2)	(59.6)	(11.7)	17.7	6.6	11.0
Technology and development	(10.2)	(9.1)	(9.5)	(1.1)	12.1	(0.4)	(4.6)
Other operating (expense) gain, net	(0.1)	—	1.7	(0.0)	nm	(1.7)	(100.0)
Income (loss) from operations	$ 21.5	$ 15.4	$ (0.1)	$ 6.1	39.5%	$ 15.5	nm
Gross margin percentage	62.3%	58.7%	55.8%	3.6%		2.9%	

nm—not meaningful

Revenues. Revenues increased in fiscal 2026 compared to fiscal 2025 driven by higher digital transaction volumes initiated on the BOSS Money and BOSS Revolution Calling apps in addition to higher foreign currency exchange revenues to select regions, mainly Guatemala and Mexico. BOSS Money continued to benefit from cross-marketing to BOSS Revolution and IDT Digital Payments retail customers.

Direct Cost of Revenues. Direct cost of revenues increased in fiscal 2026 compared to fiscal 2025 primarily due to increases in BOSS Money's direct cost of revenues, consistent with the growth in BOSS Money revenue. As transaction volumes increase, associated payout and processing fees also increase, partially offset by us reducing the transaction fee that we pay to our money transfer payors. Direct cost of revenues increased at a slower rate than revenue, reflecting continued growth in the higher-margin digital channel relative to the retail channel, contributing to an increase in gross margin.

Selling, General and Administrative. Selling, general and administrative expense increased in fiscal 2026 compared to fiscal 2025 primarily due to higher debit and credit card processing charges, chargebacks, and other operating costs associated with growth in BOSS Money's digital transaction activity. As a percentage of Fintech's revenue, Fintech's selling, general and administrative expense was 44.3%, 42.8%, and 49.4% in fiscal 2026, fiscal 2025, and fiscal 2024, respectively.

Technology and Development. Technology and development expense increased in fiscal 2026 compared to fiscal 2025 primarily due to increases in employee compensation, including non-cash compensation, and other development-related costs, partially offset by lower depreciation and amortization expense.

net2phone Segment

The net2phone segment, which represented 7.4%, 7.1%, and 6.8% of our total revenues in fiscal 2026, fiscal 2025, and fiscal 2024, respectively, is comprised of net2phone's communications and workflow solutions including UCaaS, CCaaS, net2phone AI Agent and Coach solutions.

(in millions)				2026 change from 2025		2025 change from 2024	
Year ended July 31,	**2026**	**2025**	**2024**	**$/#**	**%**	**$/#**	**%**
Revenues:							
Subscription	$ 94.9	$ 85.7	$ 78.4	$ 9.2	10.7%	$ 7.3	9.4%
Other	1.7	2.2	3.9	(0.4)	(18.8)	(1.7)	(46.0)
Total revenues	96.6	87.9	82.3	8.8	10.0	5.6	6.7
Direct cost of revenues	(18.8)	(18.2)	(17.2)	(0.6)	3.5	1.0	5.4
Gross profit	77.8	69.7	65.1	8.1	11.7	4.6	7.1
Selling, general and administrative	(56.3)	(52.4)	(52.6)	(3.9)	7.5	(0.2)	(0.4)
Technology and development	(12.3)	(11.7)	(10.8)	0.6	5.3	0.9	8.3
Severance	(0.1)	(0.1)	(0.1)	(0.0)	24.1	—	5.7
Other operating (expense) gain, net	(0.0)	(0.6)	0.1	(0.6)	nm	(0.7)	nm
Income from operations	$ 9.1	$ 4.9	$ 1.7	$ 4.2	83.9%	$ 3.2	194.4%
Gross margin percentage	80.6%	79.3%	79.1%	1.3%		0.2%	

nm—not meaningful

(in thousands)				2026 change from 2025		2025 change from 2024	
July 31,	**2026**	**2025**	**2024**	**#**	**%**	**#**	**%**
Seats served	447	422	396	25	5.9%	26	6.4%

Revenues. net2phone's revenues increased in fiscal 2026 compared to fiscal 2025 primarily due to increased UCaaS and CCaaS services revenue, primarily reflecting an increase in seats served during the respective periods. The increase was augmented by the impact of the increase in relatively higher revenue per seat CCaaS seats served, by the positive foreign currency impact of strengthening local currencies versus the U.S. dollar in certain Latin American markets, and by the introduction of agentic AI offerings in fiscal 2026.

Direct Cost of Revenues. Direct cost of revenues increased in fiscal 2026 compared to fiscal 2025 primarily due to the costs incurred serving the expanded number of seats served. Direct costs increased at a slower rate than revenue, reflecting the relatively rapid growth of higher-margin CCaaS seats compared to UCaaS.

Selling, General and Administrative. Selling, general and administrative expense increased in fiscal 2026 compared to fiscal 2025 primarily due to increases in compensation and sales commissions, as well as increases in marketing and consulting expenses. As a percentage of net2phone's revenues, net2phone's selling, general and administrative expense decreased to 58.2% from 59.6% and 63.9% in fiscal 2026, fiscal 2025, and fiscal 2024, respectively.

Technology and Development. Technology and development expense increased in fiscal 2026 compared to fiscal 2025 primarily due to increases in employee compensation, maintenance, cloud services, and depreciation and amortization expenses.

Traditional Communications Segment

The Traditional Communications segment, which represented 66.7%, 69.8%, and 74.6% of our total revenues in fiscal 2026, fiscal 2025, and fiscal 2024, respectively, includes: (i) IDT Digital Payments, which enables customers to transfer airtime and bundles of airtime, messaging, and data to international and domestic mobile accounts; (ii) IDT Global, a wholesale provider of international voice and SMS termination and outsourced traffic management solutions to telecoms worldwide; and (iii) BOSS Revolution, an international long-distance calling service marketed primarily to immigrant communities in the United States and Canada. Traditional Communications also includes other small businesses and offerings including early-stage business initiatives and mature businesses in harvest mode.

IDT Digital Payments and BOSS Revolution are sold directly to consumers and through the BOSS Money and BOSS Revolution apps as well as through distributors and retailers. We receive payments for BOSS Revolution and IDT Digital Payments prior to providing the services. We recognize the revenue when services are provided to the customer. Traditional Communications' revenues tend to be somewhat seasonal, with the second fiscal quarter (which contains Christmas and New Year's Day) and the fourth fiscal quarter (which contains Mother's Day and Father's Day) typically showing higher minute volumes. IDT Global's revenue is generally recognized as minutes are terminated and for SMS when messages are transmitted, in accordance with wholesale carrier agreements. Customers are typically invoiced in arrears and settle balances on a periodic basis following the completion of services.

(in millions)				2026 change from 2025		2025 change from 2024	
Year ended July 31,	**2026**	**2025**	**2024**	**$/#**	**%**	**$/#**	**%**
Revenues:							
IDT Digital Payments	$ 429.2	$ 416.3	$ 407.4	$ 12.9	3.1%	$ 8.9	2.2%
BOSS Revolution	180.3	211.2	263.2	(30.9)	(14.6)	(52.0)	(19.8)
IDT Global	231.5	209.6	201.1	21.9	10.5	8.5	4.2
Other	24.9	23.1	27.9	1.8	7.9	(4.8)	(16.9)
Total revenues	865.9	860.2	899.6	5.7	0.7	(39.4)	(4.4)
Direct cost of revenues	(703.3)	(691.3)	(733.4)	(11.9)	1.7	(42.1)	(5.7)
Gross profit	162.6	168.9	166.2	(6.2)	(3.7)	2.7	1.6
Selling, general and administrative	(75.6)	(79.9)	(84.9)	4.3	(5.4)	(5.0)	(5.9)
Technology and development	(22.5)	(21.5)	(23.1)	(1.0)	4.5	(1.6)	(7.0)
Severance	(0.9)	(0.8)	(1.6)	(0.2)	26.5	(0.8)	(53.0)
Other operating expense, net	(0.2)	(0.2)	(0.2)	(0.0)	0.0	—	(11.6)
Income from operations	$ 63.4	$ 66.5	$ 56.4	$ (3.1)	(4.7)%	$ 10.1	17.9%
Gross margin percentage	18.8%	19.6%	18.5%	(0.8)%		1.1%	
Minutes of use:							
BOSS Revolution	989	1,303	1,772	(314)	(24.1)%	(469)	(26.4)%
IDT Global	6,177	5,681	5,702	496	8.7%	(21)	(0.4)%

Revenues. Revenues for the Traditional Communications segment increased in fiscal 2026 compared to fiscal 2025 primarily due to higher revenues from IDT Global and IDT Digital Payments, which more than offset the decline in BOSS Revolution revenues. IDT Global revenues increased primarily due to higher international long-distance traffic volumes and improved product mix, while IDT Digital Payments revenues increased due to higher transaction volumes and continued growth in digital payment channels. The decline in BOSS Revolution revenues reflected industry-wide trends, including the proliferation of unlimited calling plans and free over-the-top voice and messaging services, which have reduced demand for prepaid international calling plans.

Direct Cost of Revenues. Direct cost of revenues increased in fiscal 2026 compared to fiscal 2025 reflecting higher minutes of use for IDT Global and associated network and carrier costs, as well as higher direct cost of revenues associated with IDT Digital Payments reflecting increased transaction volumes, partially offset by lower minutes of use and associated network and settlement costs in BOSS Revolution, and the ongoing rotation within IDT Digital Payments from its lower margin retail channel to higher margin digital consumer offerings.

Selling, General and Administrative. Selling, general and administrative expense decreased in fiscal 2026 compared to fiscal 2025 primarily due to decreases in compensation, sales commissions, bad debt expense, and marketing expense, partially offset by an increase in non-cash compensation expense. As a percentage of Traditional Communications' revenue, Traditional Communications' selling, general and administrative expense was 8.7%, 9.3%, and 9.4% in fiscal 2026, fiscal 2025, and fiscal 2024, respectively.

Technology and Development. Technology and development expense increased in fiscal 2026 compared to fiscal 2025 primarily due to increases in employee compensation, including non-cash compensation, partially offset by decreases in cloud services, and depreciation and amortization expenses.

Corporate

(in millions)				2026 change from 2025		2025 change from 2024	
Year ended July 31,	**2026**	**2025**	**2024**	**$**	**%**	**$**	**%**
General and administrative	$ (12.5)	$ (11.1)	$ (10.5)	$ (1.4)	12.3%	$ 0.6	6.3%
Other operating income (expense), net	0.4	(3.1)	(4.4)	3.5	(111.7)	(1.3)	(28.8)
Loss from operations	$ (12.1)	$ (14.2)	$ (14.9)	$ 2.1	(14.7)%	$ 0.7	4.3%

Corporate costs mainly include compensation, consulting fees, treasury, tax and accounting services, human resources, corporate purchasing, corporate governance including Board of Directors' fees, internal and external audit, investor relations, corporate insurance, corporate legal, and other corporate-related general and administrative expenses. Corporate does not generate any revenues, nor does it incur any direct cost of revenues.

General and Administrative. Corporate general and administrative expense increased in fiscal 2026 compared to fiscal 2025 primarily because of employee-related costs and overhead expenses during the period. As a percentage of our consolidated revenues, Corporate general and administrative expense was 1.0%, 0.9%, and 0.9% in fiscal 2026, fiscal 2025, and fiscal 2024, respectively.

Other Operating Income (Expense), net. Corporate other operating income increased in fiscal 2026 compared to fiscal 2025, primarily due to a decrease in expense related to the settlement of litigation associated with the Straight Path Communications Inc. class action (see Note 23—Commitments and Contingencies).

Consolidated

The following is a discussion of our consolidated stock-based compensation expense, and our consolidated income and expense line items below income from operations.

Stock-Based Compensation Expense. Total stock-based compensation expense included in consolidated selling, general and administrative expense and technology and development expense was $10.5 million and $3.1 million in fiscal 2026 and fiscal 2025, respectively.

The increase reflects expense recognized in connection with DSUs granted to executive officers and employees under the Company's long-term incentive programs. The fiscal 2026 three-year DSU grant was made on September 18, 2025, however, as provided for in the incentive compensation program, the relevant vesting dates are February 17, 2026, February 16, 2027, and February 15, 2028. Accordingly, the vesting periods for determining the amortization of the related charges were shorter than twelve and twenty-four months, resulting in an accelerated charge during the first quarters following the grant date. In addition, the grant-date fair value of the DSUs was higher than then in the previous year, as it was determined using a base stock price of $50.90 per share, reflecting the price of the Company's Class B common stock as of the date of internal discussions related to the grant (February 2025), rather than the closing market price of $67.91 per share on the actual grant date of September 18, 2025, resulting in greater value being placed on the grants for accounting purposes.

As of July 31, 2026, there was an aggregate of $6.4 million in unrecognized compensation cost related to non-vested stock options, DSUs and restricted stock, which is expected to be recognized over the remaining vesting periods that end in fiscal 2029.

(in millions)				2026 change from 2025		2025 change from 2024	
Year ended July 31,	**2026**	**2025**	**2024**	**$**	**%**	**$**	**%**
Income from operations	$ 121.2	$ 100.4	$ 64.7	$ 20.7	20.7%	$ 35.7	55.1%
Interest income, net	6.6	6.1	4.8	0.4	7.2	1.3	28.5
Other income (expense), net	2.2	(0.7)	(7.6)	3.0	(414.9)	6.9	90.6
(Provision for) benefit from income taxes	(34.9)	(24.7)	6.4	(10.2)	41.2	(31.1)	(488.7)
Net income	95.1	81.1	68.3	14.0	17.2	12.8	18.9
Net income attributable to noncontrolling interests	(8.5)	(5.0)	(3.8)	(3.4)	67.7	(1.2)	(32.4)
Net income attributable to IDT Corporation	$ 86.6	$ 76.1	$ 64.5	$ 10.5	13.8%	$ 11.6	18.1%

Other income (expense), net. Other income (expense), net consists of the following:

(in millions)			
Year ended July 31,	**2026**	**2025**	**2024**
Foreign currency transaction gains (losses)	$ 0.2	$ 0.3	$ (3.8)
Equity in net loss of investee	(1.6)	(2.7)	(3.5)
Gains on investments	3.4	1.6	0.2
Other	0.2	0.1	(0.5)
TOTAL	$ 2.2	$ (0.7)	$ (7.6)

We have an investment in shares of convertible preferred stock of MarketSpark Inc., a communications company ("MarketSpark"). As of both July 31, 2026 and 2025, our ownership was 33.4% of MarketSpark's outstanding shares on an as-converted basis. We account for this investment using the equity method since we can exercise significant influence over the operating and financial policies of MarketSpark but do not have a controlling interest. We determined that on the dates of the acquisitions of MarketSpark's shares, there were differences between our investment in MarketSpark and our proportional interest in the equity of MarketSpark of an aggregate of $8.2 million, which represented the share of MarketSpark's customer list on the dates of the acquisitions attributed to our interest in MarketSpark. These basis differences are being amortized over the 6-year estimated life of the customer list. "Equity in the net loss of investee" includes the amortization of equity method basis difference.

(Provision for) Benefit from Income Taxes. With our reacquisition of net2phone in March 2006, its losses were limited under IRC Section 382 to approximately $7.0 million per year. In fiscal 2024, we had an IRC Section 382 study conducted on the reacquisition and the limitation was adjusted to $9 million per year. We recorded a tax benefit related to the adjusted amount of $23.6 million in fiscal 2024. The change in income tax expense in fiscal 2026 compared to fiscal 2025, excluding the income tax benefit in fiscal 2025 recorded to reflect the $3.3 million release of a valuation allowance in the United Kingdom, was primarily due to differences in the amount of taxable income earned in the various taxing jurisdictions.

Net Income Attributable to Noncontrolling Interests. The increase in the net income attributable to noncontrolling interests in fiscal 2026 compared to fiscal 2025 was primarily due to increases in net income attributable to the noncontrolling interests in NRS, net2phone 2.0, and the Disbursement Payments VIE, as well as a decrease in the net loss attributable to noncontrolling interests within Traditional Communications.

LIQUIDITY AND CAPITAL RESOURCES

As of the date of this Annual Report, we expect our cash from operations and the balance of cash, cash equivalents, debt securities, and current equity investments that we held on July 31, 2026 will be sufficient to meet our currently anticipated working capital and capital expenditure requirements during the twelve-month period ending July 31, 2027.

At July 31, 2026, we had cash, cash equivalents, debt securities, and current equity investments of $271.9 million (excluding restricted cash and cash equivalents) and working capital (current assets in excess of current liabilities) of $303.5 million.

Contractual Obligations and Commitments

The following table includes our anticipated material cash requirements from contractual obligations and other commitments at July 31, 2026:

(in millions) **Payments due by period**	**Total**	**Less than 1 year**	**1—3 years**	**4—5 years**	**After 5 years**
Purchase commitments	$ 10.4	$ 4.4	$ 4.3	$ 1.7	$ —
Connectivity obligations under service agreements	1.2	1.0	0.2	—	—
Operating leases including short-term leases	2.3	1.4	0.7	0.2	—
TOTAL[(1)]	$ 13.9	$ 6.8	$ 5.2	$ 1.9	$ —

(1) The above table does not include up to $10 million for the potential redemption of shares of NRS' Class B common stock, which may occur during the 182-day period following the fifth anniversary of the transaction completed on September 29, 2021; an aggregate of $25.6 million in performance bonds, and up to $2.5 million for potential contingent consideration payments related to a business acquisition, that may be payable through April 30, 2027. These amounts have been excluded due to the uncertainty regarding the timing and/or amount of any such payments.

The above table does not include contingent earnout and bonus consideration related to an acquisition with no maximum payment because they are based on the IDT share price and are contingent upon the achievement of revenue, gross profit, and net income milestones, that may be paid through May 1, 2032, which the Company currently believes are not probable to be achieved.

Consolidated Financial Condition

(in millions) **Year ended July 31,**	**2026**	**2025**	**2024**
Cash flows provided by (used in):			
Operating activities	$ 91.1	$ 127.1	$ 78.2
Investing activities	(47.7)	(20.7)	(0.8)
Financing activities	(30.6)	(23.4)	(17.2)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash and cash equivalents	4.7	3.4	(3.6)
Increase in cash, cash equivalents, and restricted cash and cash equivalents	$ 17.5	$ 86.4	$ 56.6

Operating Activities

Our cash flows from operations vary significantly from quarter to quarter and from year to year, depending on our operating results and the timing of operating cash receipts and payments, trade accounts receivable, trade accounts payable, and the impact of settlement assets, disbursements prefunding and customer fund deposits.

Settlement assets and disbursements prefunding increased $27.8 million and $47.3 million, respectively, during the year ended July 31, 2026, compared to the prior-year period. The increase in settlement assets reflects a higher level of funds due from customers for pending money-remittances at BOSS Money. The increase in disbursements prefunding reflects, for the most part, higher levels of funds pre-paid to disbursement partners to fulfill expected customer remittance obligations at BOSS Money, and, to a smaller extent, higher levels of pre-payments made to providers of goods and services to fulfill expected customer purchases of goods and services obligations at IDT Digital Payments.

Towards the end of each week, IDT prefunds BOSS Money disbursement partners for remittances expected during the upcoming weekend. As a result, Friday is typically the day of the week on which IDT's cash balance is at its lowest level, after prefunding disbursements for the upcoming weekend. Conversely, Wednesday is typically the day of the week on which IDT's cash balance is at its highest level, after IDT collects cash from digital processors and retailers for all of the remittances originated during the preceding weekend but before the new weekly cycle of prefunding disbursements for the upcoming weekend begins again. This weekly cycle constitutes a significant working capital use of the Company's cash, and, as such, the day of the week on which the quarter ends can have significant impact on the cash balance reported at the balance sheet date.

Customer fund deposits increased $30.1 million during the year ended July 31, 2026 reflecting balances held on behalf of customers across our prepaid, digital payments, and disbursements programs. These balances are supported by restricted cash and cash equivalents held by IDT Financial Services and our Disbursement Payments VIE and fluctuate based on transaction volume and program activity.

On June 21, 2018, the United States Supreme Court rendered a decision in South Dakota v. Wayfair, Inc., holding that a state may require a remote seller with no physical presence in the state to collect and remit sales tax on goods and services provided to purchasers in the state, overturning certain existing court precedent. It is possible that one or more jurisdictions may assert that we have liability for periods for which we have not collected sales, use or other similar taxes, and if such an assertion or assertions were successful it could materially and adversely affect our business, financial position, and operating results. One or more jurisdictions may change their laws or policies to apply their sales, use or other similar taxes to our operations, and if such changes were made it could materially and adversely affect our business, financial position, and operating results.

As discussed in Note 23 to the Consolidated Financial Statements included in Item 8 to Part II of this Annual Report, we and other parties were named in a putative class action and derivative complaint related to Straight Path Communications Inc. filed in the Court of Chancery of the State of Delaware. The Court dismissed all claims against us, and found that, contrary to the plaintiffs' allegations, the class suffered no damages. The plaintiffs filed an appeal to which we answered. Oral argument was held on October 22, 2025, and on December 3, 2025, the Delaware Supreme Court affirmed the favorable decision of the Court of Chancery that dismissed all claims against us and found that Plaintiff and the class suffered no damages.

Investing Activities

In fiscal 2026 and fiscal 2025, we deployed $23.1 million and $20.7 million for capital expenditures, respectively. We currently anticipate that total capital expenditures in the twelve-month period ending July 31, 2027 will be $22.5 million to $23.5 million. We expect to fund our capital expenditures with our net cash provided by operating activities and cash, cash equivalents, debt securities, and current equity investments on hand.

In February 2025, the Company entered into a revolving credit facility with MarketSpark with an aggregate principal amount of up to $2.0 million. Borrowings under the facility bear interest at 12% per annum, payable semiannually, and are due and payable in February 2027. Between February 2025 and July 2025, the Company advanced MarketSpark $1.9 million under the facility. In June 2026, the Company advanced MarketSpark an additional $0.1 million, fully drawing the facility. In July 2026, the Company provided MarketSpark an additional $0.2 million under a new subordinated loan agreement, due and payable in February 2027. As of July 31, 2026, $2.2 million of principal was outstanding under the revolving credit facility and subordinated loan agreement.

In fiscal 2025, each of MarketSpark's shareholders, including us, purchased additional shares of MarketSpark's convertible preferred stock. We paid an aggregate of $0.9 million in fiscal 2025, to purchase additional shares.

Purchases of debt securities and equity investments were $64.4 million and $33.5 million in fiscal 2026 and fiscal 2025, respectively. Proceeds from maturities and sales of debt securities and redemptions of equity investments were $43.3 million and $36.3 million in fiscal 2026 and fiscal 2025, respectively.

On May 1, 2026, NRS completed an asset purchase agreement under which it acquired certain assets and assumed certain liabilities of Oncore Digital, Inc. and its wholly owned subsidiaries ("the Acquired Business"). The Acquired Business is a digital media brokerage operation engaged in digital advertising and monetization. In connection with the transaction, the Acquired Business was contributed to a newly formed entity ("NRS OnCore"), in which the sellers retained a 20% noncontrolling interest and NRS obtained an 80% controlling interest. Accordingly, NRS consolidates NRS OnCore under the voting interest model in accordance with ASC 810, *Consolidation*. The aggregate purchase consideration was approximately $4.8 million, consisting of $3.3 million in cash and shares of IDT Class B common stock with an aggregate value of $1.5 million, subject to customary post-closing adjustments. In addition, NRS assumed liabilities of $0.1 million in connection with the transaction, resulting in a total acquisition date fair value of $4.9 million. The acquisition is expected to integrate Oncore Digital's advertising technology, demand relationships, and publisher network with NRS' screen network and first-party transaction data to create a more comprehensive and unified digital advertising offering.

Financing Activities

In March 2024, our Board of Directors initiated a quarterly cash dividend of $0.05 per share on our Class A and Class B common stock. In March 2025, our Board of Directors increased the quarterly cash dividend on our Class A and Class B common stock to $0.06 per share from $0.05 per share. In May 2026, our Board of Directors increased the quarterly cash dividend on our Class A and Class B common stock to $0.07 per share from $0.06 per share. In fiscal 2026 and fiscal 2025, we paid aggregate cash dividends per share of $0.26 and $0.22, respectively, on our Class A and Class B common stock. In fiscal 2026 and fiscal 2025, we paid aggregate cash dividends of $6.5 million and $5.6 million, respectively.

We distributed cash of $2.7 million and $0.1 million in fiscal 2026 and fiscal 2025, respectively, to the noncontrolling interests in certain of our subsidiaries.

IDT Telecom, Inc. ("IDT Telecom"), our subsidiary, maintains a revolving credit facility with TD Bank, N.A. The commitment under the facility was initially $25.0 million. Effective August 11, 2026, the facility, which was scheduled to mature on August 16, 2026, was amended to extend the maturity date to July 15, 2029. The amendment also increased the facility to provide additional seasonal borrowing capacity, raising the commitment to $50.0 million during the months of May and December of each year (from $25.0 million during all other months). IDT Telecom may use the proceeds to finance working capital requirements. The facility is secured by substantially all of our assets and bears interest at the term secured overnight financing rate plus 10 basis points, plus a margin of 125 to 175 basis points depending on IDT Telecom's leverage ratio as of the most recently completed fiscal quarter. Interest is payable monthly, and all outstanding principal and accrued and unpaid interest is due upon the maturity date of the facility. IDT Telecom pays a quarterly unused commitment fee of 10 basis points on the average daily unused balance of the commitment. At July 31, 2026 and July 31, 2025, there were no amounts outstanding under this facility. During fiscal 2026 and fiscal 2025, IDT Telecom borrowed and repaid $21.4 million and $24.6 million, respectively, under this facility. IDT Telecom is required to comply with various affirmative and negative covenants and to maintain certain financial ratio targets during the term of the facility. As of July 31, 2026 and July 31, 2025, IDT Telecom was in compliance with all such covenants.

In the first quarter of fiscal 2027 through September 29, 2026, IDT Telecom had no borrowings under the facility.

In fiscal 2026, employees exercised 5,204 stock options at a weighted-average exercise price of $38.43 per share, generating cash proceeds of $0.2 million. There were no stock option exercises in fiscal 2025.

We have an existing stock repurchase program authorized by our Board of Directors for the repurchase of shares of our Class B common stock. In January 2016, the Board of Directors authorized the repurchase of up to 8.0 million shares in the aggregate. In fiscal 2026, we repurchased 421,938 shares of our Class B common stock for an aggregate purchase price of $21.0 million. In fiscal 2025, we repurchased 221,823 shares of our Class B common stock for an aggregate purchase price of $10.1 million. At July 31, 2026, 3.8 million shares remained available for repurchase under the stock repurchase program.

In fiscal 2026 and fiscal 2025, we paid $0.5 million and $7.7 million, respectively, to repurchase 10,852 and 157,180 shares, respectively, of our Class B common stock tendered by employees to satisfy tax withholding obligations arising from the vesting of deferred stock units ("DSUs"), the lapsing of restrictions on restricted stock, and the issuance of shares for bonus payments. Such shares were repurchased by us based on their fair market value as of the close of business on the trading day immediately prior to the vesting date.

In April 2025, we exchanged an aggregate of 8,589 shares of our Class B common stock with a value of $0.4 million for shares of NRS' Class B common stock that were held by employees of NRS representing an aggregate of 0.09% of NRS' outstanding shares.

Other Sources and Uses of Resources

From time to time, we consider spin-offs and other potential dispositions of certain of our subsidiaries. A spin-off may include the contribution of a significant amount of cash, cash equivalents, debt securities, and/or equity securities to the subsidiary prior to the spin-off, which would reduce our capital resources. There is no assurance that a transaction will be completed.

We intend to, where appropriate, make strategic investments and acquisitions to complement, expand, and/or enter into new businesses. In considering acquisitions and investments, we search for opportunities to profitably grow our existing businesses and/or to add qualitatively to the range and diversification of businesses in our portfolio. We cannot guarantee that we will be presented with acquisition opportunities that meet our return-on-investment criteria, or that our efforts to make acquisitions that meet our criteria will be successful.

Item 7A. Quantitative and Qualitative Disclosures about Market Risks.

Foreign Currency Risk

Revenues from our international operations were 20.2%, 21.1%, and 23.5% of our consolidated revenues in fiscal 2026, fiscal 2025, and fiscal 2024, respectively. A significant portion of our revenues is in currencies other than the U.S. Dollar. Our foreign currency exchange risk is somewhat mitigated by our ability to offset a portion of these non-U.S. Dollar-denominated revenues with operating expenses that are paid in the same currencies. While the impact from fluctuations in foreign exchange rates affects our revenues and expenses denominated in foreign currencies, the net amount of our exposure to foreign currency exchange rate changes at the end of each reporting period is generally not material.

Investment Risk

We hold a portion of our assets in debt and equity securities, including hedge funds, for strategic and speculative purposes. At July 31, 2026 and 2025, the value of our debt and equity security holdings was an aggregate of $57.3 million and $33.9 million, respectively, which represented 7.5% and 5.4% of our total assets at July 31, 2026 and 2025, respectively. Investments in debt and equity securities carry a degree of risk and depend to a great extent on correct assessments of the future course of price movements of securities and other instruments. There can be no assurance that our investment managers will be able to accurately predict these price movements. The securities markets have in recent years been characterized by great volatility and unpredictability. Accordingly, the value of our investments may go down as well as up and we may not receive the amounts originally invested upon redemption.

Item 8. Financial Statements and Supplementary Data.

The Consolidated Financial Statements of the Company and the report of the independent registered public accounting firm thereon starting on page F-1 are included herein.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended), as of the end of the period covered by this Annual Report on Form 10-K. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of July 31, 2026.

Report of Management on Internal Control over Financial Reporting

We, the management of IDT Corporation and subsidiaries (the "Company"), are responsible for establishing and maintaining adequate internal control over financial reporting of the Company.

The Company's internal control over financial reporting is defined in Rule 13a-15(f) and 15d-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of, the Company's principal executive and principal financial officers and effected by the Company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with generally accepted accounting principles in the United States and includes those policies and procedures that:

1. Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of assets of the Company;

2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Management has assessed the effectiveness of the Company's internal control over financial reporting as of July 31, 2026. In making this assessment, the Company's management used the criteria established in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our internal control over financial reporting, as prescribed above, as of July 31, 2026. Based on our evaluation, our principal executive officer and principal financial officer concluded that the Company's internal control over financial reporting as of July 31, 2026 was effective based on the criteria established in the Internal Control-Integrated Framework (2013) issued by COSO.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Grant Thornton LLP has provided an attestation report on the Company's internal control over financial reporting as of July 31, 2026.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the fourth quarter of fiscal 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
IDT Corporation

Opinion on internal control over financial reporting
We have audited the internal control over financial reporting of IDT Corporation (a Delaware corporation) and subsidiaries (the "Company") as of July 31, 2026, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of July 31, 2026, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated financial statements of the Company as of and for the year ended July 31, 2026, and our report dated September 29, 2026 expressed an unqualified opinion on those financial statements.

Basis for opinion
The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Report of Management on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and limitations of internal control over financial reporting
A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ GRANT THORNTON LLP

New York, New York
September 29, 2026

Item 9B. Other Information.

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

Part III

Item 10. Directors, Executive Officers and Corporate Governance.

The following is a list of our directors and executive officers along with the specific information required by Rule 14a-3 of the Securities Exchange Act of 1934:

Executive Officers

Shmuel Jonas—Chief Executive Officer

Howard S. Jonas—Chairman

Marcelo Fischer—Chief Financial Officer

Bill Pereira—President and Chief Operating Officer

Mitch Silberman—Chief Accounting Officer and Controller

Joyce J. Mason—Executive Vice President, General Counsel and Corporate Secretary

Menachem Ash—Executive Vice President of Strategy and Legal Affairs

Nadine Shea—Executive Vice President of Global Human Resources

David Wartell—Chief Technology Officer

Directors

Howard S. Jonas—Chairman of the Board, Chairman and controlling stockholder of the Company

Elaine Yatzkan —Member of the Board

William Conkling— Currently Chief Commercial Officer of Protara Therapeutics, Inc. (Nasdaq: TARA) and former President and Chief Executive Officer of Rafael Holdings Inc. (NYSE: RFL)

Eric F. Cosentino—Former Rector of the Episcopal Church of the Divine Love, Montrose, New York

Judah Schorr—Founder of Judah Schorr MD PC, an anesthesia provider to hospitals, ambulatory surgery centers and medical offices, and has been its President and owner since its inception

Bill Pereira – Ex Officio (non-voting) member of the Board and President and Chief Operating Officer of the Company

The remaining information required by this Item will be contained in our Proxy Statement for our Annual Stockholders Meeting, which will be filed with the Securities and Exchange Commission within 120 days after July 31, 2026, and which is incorporated by reference herein.

Insider Trading Policies and Procedures

We have insider trading policies and procedures that govern the purchase, sale, and other dispositions of our securities by directors, officers, employees, and consultants. We believe these policies and procedures are reasonably designed to promote compliance with insider trading laws, rules and regulations and applicable listing standards. See “Index of Exhibits” within this Annual Report on Form 10-K for our Insider Trading Policy.

Corporate Governance

We have included as exhibits to this Annual Report on Form 10-K certificates of our Chief Executive Officer and Chief Financial Officer certifying the quality of our public disclosure.

We make available free of charge through the investor relations page of our web site (www.idt.net/ir) our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to those reports, and all beneficial ownership reports on Forms 3, 4, and 5 filed by directors, officers and beneficial owners of more than 10% of our equity, as soon as reasonably practicable after such reports are electronically filed with the Securities and Exchange Commission. We have adopted codes of business conduct and ethics for all of our employees, including our principal executive officer, principal financial officer and principal accounting officer. Copies of the codes of business conduct and ethics are available on our web site.

Our web site and the information contained therein or incorporated therein are not intended to be incorporated into this Annual Report on Form 10-K or our other filings with the Securities and Exchange Commission.

Item 11. Executive Compensation.

The information required by this Item will be contained in our Proxy Statement for our Annual Stockholders Meeting, which will be filed with the Securities and Exchange Commission within 120 days after July 31, 2026, and which is incorporated by reference herein.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this Item will be contained in our Proxy Statement for our Annual Stockholders Meeting, which will be filed with the Securities and Exchange Commission within 120 days after July 31, 2026, and which is incorporated by reference herein.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this Item will be contained in our Proxy Statement for our Annual Stockholders Meeting, which will be filed with the Securities and Exchange Commission within 120 days after July 31, 2026, and which is incorporated by reference herein.

Item 14. Principal Accountant Fees and Services.

The information required by this Item will be contained in our Proxy Statement for our Annual Stockholders Meeting, which will be filed with the Securities and Exchange Commission within 120 days after July 31, 2026, and which is incorporated by reference herein.

Part IV

Item 15. Exhibit and Financial Statement Schedules.

(a) The following documents are filed as part of this Report:

1. Report of Management on Internal Control Over Financial Reporting

   Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting

   Report of Independent Registered Public Accounting Firm on Consolidated Financial Statements

   Consolidated Financial Statements covered by Report of Independent Registered Public Accounting Firm

2. Financial Statement Schedule.

   All schedules have been omitted since they are either included in the Notes to Consolidated Financial Statements or not required or not applicable.

3. Exhibits. Exhibit Numbers 10.01, 10.02, 10.03 and 10.04 are management contracts or compensatory plans or arrangements.

   The exhibits listed in paragraph (b) of this Item are filed, furnished, or incorporated by reference as part of this Form 10-K.

   Certain of the agreements filed as exhibits to this Form 10-K contain representations and warranties by the parties to the agreements that have been made solely for the benefit of the parties to the agreement. These representations and warranties:

   - may have been qualified by disclosures that were made to the other parties in connection with the negotiation of the agreements, which disclosures are not necessarily reflected in the agreements;
   - may apply standards of materiality that differ from those of a reasonable investor; and
   - were made only as of specified dates contained in the agreements and are subject to subsequent developments and changed circumstances.

   Accordingly, these representations and warranties may not describe the actual state of affairs as of the date that these representations and warranties were made or at any other time. Investors should not rely on them as statements of fact.

(b) Exhibits.

Exhibit Number	Description of Exhibits
3.01(1)	Third Restated Certificate of Incorporation of the Registrant.
3.02(2)	Eighth Amended and Restated By-laws of the Registrant.
4.2(3)	Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934.
10.01(4)	Fifth Amended and Restated Employment Agreement, dated December 16, 2020, between the Registrant and Howard S. Jonas.
10.02(5)	2015 Stock Option and Incentive Plan, as amended and restated, of IDT Corporation.
10.03(6)	2024 Equity Incentive Plan of IDT Corporation, as amended and restated.
10.04(7)	Amended and Restated Agreement, dated December 21, 2023, between IDT Corporation and Bill Pereira.
10.05(8)	Fourth Amendment to Second Amended and Restated Credit Agreement, dated as of August 11, 2026, between IDT Telecom, Inc. and TD Bank, National Association.
19.01(9)	Insider Trading Policy
21.01*	Subsidiaries of the Registrant..
23.01*	Consent of Grant Thornton LLP.
31.01*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.02*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.01*	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.02*	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
97(10)	Compensation Clawback Policy.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* filed herewith.

(1) Incorporated by reference to Form 8-K, filed April 5, 2011.

(2) Incorporated by reference to Form 8-K, filed September 23, 2022.

(3) Incorporated by reference to Form 10-K/A, filed December 22, 2020.

(4) Incorporated by reference to Form 8-K, filed December 22, 2020.

(5) Incorporated by reference to Form S-8, filed October 16, 2023.

(6) Incorporated by reference to Form S-8, filed September 29, 2025.

(7) Incorporated by reference to Form 8-K, filed December 28, 2023.

(8) Incorporated by reference to Form 8-K, filed August 13, 2026.

(9) Incorporated by reference to Form 10-K, filed September 29, 2025.

(10) Incorporated by reference to Form 10-K, filed October 15, 2024.

Item 16. Form 10-K Summary.

None.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

IDT CORPORATION

By: */s/ Shmuel Jonas*
Shmuel Jonas
Chief Executive Officer

Date: September 29, 2026

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report on Form 10-K has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Titles	Date
/s/ Shmuel Jonas **Shmuel Jonas**	Chief Executive Officer (Principal Executive Officer)	September 29, 2026
/s/ Marcelo Fischer **Marcelo Fischer**	Chief Financial Officer (Principal Financial Officer)	September 29, 2026
/s/ Mitch Silberman **Mitch Silberman**	Chief Accounting Officer and Controller (Principal Accounting Officer)	September 29, 2026
/s/ Howard S. Jonas **Howard S. Jonas**	Chairman of the Board	September 29, 2026
/s/ Elaine Yatzkan **Elaine Yatzkan**	Director	September 29, 2026
/s/ William Conkling **William Conkling**	Director	September 29, 2026
/s/ Eric F. Cosentino **Eric F. Cosentino**	Director	September 29, 2026
/s/ Judah Schorr **Judah Schorr**	Director	September 29, 2026

IDT CORPORATION

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
IDT Corporation

Opinion on the financial statements
We have audited the accompanying consolidated balance sheets of IDT Corporation (a Delaware corporation) and subsidiaries (the "Company") as of July 31, 2026 and 2025, the related consolidated statements of income, comprehensive income, equity, and cash flows for each of the three years in the period ended July 31, 2026, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of July 31, 2026 and 2025, and the results of its operations and its cash flows for each of the three years in the period ended July 31, 2026, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of July 31, 2026, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), and our report dated September 29, 2026 expressed an unqualified opinion.

Basis for opinion
These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical audit matters
Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

/s/ GRANT THORNTON LLP

We have served as the Company's auditor since 2020.

New York, New York
September 29, 2026

IDT CORPORATION

CONSOLIDATED BALANCE SHEETS

(in thousands, except per share data)

July 31,	2026	2025
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 220,686	$ 226,505
Restricted cash and cash equivalents	138,650	115,327
Debt securities	38,612	21,649
Equity investments	12,642	5,637
Trade accounts receivable, net of allowance for credit losses of $6,938 and $9,097 at July 31, 2026 and 2025, respectively	60,750	44,932
Settlement assets, net of reserve of $1,535 and $1,367 at July 31, 2026 and 2025, respectively	55,013	28,014
Disbursement prefunding	84,751	37,097
Prepaid expenses	13,395	12,440
Other current assets	30,867	28,702
TOTAL CURRENT ASSETS	655,366	520,303
Property, plant, and equipment, net	41,864	38,869
Goodwill	26,539	26,488
Other intangibles, net	8,762	5,056
Equity investments	6,068	6,658
Operating lease right-of-use assets	1,448	1,878
Deferred income tax assets, net	18,002	18,790
Other assets	6,208	8,161
TOTAL ASSETS	$ 764,257	$ 626,203
LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST, AND EQUITY		
CURRENT LIABILITIES:		
Trade accounts payable	$ 18,629	$ 19,435
Accrued expenses	106,434	97,295
Deferred revenue	27,124	27,726
Customer funds deposits	147,654	114,708
Settlement liabilities	16,988	13,922
Other current liabilities	35,050	19,910
TOTAL CURRENT LIABILITIES	351,879	292,996
Operating lease liabilities	817	1,103
Other liabilities	3,609	1,688
TOTAL LIABILITIES	356,305	295,787
Commitments and contingencies		
Redeemable noncontrolling interest	11,842	11,459
EQUITY:		
IDT Corporation stockholders' equity:		
Preferred stock, $.01 par value; authorized shares—10,000; no shares issued	—	—
Class A common stock, $.01 par value; authorized shares—35,000; 3,272 shares issued and 1,574 shares outstanding at July 31, 2026 and 2025	33	33
Class B common stock, $.01 par value; authorized shares—200,000; 28,569 and 28,528 shares issued and 23,264 and 23,656 shares outstanding at July 31, 2026 and 2025, respectively	285	285
Additional paid-in capital	319,225	308,111
Treasury stock, at cost, consisting of 1,698 and 1,698 shares of Class A common stock and 5,305 and 4,872 shares of Class B common stock at July 31, 2026 and 2025, respectively	(165,379)	(143,853)
Accumulated other comprehensive loss	(14,097)	(16,569)
Retained earnings	237,253	157,124
Total IDT Corporation stockholders' equity	377,320	305,131
Noncontrolling interests	18,790	13,826
TOTAL EQUITY	396,110	318,957
TOTAL LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST, AND EQUITY	$ 764,257	$ 626,203

See accompanying notes to consolidated financial statements.

IDT CORPORATION

CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except per share data)

Year ended July 31,	2026	2025	2024
REVENUES	$ 1,297,960	$ 1,231,495	$ 1,205,778
Direct cost of revenues	801,172	785,300	815,621
GROSS PROFIT	496,788	446,195	390,157
OPERATING EXPENSES:			
Selling, general and administrative (i)	318,346	287,567	270,207
Technology and development (i)	55,743	50,964	50,554
Severance	1,191	898	1,698
Other operating expense, net	343	6,342	2,945
TOTAL OPERATING EXPENSES	375,623	345,771	325,404
Income from operations	121,165	100,424	64,753
Interest income, net	6,567	6,127	4,769
Other income (expense), net	2,245	(713)	(7,612)
Income before income taxes	129,977	105,838	61,910
(Provision for) benefit from income taxes	(34,883)	(24,699)	6,354
NET INCOME	95,094	81,139	68,264
Net income attributable to noncontrolling interests	(8,461)	(5,045)	(3,810)
NET INCOME ATTRIBUTABLE TO IDT CORPORATION	$ 86,633	$ 76,094	$ 64,454
Earnings per share attributable to IDT Corporation common stockholders:			
Basic	$ 3.47	$ 3.02	$ 2.55
Diluted	$ 3.46	$ 3.01	$ 2.54
Weighted-average number of shares used in calculation of earnings per share:			
Basic	24,995	25,188	25,241
Diluted	25,023	25,295	25,398
(i) Stock-based compensation included in total operating expenses	$ 10,544	$ 3,074	$ 7,397

See accompanying notes to consolidated financial statements.

IDT CORPORATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands)

Year ended July 31,	2026	2025	2024
NET INCOME	$ 95,094	$ 81,139	$ 68,264
Other comprehensive income (loss):			
Change in unrealized loss on available-for-sale securities	63	155	265
Foreign currency translation adjustments	2,409	1,418	(1,215)
Other comprehensive income (loss)	2,472	1,573	(950)
COMPREHENSIVE INCOME	97,566	82,712	67,314
Less: comprehensive income attributable to noncontrolling interests	(8,461)	(5,045)	(3,810)
COMPREHENSIVE INCOME ATTRIBUTABLE TO IDT CORPORATION	$ 89,105	$ 77,667	$ 63,504

See accompanying notes to consolidated financial statements.

IDT CORPORATION

CONSOLIDATED STATEMENTS OF EQUITY (in thousands)

	IDT Corporation Stockholders									
	Class A Common Stock		Class B Common Stock		Additional Paid-In	Treasury	Accumulated Other Comprehensive	(Accumulated Deficit) Retained	Noncontrolling	Total
	Shares	Amount	Shares	Amount	Capital	Stock	Loss	Earnings	Interests	Equity
BALANCE AT JULY 31, 2023	**3,272**	**$ 33**	**27,851**	**$ 279**	**$ 301,408**	**$(115,461)**	**$ (17,192)**	**$ 24,662**	**$ 6,267**	**$199,996**
Dividends declared ($0.10 per share)	—	—	—	—	—	—	—	(2,536)	—	(2,536)
Exercise of stock options	—	—	13	—	172	—	—	—	—	172
Repurchases of Class B common stock through repurchase program	—	—	—	—	—	(9,087)	—	—	—	(9,087)
Shares withheld for employee taxes	—	—	—	—	—	(1,532)	—	—	—	(1,532)
Restricted net2phone and NRS common stock purchased from employees	—	—	—	—	(4,163)	—	—	—	32	(4,131)
Exchange of NRS shares for IDT Class B common stock	—	—	205	2	94	—	—	—	(96)	—
Stock issued/to be issued to an executive officer for bonus payment	—	—	39	—	1,494	—	—	—	—	1,494
Business acquisition holdback payment	—	—	3	—	100	—	—	—	—	100
Stock-based compensation	—	—	66	1	4,405	—	—	—	—	4,406
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(112)	(112)
Other comprehensive loss	—	—	—	—	—	—	(950)	—	—	(950)
Net income for the year ended July 31, 2024	—	—	—	—	—	—	—	64,454	3,381	67,835
BALANCE AT JULY 31, 2024	**3,272**	**33**	**28,177**	**282**	**303,510**	**(126,080)**	**(18,142)**	**86,580**	**9,472**	**255,655**
Dividends declared ($0.22 per share)	—	—	—	—	—	—	—	(5,550)	—	(5,550)
Repurchases of Class B common stock through repurchase program	—	—	—	—	—	(10,097)	—	—	—	(10,097)
Shares withheld for employee taxes	—	—	—	—	—	(7,676)	—	—	—	(7,676)
Exchange of NRS shares for IDT Class B common stock	—	—	9	—	33	—	—	—	(33)	—
Stock issued to an executive officer for bonus payment	—	—	39	—	1,824	—	—	—	—	1,824
Stock-based compensation	—	—	303	3	2,744	—	—	—	—	2,747
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(100)	(100)
Other comprehensive income	—	—	—	—	—	—	1,573	—	—	1,573
Net income for the year ended July 31, 2025	—	—	—	—	—	—	—	76,094	4,487	80,581
BALANCE AT JULY 31, 2025	**3,272**	**33**	**28,528**	**285**	**308,111**	**(143,853)**	**(16,569)**	**157,124**	**13,826**	**318,957**
Dividends declared ($0.26 per share)	—	—	—	—	—	—	—	(6,504)	—	(6,504)
Repurchases of Class B common stock through repurchase program	—	—	—	—	—	(21,000)	—	—	—	(21,000)
Shares withheld for employee taxes	—	—	—	—	—	(526)	—	—	—	(526)
Stock options exercised	—	—	5	—	200	—	—	—	—	200
Stock-based compensation	—	—	36	—	10,544	—	—	—	—	10,544
Distributions to noncontrolling interests	—	—	—	—	(10)	—	—	—	(2,352)	(2,362)
Exchange of NRS shares for IDT DSUs	—	—	—	—	380	—	—	—	(380)	—
Other comprehensive income	—	—	—	—	—	—	2,472	—	—	2,472
Net income for the year ended July 31, 2026	—	—	—	—	—	—	—	86,633	7,696	94,329
BALANCE AT JULY 31, 2026	**3,272**	**$ 33**	**28,569**	**$ 285**	**$ 319,225**	**$(165,379)**	**$ (14,097)**	**$ 237,253**	**$ 18,790**	**$396,110**

See accompanying notes to consolidated financial statements.

IDT CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

Year ended July 31,	2026	2025	2024
OPERATING ACTIVITIES			
Net income	$ 95,094	$ 81,139	$ 68,264
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	21,400	21,008	20,351
Deferred income taxes	789	16,217	(10,907)
Provision for credit losses and reserve for settlement assets	5,509	7,090	4,390
Stock-based compensation expense	10,544	3,074	7,397
Other	79	2,199	4,579
Changes in assets and liabilities:			
Trade accounts receivable	(19,185)	(5,989)	(13,695)
Prepaid expenses, other current assets, and other assets	690	4,835	5,510
Settlement assets and disbursement prefunding	(75,087)	(13,861)	8,219
Trade accounts payable, accrued expenses, settlement liabilities, other current liabilities, and other liabilities	22,680	(4,814)	(9,081)
Customer funds deposits	30,144	19,235	(1,820)
Deferred revenue	(1,588)	(3,072)	(5,016)
Net cash provided by operating activities	91,069	127,061	78,191
INVESTING ACTIVITIES			
Capital expenditures	(23,107)	(20,770)	(18,922)
Purchase of convertible preferred stock in equity method investment	—	(926)	(2,017)
Payments for acquisition	(1,500)	—	—
Notes receivable from equity method investment	(310)	(1,900)	—
Purchase of equity investments	(1,695)	—	—
Purchases of debt securities and equity investments	(64,402)	(33,453)	(29,921)
Proceeds from maturities and sales of debt securities and equity securities	43,348	36,310	50,112
Net cash used in investing activities	(47,666)	(20,739)	(748)
FINANCING ACTIVITIES			
Dividends paid	(6,504)	(5,550)	(2,536)
Distributions to noncontrolling interests	(2,743)	(100)	(112)
Proceeds from borrowings under revolving credit facility	21,421	24,551	32,864
Repayments on borrowings under revolving credit facility	(21,421)	(24,551)	(32,864)
Purchase of restricted shares of net2phone and NRS common stock	—	—	(4,131)
Proceeds from borrowings	185	—	—
Repayments of borrowings	(185)	—	—
Proceeds from exercise of stock options	200	—	172
Repurchases of Class B common stock	(21,526)	(17,773)	(10,619)
Net cash used in financing activities	(30,573)	(23,423)	(17,226)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash and cash equivalents	4,674	3,477	(3,584)
Net increase in cash, cash equivalents, and restricted cash and cash equivalents	17,504	86,376	56,633
Cash, cash equivalents, and restricted cash and cash equivalents at beginning of year	341,832	255,456	198,823
Cash, cash equivalents, and restricted cash and cash equivalents at end of year	$ 359,336	$ 341,832	$ 255,456
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Cash payments made for interest	$ 184	$ 110	$ 429
Cash payments made for income taxes	$ 22,196	$ 279	$ 527
NON-CASH INVESTING AND FINANCING ACTIVITIES			
Liabilities incurred for acquisition	$ 3,393	$ —	$ —
Value of the Company's Class B Common stock/DSUs exchanged for NRS shares	$ 3,548	$ 442	$ 6,696
Shares of the Company’s Class B common stock issued to certain executive officers for bonus payments	$ —	$ 1,824	$ 1,494
Shares of the Company’s Class B common stock issued for business acquisitions	$ —	$ —	$ 100

See accompanying notes to consolidated financial statements.

Note 1—Description of Business and Summary of Significant Accounting Policies

Description of Business

IDT is a provider of fintech and communications solutions focused on certain under-served consumer and B2B markets. Our offerings are built around a common core of strategic assets, and we seek to maximize the synergies among them to achieve exceptional growth and profitability.

As of July 31, 2026, the Company owned 94.0% of the outstanding shares of its subsidiary, net2phone 2.0, Inc. ("net2phone 2.0"), which owns and operates the net2phone segment, and 82.3% of the outstanding shares of National Retail Solutions, Inc. ("NRS"). On a fully diluted basis assuming all the vesting criteria related to various rights granted have been met, the Company would own 90.0% of the equity of net2phone 2.0 and 80.2% of the equity of NRS.

Basis of Consolidation

The method of accounting applied to long-term investments, whether consolidated, equity, or cost, involves evaluating the significant terms of each investment that explicitly grant or suggest evidence of control or influence over the operations of the entity in which the Company owns an interest and identifying any variable interests in which the Company is the primary beneficiary. The consolidated financial statements include the Company's controlled subsidiaries and the variable interest entity in which the Company is the primary beneficiary (see Note 13). All significant intercompany accounts and transactions between the consolidated entities are eliminated.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Reclassifications

During fiscal 2026, the Company reclassified certain prepaid expenses to trade accounts receivable. Specifically, in the consolidated balance sheet at July 31, 2025, $2.1 million previously reported within "Prepaid expenses" was reclassified to "Trade accounts receivable." In the consolidated statements of cash flows for the fiscal years ended July 31, 2025 and 2024, cash provided by (used in) operating activities of $0.5 million and $(1.0) million, respectively, previously reported within "Prepaid expenses, other current assets, and other assets" were reclassified to "Trade accounts receivable."

During fiscal 2026, the Company also reclassified settlement assets and disbursement prefunding in the consolidated statements of cash flows, which had previously been included within "Settlement assets, disbursement prefunding, prepaid expenses, other current assets, and other assets." In the consolidated statements of cash flows for the fiscal years ended July 31, 2025 and 2024, cash (used in) provided by operating activities of $(13.9) million and $8.2 million, respectively, previously reported within "Settlement assets, disbursement prefunding, prepaid expenses, other current assets, and other assets" were reclassified to be presented as a separate line item, "Settlement assets and disbursement prefunding."

Accounting for Investments

Investments in businesses that the Company does not control, but in which the Company can exercise significant influence over operating and financial matters are accounted for using the equity method. Investments in which the Company cannot exercise significant influence over operating and financial matters are accounted for at fair value, with changes in fair value recognized in net income. For such investments without a readily determinable fair value, the Company elects the measurement alternative described below under "Equity Investments." Investments in hedge funds are accounted for using the equity method unless the Company's interest is so minor that it has virtually no influence over operating and financial policies, in which case these investments are accounted for under the measurement alternative described below. The Company periodically evaluates its equity investments accounted for under the equity method and the measurement alternative for impairment due to declines considered to be other than temporary. If the Company determines that a decline in fair value is other than temporary, then a charge to earnings is recorded in "Other expense, net" in the accompanying consolidated statements of income, and a new basis in the investment is established.

Revenue Recognition

The Company recognizes revenue upon the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, in accordance with a five-step process as follows: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract(s), (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract(s), and (v) recognize revenue when, or as, the Company satisfies a performance obligation.

Direct Cost of Revenues

Direct cost of revenues consists primarily of termination and origination costs, toll-free costs, and network costs—including customer/carrier interconnect charges and fiber circuit charges. These costs include an estimate of charges for which invoices have not yet been received and estimated amounts for pending disputes with other carriers. Direct cost of revenues also includes regulatory costs and depreciation of capital expenditures related to the Company's telecom network and hardware as well as the NRS PAY terminals, and net2phone provided phone systems. Direct cost of revenues also includes the cost of airtime top-up minutes, the cost of NRS' POS terminals sold, the costs of cloud computing arrangements hosted by a vendor in the production environment incurred by the net2phone segment and NRS, net2phone's colocation costs for data centers where net2phone is not fully operational in the cloud, net2phone's cost of equipment sold, and commissions paid to disbursement agents, sales agents, and retailers for BOSS Money's originations and distributions.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Debt Securities

The Company's investments in debt securities are classified as "available-for-sale." Available-for-sale debt securities are required to be carried at their fair value, with unrealized gains that are considered temporary in nature recorded in "Accumulated other comprehensive loss" in the accompanying consolidated balance sheets. For available-for-sale debt securities with unrealized losses, the portion of the unrealized loss that is the result of a credit loss is recognized as an allowance and a corresponding expense is recorded in "Other expense, net" in the consolidated statements of income. Any portion of the unrealized loss that is not the result of a credit loss is recorded in "Accumulated other comprehensive loss" in the consolidated balance sheets.

The Company uses the specific identification method in computing the gross realized gains and gross realized losses on the sales of debt securities.

Equity Investments

Investments in equity securities (except those accounted for under the equity method or that result in consolidation) are measured at fair value, with changes in fair value recognized in net income. For investments in equity securities without a readily determinable fair value, the Company elects the measurement alternative and measures these investments at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for an identical or similar investment of the same issuer. At each reporting date, the Company reassesses whether the investment still qualifies for this measurement alternative. Further, at each reporting date, the Company performs a qualitative assessment to evaluate whether the investment is impaired. If the qualitative assessment indicates that the investment is impaired and the fair value of the investment is less than its carrying value, the carrying amount of the investment will be reduced and the resulting loss recognized in "Other expense, net" in the accompanying consolidated statements of income in the period the impairment is identified.

Settlement Assets and Settlement Liabilities

Settlement assets represent funds to be received for unsettled international money remittance and related value/payment transfer services. The receivables are due from financial institutions and agents for payment instruments sold and amounts advanced by the Company to certain agents for operational and local regulatory purposes. These receivables are outstanding from the day of the sale of the payment instrument until the financial institution or agent remits the funds to the Company. The Company provides an allowance for the portion of the receivable estimated to become uncollectible based on its history of collection experience, known collection issues, consumer credit card chargebacks and insufficient funds, and other matters the Company identifies in its routine collection monitoring.

Settlement liabilities represent obligations relating to amounts payable under international money remittance and related value/payment transfer services. These obligations are recognized by the Company at the time the underlying transaction occurs. The Company records corresponding settlement assets for the funds to be received.

Disbursement Prefunding

The Company maintains relationships with disbursement partners in various countries for its BOSS Money and IDT Digital Payments services. The Company maintains prefunding balances with these disbursement partners so they can satisfy the Company's customer liabilities. The Company does not earn interest on these balances. The balances are not compensating balances and are not legally restricted.

Inventory

Inventory consists primarily of NRS' POS terminals that it sells to retailers. Inventory is measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Inventory is included in Other current assets on the consolidated balance sheets.

Property, Plant, and Equipment and Intangible Assets

Equipment, computer software, and furniture and fixtures are recorded at cost and are depreciated on a straight-line basis over their estimated useful lives, which are as follows: equipment—5 to 7 years; computer software—3 years; and furniture and fixtures—5 years. Leasehold improvements are recorded at cost and are depreciated on a straight-line basis over the term of their lease or their estimated useful lives, whichever is shorter.

Non-compete agreements, customer relationships, and tradenames are amortized over their estimated useful lives (see Note 12).

The Company tests the recoverability of its property, plant, and equipment and intangible assets with finite useful lives whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. The Company tests for recoverability based on the projected undiscounted cash flows to be derived from such asset. If the projected undiscounted future cash flows are less than the carrying value of the asset, the Company will record an impairment loss, if any, based on the difference between the estimated fair value and the carrying value of the asset. The Company generally measures fair value by considering sale prices for similar assets or by discounting estimated future cash flows from such asset using an appropriate discount rate. Cash flow projections and fair value estimates require significant estimates and assumptions by management. Should the estimates and assumptions prove to be incorrect, the Company may be required to record impairments in future periods and such impairments could be material.

Goodwill

Goodwill is the excess of the consideration paid for a business over the fair value of the identifiable net assets acquired. Goodwill and other indefinite lived intangible assets are not amortized. Instead, these assets are reviewed annually (or more frequently under various conditions) for impairment. The Company has the option to perform a qualitative assessment to determine whether it is necessary to perform the quantitative goodwill impairment test. However, the Company may elect to perform the quantitative goodwill impairment test even if no indications of a potential impairment exist.

When performing its annual quantitative goodwill impairment test, or an interim test when conditions warrant, the Company compares the fair value of its reporting units with their carrying amounts. The Company would recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized would not exceed the total amount of goodwill allocated to that reporting unit. Additionally, the Company considers income tax effects from any tax-deductible goodwill on the carrying amount of its reporting unit when measuring the goodwill impairment loss, if applicable. The fair value of the reporting units is estimated using discounted cash flow methodologies, as well as considering third party market value indicators. The Company's use of a discounted cash flow methodology includes estimates of future revenue based upon budgets and projections. The Company also develops estimates for future levels of gross and operating profits and projected capital expenditures. The Company's methodology also includes the use of estimated discount rates based upon industry and competitor analysis as well as other factors. Calculating the fair value of the reporting units requires significant estimates and assumptions by management. Should the estimates and assumptions regarding the fair value of the reporting units prove to be incorrect, the Company may be required to record impairments to its goodwill in future periods and such impairments could be material.

Advertising Expense

Cost of advertising is charged to selling, general and administrative expense in the period in which it is incurred. In fiscal 2026, fiscal 2025, and fiscal 2024, advertising expense was $21.9 million, $20.9 million, and $19.0 million, respectively.

Capitalized Internal Use Software Costs

The Company capitalizes the cost of internal-use software that has a useful life in excess of one year. These costs consist of payments made to third parties and the salaries of employees working on such software development. Subsequent additions, modifications or upgrades to internal-use software are capitalized only to the extent that they allow the software to perform a task it previously did not perform. Software maintenance and training costs are charged to expense in the period in which they are incurred. Capitalized internal use software costs are amortized on a straight-line basis over their estimated useful lives of three years. Amortization expense related to such capitalized software in fiscal 2026, fiscal 2025, and fiscal 2024 was $13.3 million, $13.2 million, and $12.8 million, respectively. Unamortized capitalized internal use software costs at July 31, 2026 and 2025 were $19.2 million and $18.5 million, respectively.

Repairs and Maintenance

The Company charges the cost of repairs and maintenance, including the cost of replacing minor items not constituting substantial betterment, to selling, general and administrative expense or technology and development expense as these costs are incurred.

Foreign Currency Translation

Assets and liabilities of foreign subsidiaries denominated in foreign currencies are translated to U.S. dollars at end-of-period rates of exchange, and their monthly results of operations are translated to U.S. dollars at the average rates of exchange for that month. Gains or losses resulting from such foreign currency translations are recorded in "Accumulated other comprehensive loss" in the accompanying consolidated balance sheets. Foreign currency transaction gains and losses are reported in "Other expense, net" in the accompanying consolidated statements of income.

Income Taxes

The Company recognizes deferred tax assets and liabilities for the future tax consequences attributable to temporary differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. A valuation allowance is provided when it is more likely than not that some portion or all of a deferred tax asset will not be realized. The ultimate realization of deferred tax assets depends on the generation of future taxable income during the period in which related temporary differences become deductible. The Company considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in its assessment of a valuation allowance. Deferred tax assets and liabilities are measured using the enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date of such change.

The Company uses a two-step approach for recognizing and measuring tax benefits taken or expected to be taken in a tax return. The Company determines whether it is more-likely-than-not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. In evaluating whether a tax position has met the more-likely-than-not recognition threshold, the Company presumes that the position will be examined by the appropriate taxing authority that has full knowledge of all relevant information. Tax positions that meet the more-likely-than-not recognition threshold are measured to determine the amount of tax benefit to recognize in the financial statements. The tax position is measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. Differences between tax positions taken in a tax return and amounts recognized in the financial statements will generally result in one or more of the following: an increase in a liability for income taxes payable, a reduction of an income tax refund receivable, a reduction in a deferred tax asset, or an increase in a deferred tax liability.

The Company classifies interest and penalties on income taxes as a component of income tax expense.

Contingencies

The Company accrues for loss contingencies when both (a) information available prior to issuance of the financial statements indicates that it is probable that a liability had been incurred at the date of the financial statements and (b) the amount of loss can reasonably be estimated. When the Company accrues for loss contingencies and the reasonable estimate of the loss is within a range, the Company records its best estimate within the range. When no amount within the range is a better estimate than any other amount, the Company accrues the minimum amount in the range. The Company discloses an estimated possible loss or a range of loss when it is at least reasonably possible that a loss may have been incurred.

Earnings Per Share

Basic earnings per share is computed by dividing net income attributable to all classes of common stockholders of the Company by the weighted average number of shares of all classes of common stock outstanding during the applicable period. Diluted earnings per share is determined in the same manner as basic earnings per share, except that the number of shares is increased to include restricted stock still subject to risk of forfeiture and to assume exercise of potentially dilutive stock options using the treasury stock method, unless the effect of such increase is anti-dilutive.

The weighted-average number of shares used in the calculation of basic and diluted earnings per share attributable to the Company's common stockholders consists of the following:

(in thousands) Year ended July 31,	2026	2025	2024
Basic weighted-average number of shares	24,995	25,188	25,241
Effect of dilutive securities:			
Stock options	4	2	1
Non-vested restricted Class B common stock	24	105	156
Diluted weighted-average number of shares	25,023	25,295	25,398

There were no shares excluded from the calculation of diluted earnings per share in fiscal 2026, fiscal 2025, or fiscal 2024.

Stock-Based Compensation

The Company recognizes compensation expense for its grants of stock-based awards based on the estimated fair value on the grant date. Compensation cost for awards is recognized using the straight-line method over the requisite service period, which is usually the vesting period. Stock-based compensation is included in selling, general and administrative expense and technology and development expense.

Vulnerability Due to Certain Concentrations

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash, cash equivalents, restricted cash and cash equivalents, debt securities, equity investments, and trade accounts receivable. The Company holds cash and cash equivalents at several major financial institutions, which often exceed FDIC insurance limits. Historically, the Company has not experienced any losses due to such concentration of credit risk. The Company's temporary cash investments policy is to limit the dollar amount of investments with any one financial institution and monitor the credit ratings of those institutions. While the Company may be exposed to credit losses due to the nonperformance of the holders of its deposits, the Company does not expect the settlement of these transactions to have a material effect on its results of operations, cash flows, or financial condition.

The concentration of credit risk with respect to trade accounts receivable is limited due to the large number of customers in various geographic regions and industry segments comprising the Company's customer base. Revenue from no single customer accounted for more than 10% of consolidated revenues in fiscal 2026, fiscal 2025 or fiscal 2024. However, revenue from the Company's five largest customers collectively accounted for 12.5%, 8.9%, and 10.3% of its consolidated revenues in fiscal 2026, fiscal 2025, and fiscal 2024, respectively. The Company's customers with the five largest receivable balances collectively accounted for 9.9% and 20.4% of the consolidated gross trade accounts receivable at July 31, 2026 and 2025, respectively. This concentration of customers increases the Company's risk associated with nonpayment by those customers. In an effort to reduce such risk, the Company performs ongoing credit evaluations of its significant customers.

Allowance for Credit Losses

The Company maintains an allowance for credit losses on its trade accounts receivable based on a forward-looking current expected credit loss ("CECL") model. In estimating expected credit losses, the Company considers the probability of recoverability of accounts receivable based on historical write-off experience, net of recoveries, current collection trends, the aging of accounts receivable, and general economic factors, including bankruptcy rates. Allowances generally increase as receivables age, and specific accounts may be fully reserved when known collection issues exist, such as pending bankruptcies. Account balances are written off against the allowance when recovery is determined to be unlikely. The Company has elected the practical expedient under ASU 2025-05 for its current trade accounts receivable. Under this expedient, rather than developing separate forecasts of future economic conditions, the Company assumes in estimating expected credit losses that current conditions as of the balance sheet date will not change over the assets' remaining lives.

The changes in the allowance and reserves deducted from asset accounts is as follows:

(in thousands) Year ended July 31,	Balance at Beginning of Year	Additions Charged to Costs and Expenses	Deductions (1)	Balance at End of Year
2026				
Deducted from asset accounts:				
Allowance for credit losses	$ 9,097	$ 4,097	$ (6,256)	$ 6,938
Reserve for losses on settlement assets	1,367	552	(384)	1,535
Total	$ 10,464	$ 4,649	$ (6,640)	$ 8,473
2025				
Deducted from asset accounts:				
Allowance for credit losses	$ 6,352	$ 6,980	$ (4,235)	$ 9,097
Reserve for losses on settlement assets	1,866	110	(609)	1,367
Total	$ 8,218	$ 7,090	$ (4,844)	$ 10,464
2024				
Deducted from asset accounts:				
Allowance for credit losses	$ 5,642	$ 3,402	$ (2,692)	$ 6,352
Reserve for losses on settlement assets	1,143	988	(265)	1,866
Total	$ 6,785	$ 4,390	$ (2,957)	$ 8,218

(1) Primarily uncollectible accounts written off, net of recoveries.

Fair Value Measurements

Fair value of financial and non-financial assets and liabilities is defined as an exit price, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The three-tier hierarchy that prioritizes the inputs to valuation techniques used to measure fair value is as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument.
Level 3 – unobservable inputs based on the Company's assumptions used to measure assets and liabilities at fair value.

A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. Assessing the significance of a particular input requires judgment and may affect the valuation of the assets and liabilities being measured and their placement within the fair value hierarchy.

Leases

The Company determines whether an arrangement is a lease at the inception of the arrangement based on the terms and conditions in the contract. A contract contains a lease if there is an identified asset which the Company has the right to control. The Company records a right-of-use ("ROU") asset and a lease liability on the balance sheet on the lease commencement date for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The ROU asset and lease liability are recorded based on the present value of the Company's obligation to make payments over the lease term. The present value of the lease payments is calculated using the incremental borrowing rate based on the rate of interest that the Company would have to pay to borrow an amount equal to the lease payments on a collateralized basis over a similar term. The Company recognizes lease cost for its leases on a straight-line basis over the lease term.

Recently Adopted Accounting Standards

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-09, *Income Taxes (Topic 740)*, *Improvements to Income Tax Disclosures*, which enhances income tax disclosures primarily related to the rate reconciliation and income taxes paid information. This guidance also includes certain other amendments to improve the effectiveness of income tax disclosures.

The Company adopted this update prospectively in this Annual Report on Form 10-K for the fiscal year ended July 31, 2026, which includes further disaggregation of the income tax expense into federal, state, and foreign categories, enhanced detail in the effective tax rate reconciliation, and disclosure of income taxes paid by significant jurisdictions.

In July 2025, the FASB issued ASU 2025-05 – *Financial Instruments – Credit Losses* (Topic 326): *Measurement of Credit Losses for Accounts Receivable and Contract Assets*, which amends ASC 326-20 to provide a practical expedient related to the estimation of current expected credit losses ("CECL") for current accounts receivable and current contract assets that arise from transactions accounted for under ASC 606. The amendments are effective for annual and interim reporting periods beginning on August 1, 2026. The practical expedient in ASU 2025-05 allows the Company to simplify estimating current expected credit losses for current accounts receivable and contract assets by assuming that current conditions as of the balance sheet date will not change over the asset's remaining life. It is intended to reduce the complexity and cost of developing forecasts for these assets under the CECL model for ASC 606-related transactions. This amendment does not have an impact on the Company's current estimation process. The Company early adopted this practical expedient during fiscal 2026. The adoption did not have a material impact on the Company's consolidated financial statements.

Recently Issued Accounting Standards Not Yet Adopted

In September 2025, the FASB issued ASU 2025-06, *Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40)*: Targeted Improvements to the Accounting for Internal-Use Software, which simplifies the capitalization guidance by removing all references to software development project stages, making the guidance neutral to different software development methodologies, including Agile and other iterative approaches. The amendments are effective for the Company for annual reporting periods beginning August 1, 2028 (fiscal year 2029), with early adoption permitted. An entity may apply the amendments prospectively, retrospectively, or on a modified retrospective basis. Based on its preliminary assessment, the Company does not expect adoption to have a material effect on its consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, *Income Statement-Reporting Comprehensive Income–Expense Disaggregation Disclosures (Subtopic 220-40)*, to improve disclosures about an entity's expenses by requiring more detailed information about the types of expenses underlying commonly presented income statement captions. The amendments will require the Company to disclose, in tabular format at each interim and annual reporting period, disaggregated information about prescribed expense categories underlying relevant income statement captions, as well as the total amount of selling expense and a qualitative description of the composition of amounts not separately disclosed. The amendments are effective for the Company's fiscal year beginning on August 1, 2027 (fiscal year 2028) and for interim periods beginning August 1, 2028 (fiscal year 2029), with early adoption permitted. The amendments may be applied either prospectively or retrospectively to any or all prior periods presented, and the Company is currently evaluating the timing of adoption and the transition method. The Company does not expect adoption to have a material effect on its financial position or results of operations, but expects that adoption will result in additional disclosures in the notes to its consolidated financial statements.

Note 2—Business Combination

On May 1, 2026, NRS completed an asset purchase agreement (the "Agreement") under which it acquired certain assets and assumed certain liabilities of Oncore Digital, Inc. and its wholly owned subsidiaries ("the Acquired Business"). The Acquired Business is a digital media brokerage operation engaged in digital advertising and monetization. In connection with the transaction, the Acquired Business was contributed to a newly formed entity ("NRS OnCore"), in which the sellers retained a 20% noncontrolling interest and NRS obtained an 80% controlling interest. Accordingly, NRS consolidates NRS OnCore under the voting interest model in accordance with ASC 810, *Consolidation*.

The aggregate purchase consideration was approximately $4.8 million, consisting of $3.3 million in cash and shares of IDT Class B common stock with an aggregate value of $1.5 million, subject to customary post-closing adjustments. In addition, NRS assumed liabilities of $0.1 million in connection with the transaction, resulting in a total acquisition date fair value of $4.9 million.

The consideration also includes contingent earnouts and bonuses with no maximum payment because they are based on the IDT share price and are contingent upon the achievement of revenue, gross profit, and net income milestones, which the Company currently believes are not probable to be achieved. Therefore, no liability was recorded for the contingent earnouts and bonuses. The Company has determined that the acquired set of assets and activities constitute a business and is accounting for the transaction as a business combination under ASC 805, *Business Combinations*. The acquired assets consist primarily of vendor and customer relationships, and the assumed liabilities include certain operating liabilities.

The total consideration has been allocated entirely to vendor and customer relationships, which represent the sole identified intangible asset and are being amortized over an estimated useful life of five years. The acquisition is expected to integrate Oncore Digital's advertising technology, demand relationships, and publisher network with NRS' screen network and first-party transaction data to create a more comprehensive and unified digital advertising offering.

The Company's pro forma results of operations as if the acquisition occurred as of August 1, 2023 were not materially different from the actual results of operations. Revenue and earnings of NRS OnCore since the acquisition date included in the consolidated income statements for the reporting period were not material.

Note 3—Business Segment Information

The Company's reportable segments are distinguished by types of service, customers, and methods used to provide their services. The operating results of these business segments are regularly reviewed by the Company's chief operating decision maker ("CODM"), which is a group of the Company's executives that includes the Chairman of the Board of Directors, Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer. The Company's CODM uses actual and budgeted income (loss) from operations to evaluate the performance of the business segments and allocate resources, including capital allocations, primarily by monitoring actual results compared to prior periods and expected results. The accounting policies of the segments are the same as the accounting policies of the Company as a whole. There are no significant asymmetrical allocations to segments. The Company evaluates the performance of its business segments based primarily on income (loss) from operations.

The Company has four reportable business segments: NRS, Fintech, net2phone, and Traditional Communications.

The NRS segment is an operator of a nationwide point-of-sale ("POS") network providing independent retailers with POS equipment, store management software, electronic payment processing, and other ancillary merchant services. NRS' POS platform provides marketers with digital out-of-home advertising and transaction data.

The Fintech segment is comprised of: (i) BOSS Money, a provider of international money remittance and related value/payment transfer services; (ii) IDT Financial Services Limited ("IDT Financial Services"), a Gibraltar-based bank; (iii) IDT Services Limited ("IDTS"), a Malta-based electronic money institution; and (iv) other, significantly smaller, financial services businesses, including a variable interest entity ("VIE") that processes disbursement payments (the "Disbursement Payments VIE").

The net2phone segment is an AI-powered business communications solutions provider focused on optimizing customer interactions, with a focus on small enterprise and mid-market customers across North and South America. net2phone's key offerings include: UNITE - an AI-powered communications platform; uContact - an omnichannel contact center platform; AI Agent - an agentic AI service that automates customer interactions; and Coach AI - a provider of real-time agent guidance and conversational intelligence.

The Traditional Communications segment includes: (i) IDT Digital Payments, which enables customers to transfer airtime and bundles of airtime, messaging, and data to international and domestic mobile accounts; (ii) IDT Global, a wholesale provider of international voice and SMS termination and outsourced traffic management solutions to telecoms worldwide; and (iii) BOSS Revolution, an international long-distance calling service marketed primarily to immigrant communities in the United States and Canada. Traditional Communications also includes other small businesses and offerings including early-stage business initiatives and mature businesses in harvest mode.

Corporate costs mainly include compensation, consulting fees, treasury, tax and accounting services, human resources, corporate purchasing, corporate governance including Board of Directors' fees, internal and external audit, investor relations, corporate insurance, corporate legal, and other corporate-related general and administrative expenses. Corporate does not generate any revenues, nor does it incur any direct cost of revenues.

Operating results for the business segments of the Company are included in the tables below. The significant expense categories align with the segment-level information that is regularly provided to the CODM. The significant expense categories include depreciation and amortization. Other segment items, which is the difference between segment revenues less the segment expenses disclosed and segment income (loss) from operations, includes severance expense and other operating expense, net. The reconciliation of the total income (loss) from operations to income before income taxes is reflected in the consolidated statements of income.

Operating results for the Company's four reportable business segments, together with Corporate, are presented below. Corporate is not a reportable segment and is included to reconcile segment results to the consolidated totals.

(in thousands) **Year Ended July 31, 2026**	**NRS**	**Fintech**	**net2phone**	**Traditional Communications**	**Corporate**	**Total**
Revenues	$ 159,399	$ 175,994	$ 96,639	$ 865,928	$ —	$ 1,297,960
Direct cost of revenues	(12,760)	(66,339)	(18,792)	(703,281)	—	(801,172)
Selling, general and administrative expense	(96,072)	(77,910)	(56,285)	(75,593)	(12,485)	(318,346)
Technology and development expense	(10,776)	(10,160)	(12,288)	(22,517)	(4)	(55,743)
Other segment items	(500)	(79)	(174)	(1,143)	363	(1,534)
Income (loss) from operations	$ 39,291	$ 21,506	$ 9,100	$ 63,394	$ (12,126)	$ 121,165
Depreciation and amortization	$ 4,759	$ 2,826	$ 6,770	$ 7,031	$ 15	$ 21,400
Capital expenditures	$ 5,790	$ 3,901	$ 6,980	$ 6,348	$ 88	$ 23,107

(in thousands) **Year Ended July 31, 2025**	**NRS**	**Fintech**	**net2phone**	**Traditional Communications**	**Corporate**	**Total**
Revenues	$ 128,793	$ 154,610	$ 87,875	$ 860,217	$ —	$ 1,231,495
Direct cost of revenues	(11,933)	(63,868)	(18,165)	(691,334)	—	(785,300)
Selling, general and administrative expense	(78,015)	(66,209)	(52,354)	(79,875)	(11,114)	(287,567)
Technology and development expense	(8,682)	(9,064)	(11,671)	(21,540)	(7)	(50,964)
Other segment items	(2,410)	(49)	(736)	(942)	(3,103)	(7,240)
Income (loss) from operations	$ 27,753	$ 15,420	$ 4,949	$ 66,526	$ (14,224)	$ 100,424
Depreciation and amortization	$ 4,071	$ 2,932	$ 6,382	$ 7,561	$ 62	$ 21,008
Capital expenditures	$ 5,367	$ 3,501	$ 6,608	$ 5,279	$ 15	$ 20,770

(in thousands) Year Ended July 31, 2024	NRS	Fintech	net2phone	Traditional Communications	Corporate	Total
Revenues	$ 103,141	$ 120,721	$ 82,325	$ 899,591	$ —	$ 1,205,778
Direct cost of revenues	(11,625)	(53,387)	(17,236)	(733,373)	—	(815,621)
Selling, general and administrative expense	(62,652)	(59,650)	(52,588)	(84,864)	(10,453)	(270,207)
Technology and development expense	(7,070)	(9,505)	(10,777)	(23,153)	(49)	(50,554)
Other segment items	(168)	1,691	(43)	(1,767)	(4,356)	(4,643)
Income (loss) from operations	$ 21,626	$ (130)	$ 1,681	$ 56,434	$ (14,858)	$ 64,753
Depreciation and amortization	$ 3,200	$ 2,872	$ 6,133	$ 8,064	$ 82	$ 20,351
Capital expenditures	$ 3,606	$ 3,650	$ 6,334	$ 5,332	$ —	$ 18,922

Other segment items include severance expense and other operating gains and losses.

Total assets for the reportable segments are not provided because a significant portion of the Company's assets service multiple segments and the Company does not track such assets separately by segment.

Geographic Information

Net long-lived assets (which consists of Property, plant and equipment, net and Operating lease right-of-use assets) held outside of the United States, which are located primarily in Europe and South America, were as follows:

(in thousands)	United States	Other Countries	Total
July 31, 2026	$ 31,559	$ 11,753	$ 43,312
July 31, 2025	$ 28,306	$ 12,441	$ 40,747

Note 4—Revenue Recognition

Contracts with Customers

The Company earns revenue from contracts with customers, primarily through the provision of retail telecommunications, mobile top-up, and payment offerings, as well as wholesale international voice and SMS termination services. NRS generates revenue primarily from point-of-sale ("POS") terminal sales, Software as a Service ("SaaS") plans, payment processing, digital advertising, and data and analytics services, which are generally recognized at a point in time when control of the goods or services transfers, except for subscription services that are recognized over time. net2phone earns revenue primarily from cloud-based communications, including unified communications as a service ("UCaaS"), contact center as a service ("CCaaS") and AI Agent and Coach solutions, which are recognized over time as services are provided. BOSS Money's and IDT Digital Payments' revenues are recognized at a point in time when transactions are completed. Traditional Communications' offerings consist primarily of minute-based, paid-voice services, with revenue recognized at a point in time as usage occurs.

IDT Digital Payments

IDT Digital Payments is sold direct-to-consumer and through distributors and retailers in the same manner as BOSS Revolution (see below). The Company does not terminate the minutes in its IDT Digital Payments transactions. The Company's performance obligation is to recharge (top-up) the airtime balance of a mobile account on behalf of the Company's customer. The Company has contracts with various mobile operators or aggregators to provide the IDT Digital Payments service. The Company determined that it is the principal in substantially all its IDT Digital Payments transactions as the Company controls the service to top-up a mobile account on behalf of the Company's customer. However, for the portion of its IDT Digital Payments business where the Company has no customer service responsibilities, no inventory risk, and does not establish the price, the Company determined that, as the Company is not considered to control the arrangement, it acts as an agent of the mobile operators. The Company records gross revenues based on the amount billed to the customer when it is the principal in the arrangement and records revenue net of the associated costs incurred when it acts as an agent in the arrangement. The transfer of control happens at the point in time that the airtime is recharged, which is when the Company has a right to payment and the customer has accepted the service. Accordingly, the performance obligation is satisfied, and revenue is recognized when the recharge of the mobile account occurs.

BOSS Revolution Direct-to-Consumer

BOSS Revolution direct-to-consumer is offered on a pay-as-you-go basis, in unlimited plans, in bundles of minutes, or through a savings pass program. The customer prepays for service in all cases, which results in a contract liability (deferred revenue). The contract term for pay-as-you-go plans is minute-to-minute and includes separate performance obligations for the series of material rights to renew the contract. The performance obligation is satisfied immediately after it arises, and the amount of consideration is known when the obligation is satisfied. Since the Company's satisfaction of its performance obligation and the customer's use of the service occur simultaneously, the Company recognizes revenue at the point in time when minutes are utilized, since the customer obtained control and the Company has a present right to payment. For unlimited plans, the Company has a stand-ready obligation to provide service over time for an agreed-upon term. Unlimited plans include fixed consideration over the term. Plan fees for unlimited plans are generally refundable at the request of the customer up to three days after payment if there was no usage. Since the Company's satisfaction of its performance obligation and the customer's use of the service occur over the term of the plan, the Company recognizes revenue over a period of time as the service is rendered. The Company recognizes revenue as time elapses because it reflects the pattern by which the Company satisfies its performance obligation through the transfer of service to the customer. The fixed upfront consideration is recognized evenly over the service period, which is generally 24 hours, 7 days, or one month.

For bundles of minutes, the customer prepays for a fixed quantity of minutes over a specified period. The Company recognizes revenue at the point in time when minutes are utilized, consistent with the recognition pattern for pay-as-you-go plans. Unused minutes are recognized as revenue (breakage) upon expiration of the plan, at which point the Company's remaining performance obligation is extinguished.

For the savings pass program, the customer pays a recurring membership fee in exchange for a discount on standard per-minute rates for calls made during the membership period. The membership fee represents a stand-ready obligation to provide the discount over the membership term and is recognized over that period on the same basis as unlimited plans. Revenue from calls made under the discounted rate is recognized at the point in time when minutes are utilized, consistent with the recognition pattern for pay-as-you-go plans.

BOSS Revolution Sold Through Distributors and Retailers

BOSS Revolution sold through distributors and retailers is the same service as BOSS Revolution sold direct-to-consumer. The Company sells capacity to international calling minutes to retailers, or to distributors who resell to retailers. The retailer or distributor is the Company's customer in these transactions. The Company's sales price to retailers and distributors, net of discounts, is less than the end user rate for BOSS Revolution minutes. The customer or the Company may terminate their agreement at any time upon thirty days written notice without penalty. Retailers may sell BOSS Revolution on a pay-as-you-go basis or in unlimited plans. As described above, for pay-as-you-go, the Company recognizes revenue at the point in time when minutes are utilized, and for unlimited plans, the Company recognizes revenue over a period of time as the service is rendered. Retailers and distributors also receive initial commissions upon sale to end users, and renewal commissions when certain end users subsequently purchase minutes directly from the Company. Initial and renewal commission payments are accounted for as a reduction of the transaction price over time as the end user uses the service.

IDT Global

IDT Global services are offered to both postpaid and prepaid customers. Postpaid customers are billed in arrears and typically consist of credit-worthy companies such as Tier 1 carriers and mobile network operators. Prepaid customers are typically smaller communications companies and independent call aggregators. There is no performance obligation until the transport and termination of international long-distance calls commences. The initial contract durations range from six months to one year, and generally have successive extensions. During the initial term, the contract can only be terminated in certain instances (such as bankruptcy of either party, damage to the other party's network, fraud, or breach of contract). However, no penalties are applied if the agreement is terminated in the initial term. After the initial term has expired, either party may terminate the agreement with notice of 30 days to 60 days depending on the agreement. The term of the contract is essentially minute-to-minute as there is no penalty for an early termination and no obligation to send traffic.

Each iteration is a separate optional purchase that occurs over the contract duration (that is, minute-by-minute). The performance obligation is satisfied at a point in time (as the minutes are transferred) because the provision of the service and the satisfaction of the performance obligation occur essentially simultaneously. Revenue is recognized at the point in time upon delivery of the service.

The Company has not generally entered into contracts that have retroactive pricing features. Additionally, as the performance obligations are considered minute-by-minute obligations in the original contract, any modification of the original contract that leads to a conclusion that there is a new contract would not result in any adjustment related to the original contract's consideration.

The Company provides discounts to its larger customers based on the expectation of a significant volume of minutes that are consistent with that class of customer in the wholesale carrier market. The discounts do not provide a material right to the customer because the customer receives the same pricing for all usage under the contract.

IDT Global's contracts may include tiered pricing based on minute volumes. The Company determined that its retroactive tiered pricing should be accounted for as variable consideration because the final transaction price is unknown until the customer completes or fails to complete the specified threshold. Currently, contracts with retroactive tiered pricing are not material. The Company estimates the amount of variable consideration to include in the transaction price only to the extent that it is probable that a subsequent change in the estimate would not result in a significant revenue reversal.

The Company enters into Notification of Reciprocal Transmission ("NORT") transactions, in which the Company commits to purchase a specific number of wholesale carrier minutes to specific destinations at specified rates, and the counterparty commits to purchase from the Company a specific number of minutes to specific destinations at specified rates. The number of minutes purchased and sold is not necessarily the same. The rates in these reciprocal transactions are generally not at prevailing market rates, and the amounts paid to the counterparty in excess of market rates are reflected as a reduction in revenue received from the customer. In addition, the Company enters into transactions in which it swaps minutes with another carrier. The Company recognizes revenue and the related direct cost of revenue for these reciprocal and swap transactions based on the fair value of the minutes.

IDT Global's NORT contracts include the promise of minimum guaranteed amounts of traffic. The performance obligation represents a stand ready obligation to provide the specified number of minutes over the contractual term. The initial terms of NORT contracts generally range from one month to six months. Since the Company's satisfaction of its performance obligation of routing calls to their destination includes a minimum guaranteed amount of traffic, the Company recognizes revenue over a period of time as the service is rendered. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs. The Company uses an output method as the usage of minutes occur because it reflects the pattern by which the Company satisfies its performance obligation through the transfer of service to the customer.

NRS

NRS earns revenue from (1) merchant services' commissions for the processing of credit and debit card transactions on the POS terminals, (2) a monthly recurring charge for its software license, software upgrades, and help desk support (collectively, the "Software services"), (3) fees for advertising on the POS terminals, (4) sales of the data collected by the POS terminals to data aggregators and others, and (5) the sale of POS terminals to retailers.

NRS' merchant services enable retailers to accept and process payments made by credit cards, debit cards, electronic benefits transfer, and other forms of electronic payment. Merchant services revenue includes a monthly fee plus a percentage of the transaction amount plus a flat rate per transaction. There is no separate charge for the credit card reader provided to the retailers, which remains NRS' property and must be returned upon termination of the services. Merchant services are provided as an agent of the payment processor or funding bank, therefore NRS records revenue net of the associated costs incurred. The performance obligation is satisfied, and revenue is recognized when the payment is processed.

The retailers' use of the credit card reader is a separate performance obligation that meets the definition of a lease. The lease consideration is included in the merchant services' monthly recurring charge. NRS accounts for the non-lease and lease components as a single performance obligation in accordance with Accounting Standards Codification *Revenue from Contracts with Customers (Topic 606)* ("ASC 606") because the timing and pattern of transfer of both components is the same, and the non-lease component is the predominant component.

NRS sells advertising on the POS terminal's high-definition screens through internal sales agents, third-party brokers, and real-time auctions on exchange platforms known as programmatic advertising. For advertising sold through its agents or a broker, as well as for a portion of its programmatic advertising, NRS is the principal because it is responsible for performing the service by delivering advertisements according to the customer's requirements. For the portion of its programmatic advertising where NRS does not control the ad space before it is provided to the customer, NRS acts as an agent of the advertising exchange. NRS records gross revenues based on the amount billed to the customer when it is the principal in the arrangement and records revenue net of the associated costs incurred when it acts as an agent in the arrangement. The performance obligation is satisfied, and revenue is recognized during the period of time when the advertisement is broadcast on the POS terminal.

NRS captures targeted, daily data from the POS terminals that it sells to customers. The performance obligation is the provision of a data report, generally one report per POS terminal per week, where each report is a distinct good that is not interrelated with another report. Customers purchase data reports generally for an annual fee per POS terminal. The consideration is variable because it depends on the number of POS terminals selected. The performance obligation is satisfied, and revenue is recognized at the point in time when the customer receives a data report because the customer obtains control and has the benefit of the data. The amount recognized per report is the same for each report since each report has the same standalone value to the customer.

NRS sells its POS terminals to retailers. The terminals include a cash register, a barcode scanner, retailer and customer-facing high-definition screens, a receipt printer, and a credit card reader. The arrangement with the customer includes the equipment sale including embedded POS software, as well as the Software services. Each hardware component and the Software services is a separate performance obligation because each is a distinct good or service that can be obtained from alternate providers. The transaction price is allocated to each performance obligation based on the relative standalone selling price ("SSP"). The SSP reflects the amount the Company would charge for each performance obligation if it were sold separately in a standalone sale to similar customers in similar circumstances. The SSP for POS terminals is generally estimated using the cost plus expected gross margin approach. Equipment revenue is recognized at the point in time when the customer has physical possession of the POS terminal, which is when the customer can use the POS terminal and embedded software and has the risks and rewards of ownership. Revenue from the Software services is recognized ratably over the term of the contract because satisfaction of the performance obligation and the customer's use of the service occur evenly over the term.

net2phone

net2phone earns revenue primarily through the provision of integrated cloud-based UCaaS and CCaaS offerings for businesses. The services are priced on a per-seat basis, and its subscription revenue is a monthly fee per seat. Revenue is primarily recognized over the monthly service period. Revenue from the sale of telephone equipment is recognized at a point in time when the equipment is delivered to the customer.

During fiscal year 2026, net2phone launched complementary products to their UCaaS and CCaaS offerings called AI Agent and Coach (an AI-based contact center performance optimization tool). These revenue streams are priced according to fixed bundles of interaction credits and recognized as subscription revenue on a monthly basis.

net2phone leases telephone equipment to certain customers, which is a separate performance obligation that meets the definition of a lease. The lease consideration is included in the monthly recurring charge. net2phone accounts for the non-lease and lease components as a single performance obligation in accordance with ASC 606 because the timing and pattern of transfer of both components is the same, and the non-lease component is the predominant component.

BOSS Money

Revenues from international money transfers are primarily from transaction fees charged to the customer based on the amount sent and the send and receive locations. In addition, revenues are earned on the foreign currency exchange based on the difference between purchasing currency at wholesale exchange rates and selling the currency at retail exchange rates. The Company satisfies its international money transfer performance obligations and recognizes revenue at a point in time when the designated recipient receives the funds, as the Company has a right to payment and the customer has use of the service.

Disaggregated Revenues

The following table shows the Company's revenues disaggregated by business segment and service offered to customers:

(in thousands)

Year ended July 31,	**2026**	**2025**	**2024**
NRS	$ 159,399	$ 128,793	$ 103,141
Fintech			
BOSS Money	156,670	139,828	108,332
Other	19,324	14,782	12,389
Total Fintech	175,994	154,610	120,721
net2phone	96,639	87,875	82,325
Traditional Communications			
IDT Digital Payments	429,160	416,312	407,430
BOSS Revolution	180,300	211,163	263,215
IDT Global	231,519	209,609	201,119
Other	24,949	23,133	27,827
Total Traditional Communications	865,928	860,217	899,591
TOTAL	$ 1,297,960	$ 1,231,495	$ 1,205,778

The following table shows the Company's revenues disaggregated by geographic region, which is determined based on selling location:

(in thousands) **Year ended July 31, 2026**	**NRS**	**Fintech**	**net2phone**	**Traditional Communications**	**Total**
United States	$ 159,190	$ 168,766	$ 55,201	$ 652,289	$ 1,035,446
Outside the United States:					
United Kingdom	—	—	—	159,680	159,680
Other	209	7,228	41,438	53,959	102,834
Total outside the United States	209	7,228	41,438	213,639	262,514
TOTAL	$ 159,399	$ 175,994	$ 96,639	$ 865,928	$ 1,297,960
Year ended July 31, 2025					
United States	$ 128,793	$ 149,503	$ 50,665	$ 643,245	$ 972,206
Outside the United States:					
United Kingdom	—	—	—	184,181	184,181
Other	—	5,107	37,210	32,791	75,108
Total outside the United States	—	5,107	37,210	216,972	259,289
TOTAL	$ 128,793	$ 154,610	$ 87,875	$ 860,217	$ 1,231,495
Year ended July 31, 2024					
United States	$ 103,141	$ 116,732	$ 44,617	$ 658,460	$ 922,950
Outside the United States:					
United Kingdom	—	—	—	209,493	209,493
Other	—	3,989	37,708	31,638	73,335
Total outside the United States	—	3,989	37,708	241,131	282,828
TOTAL	$ 103,141	$ 120,721	$ 82,325	$ 899,591	$ 1,205,778

Remaining Performance Obligations

The following table includes revenue by business segment expected to be recognized in the future from performance obligations that were unsatisfied or partially unsatisfied as of July 31, 2026. The table excludes contracts that had an original expected duration of one year or less.

(in thousands) **Year ending July 31,**	**NRS**	**net2phone**	**Traditional Communications**	**Fintech**	**Total**
2027	$ 10,408	$ 32,011	$ 1,620	$ 886	$ 44,925
2028	7,919	17,145	1,620	483	27,167
Thereafter	6,698	6,078	4,253	663	17,692
TOTAL	$ 25,025	$ 55,234	$ 7,493	$ 2,031	$ 89,783

Accounts Receivable and Contract Balances

The timing of revenue recognition may differ from the time of billing to the Company's customers. Trade accounts receivable in the Company's consolidated balance sheets represent unconditional rights to consideration. The Company records a contract asset when revenue is recognized in advance of its right to bill and receive consideration. The Company has not currently identified any contract assets.

Contract liabilities arise when the Company receives consideration or bills its customers prior to providing the goods or services promised in the contract. The Company's contract liability balance is primarily payments received for BOSS Revolution prepaid products and services. Contract liabilities are recognized as revenue when services are provided to the customer. The contract liability balances are presented in the Company's consolidated balance sheets as "Deferred revenue." The Company's revenue recognized in fiscal 2026, fiscal 2025, and fiscal 2024 from amounts included in the contract liability balance at the beginning of the period was $15.2 million, $17.5 million, and $22.1 million, respectively.

The Company estimates its expected breakage revenue by revenue stream recorded each month, based on inputs and assumptions about usage of the deferred revenue balances. The Company used its historical deferred revenue usage data by revenue stream to calculate the percentage of deferred revenue by month that will become breakage. The historical data indicated that customers utilized a very high percentage of minutes purchased in the first three months. The Company periodically reviews its estimates based on updated data and adjusts the monthly estimates accordingly.

Receivables and contract balances from contracts with customers for the fiscal years ended July 31, 2026 and 2025, were as follows:

(in thousands)	Accounts Receivable, net		Deferred Revenue	
	2026	2025	2026	2025
Beginning of year	$ 44,932	$ 42,215	$ 27,726	$ 30,364
End of year	$ 60,750	$ 44,932	$ 27,124	$ 27,726

Deferred Customer Contract Acquisition and Fulfillment Costs

The Company recognizes as an asset its incremental costs of obtaining a contract with a customer that it expects to recover. The Company's incremental costs of obtaining a contract with a customer are sales commissions paid to employees and third parties on sales to end users. If the amortization period were one year or less for the asset that would be recognized from deferring these costs, the Company applies the practical expedient whereby the Company charges these costs to expense when incurred. Costs to obtain a contract are capitalized and amortized on a straight-line basis over the estimated period of benefit.

The Company's costs to fulfill its contracts do not meet the criteria to be recognized as an asset, therefore these costs are charged to expense as incurred.

The Company's deferred customer contract acquisition costs were as follows:

(in thousands)

July 31,	2026	2025
Deferred customer contract acquisition costs included in "Other current assets"	$ 7,275	$ 6,547
Deferred customer contract acquisition costs included in "Other assets"	4,722	4,789
TOTAL	$ 11,997	$ 11,336

In fiscal 2026, fiscal 2025, and fiscal 2024, the Company's amortization of deferred customer contract acquisition costs was $5.5 million, $5.7 million, and $5.8 million, respectively.

Note 5—Leases

The Company's leases primarily consist of operating leases for office space. These leases have remaining terms from less than one year to approximately five years. Certain of these leases contain renewal options that may be exercised and/or options to terminate the lease prior to expiration. The Company has concluded that it is not reasonably certain that it would exercise any of these options.

The Company has also elected to apply the practical expedient for short-term leases under which it does not recognize a lease liability or a right-of-use asset for leases with a term of 12 months or less. The Company recognizes short-term leases on a straight-line basis.

Supplemental disclosures related to the Company's operating leases were as follows:

(in thousands)

Year ended July 31,	2026	2025	2024
Operating lease cost	$ 1,025	$ 2,081	$ 2,557
Short-term lease cost	2,106	1,367	924
TOTAL LEASE COST	$ 3,131	$ 3,448	$ 3,481
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	$ 1,026	$ 2,147	$ 2,588

July 31,	2026	2025
Weighted-average remaining lease term-operating leases	2.8 years	2.7 years
Weighted-average discount rate-operating leases	6.2%	5.2%

In fiscal 2026, fiscal 2025, and fiscal 2024, the Company obtained right-of-use assets of $0.5 million, $0.6 million, and $0.9 million, respectively, in exchange for new operating lease liabilities.

The Company's aggregate operating lease liability was as follows:

(in thousands)

July 31,	2026	2025
Operating lease liabilities included in "Other current liabilities"	$ 752	$ 842
Operating lease liabilities included in noncurrent liabilities	817	1,103
TOTAL	$ 1,569	$ 1,945

Future minimum maturities of operating lease liabilities were as follows:

(in thousands)

Year ending July 31,	
2027	$ 828
2028	369
2029	293
2030	166
2031	68
Thereafter	—
Total lease payments	1,724
Less imputed interest	(155)
Total operating lease liabilities	$ 1,569

Note 6—Cash, Cash Equivalents, and Restricted Cash and Cash Equivalents

The following table provides a reconciliation of cash, cash equivalents, and restricted cash and cash equivalents reported in the consolidated balance sheets that equal the total of the same amounts reported in the consolidated statements of cash flows:

(in thousands)

July 31,	2026	2025
Cash and cash equivalents	$ 220,686	$ 226,505
Restricted cash and cash equivalents	138,650	115,327
TOTAL CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AND CASH EQUIVALENTS	$ 359,336	$ 341,832

Restricted cash and cash equivalents included the following:

(in thousands)

July 31,	2026	2025
IDT Financial Services (Gibraltar)	$ 97,921	$ 104,161
IDT Services (Malta)	21,867	$ —
Disbursement Payments VIE	18,102	11,000
Other	759	166
TOTAL RESTRICTED CASH AND CASH EQUIVALENTS	$ 138,650	$ 115,327

Certain of the electronic money financial services regulations in Gibraltar require IDT Financial Services to safeguard cash held for customer deposits, segregate cash held for customer deposits from any other cash that IDT Financial Services holds, and utilize the cash only for the intended payment transaction. In addition, the Disbursement Payments VIE is contractually required to use customer funds only for the customers' pending money disbursements. IDT Services (IDTS) is subject to similar regulatory obligations under the Maltese financial services regulations, which also mandate the safeguarding of electronic money, the segregation of the cash held for customer deposits from any other cash that IDTS holds, and the use of that cash only for the intended payment transaction.

Note 7—Debt Securities

The following is a summary of available-for-sale debt securities:

(in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
July 31, 2026				
U.S. Treasury bills and notes	$ 25,950	$ 1	$ (9)	$ 25,942
Government sponsored enterprise notes	10,077	—	(17)	10,060
Corporate bonds	2,747	-	(137)	2,610
TOTAL	$ 38,774	$ 1	$ (163)	$ 38,612
July 31, 2025				
U.S. Treasury bills and notes	$ 12,953	$ —	$ (27)	$ 12,926
Government sponsored enterprise notes	5,554	—	(4)	5,550
Corporate bonds	3,367	2	(196)	3,173
TOTAL	$ 21,874	$ 2	$ (227)	$ 21,649

The gross unrealized losses in the table above are recorded in "Accumulated other comprehensive loss" in the consolidated balance sheets. As of July 31, 2026, the Company determined that the unrealized losses were due to changes in interest rates or market liquidity and were not due to credit losses. In addition, as of July 31, 2026 and 2025, the Company did not intend to sell any of the securities with unrealized losses, and it is not more likely than not that the Company will be required to sell any of these securities before recovery of the unrealized losses, which may be at maturity.

Proceeds from maturities and sales of debt securities and redemptions of equity investments were $43.3 million, $36.3 million, and $50.1 million in fiscal 2026, fiscal 2025, and fiscal 2024, respectively. Realized gains and realized losses from sales of debt securities were not material in fiscal 2026, fiscal 2025, or fiscal 2024.

The contractual maturities of the Company's available-for-sale debt securities at July 31, 2026 were as follows:

(in thousands)	Fair Value
Within one year	$ 36,727
After one year through five years	1,682
After five years through ten years	194
After ten years	9
TOTAL	$ 38,612

The following table includes the fair value of the Company's available-for-sale debt securities that were in an unrealized loss position:

(in thousands)	Unrealized Losses	Fair Value
July 31, 2026		
U.S. Treasury bills and notes	$ 9	$ 25,941
Government sponsored enterprise notes	17	10,060
Corporate bonds	137	2,610
TOTAL	$ 163	$ 38,611
July 31, 2025		
U.S. Treasury bills and notes	$ 27	$ 12,926
Government sponsored enterprise notes	4	5,550
Corporate bonds	196	2,976
TOTAL	$ 227	$ 21,452

The following available-for-sale debt securities included in the table above were in a continuous unrealized loss position for 12 months or longer:

(in thousands)	Unrealized Losses	Fair Value
July 31, 2026		
U.S. Treasury bills and notes	$ 7	$ 338
Corporate bonds	134	2,332
TOTAL	$ 141	$ 2,670
July 31, 2025		
U.S. Treasury bills and notes	$ 19	$ 329
Corporate bonds	195	2,967
TOTAL	$ 214	$ 3,296

Note 8—Equity Investments

Equity investments consist of the following:

(in thousands) **July 31,**	**2026**	**2025**
Zedge, Inc. Class B common stock, 42,282 shares at July 31, 2026 and 2025	$ 125	$ 170
Rafael Holdings, Inc. Class B common stock, 446,932 shares at July 31, 2026 and 2025	867	755
Other marketable equity securities	8,853	146
Fixed income mutual funds	2,797	4,566
Current equity investments	$ 12,642	$ 5,637
Visa Inc. Series C Convertible Participating Preferred Stock ("Visa Series C Preferred")	$ 383	$ 902
Hedge funds	4,265	3,031
Other	1,420	2,725
Noncurrent equity investments	$ 6,068	$ 6,658

Howard Jonas, the Chairman of the Company's Board of Directors, is also the Vice-Chairman of the Board of Directors of Zedge, Inc. ("Zedge") and the Chairman of the Board of Directors, Executive Chairman, Chief Executive Officer, and President of Rafael Holdings, Inc. ("Rafael").

In June 2025, pursuant to a Rafael rights offering, the Company purchased 168,122 shares of Rafael Class B common stock for an aggregate of $0.2 million.

In June 2016, upon the acquisition of Visa Europe Limited by Visa, Inc. ("Visa"), IDT Financial Services received 1,830 shares of Visa Series C Preferred among other consideration. In July 2024, in connection with Visa's mandatory release assessments, the Company received 33 shares of Visa's Series A Preferred. In August 2024, the 33 shares of Visa Series A Preferred were converted into 3,300 shares of Visa Class A common stock, which the Company sold for $0.9 million.

The changes in the carrying value of the Company's equity investments without readily determinable fair values for which the Company elected the measurement alternative was as follows:

(in thousands)

Year ended July 31,	2026	2025	2024
Balance, beginning of period	$ 1,171	$ 964	$ 1,632
Adjustment for observable transactions involving a similar investment from the same issuer	(519)	207	309
Redemption for Visa Series C Preferred mandatory release assessment	—	—	(877)
Upward adjustment	—	—	130
Purchase	695	—	—
Redemptions	—	—	(230)
Impairments	—	—	—
BALANCE, END OF PERIOD	$ 1,347	$ 1,171	$ 964

The Company adjusted the carrying value of the shares of Visa Series C Preferred it held based on the fair value of Visa Class A common stock, including a discount for lack of current marketability, which is classified as "Adjustment for observable transactions involving a similar investment from the same issuer" in the table above. The Certificate of Designation with respect to the shares of Visa Series C Preferred restricts the transferability of the shares, there is no public market for the shares, and none is expected to develop. The shares become fully convertible into shares of Visa Class A common stock in June 2028.

In January 2026, the Company acquired an equity interest in a privately-held Israeli company for initial consideration of $500,000, paid at closing. An additional $500,000 was paid in August 2026 upon the successful launch of the investee's mobile application, resulting in total consideration of $1.0 million, which was recorded as an increase to the cost basis of the investment. The investment is accounted for under the measurement alternative in accordance with ASC 321, Investments — Equity Securities, because the investment does not have a readily determinable fair value and the Company does not have control or significant influence over the investee.

Unrealized (losses) gains for all equity investments measured at fair value included the following:

(in thousands)

Year ended July 31,	2026	2025	2024
Net gains recognized during the period on equity investments	$ 3,407	$ 1,598	$ 229
Less: net (loss) gains recognized during the period on equity investments sold during the period	(130)	(2)	130
Unrealized gains recognized during the period on equity investments still held at the reporting date	$ 3,537	$ 1,600	$ 99

Unrealized (losses) gains for all equity investments measured at fair value in the table above included the following:

(in thousands)

Year ended July 31,	2026	2025	2024
Unrealized gains (losses) recognized on equity investments:			
Rafael Class B common stock	$ 112	$ 125	$ (142)
Zedge Class B common stock	$ (45)	$ 17	$ 64

Equity Method Investment

The Company has an investment in shares of convertible preferred stock of MarketSpark, Inc., a communications company ("MarketSpark"). As of July 31, 2026 and 2025, the Company's ownership was 33.4% of MarketSpark's outstanding shares on an as-converted basis. The Company accounts for this investment using the equity method because the Company can exercise significant influence over the operating and financial policies of MarketSpark but does not have a controlling interest.

The Company determined that on the dates of the acquisitions of MarketSpark's shares, there were differences between its investment in MarketSpark and its proportional interest in the equity of MarketSpark of an aggregate of $8.2 million, which represented the share of MarketSpark's customer list on the dates of the acquisitions attributed to the Company's interest in MarketSpark. These basis differences are being amortized over the 6-year estimated life of the customer list. In the accompanying consolidated statements of income, amortization of equity method basis difference is included in the equity in the net loss of investee, which is recorded in "Other expense, net" (see Note 18).

The following table summarizes the change in the balance of the Company's equity method investment. End of period balances are classified as other current liabilities in the consolidated balance sheets.

(in thousands)

Year ended July 31,	2026	2025	2024
Balance, beginning of period	$ (397)	$ 1,338	$ 2,784
Purchase of convertible preferred stock	—	926	2,017
Equity in the net loss of investee	(183)	(1,291)	(2,093)
Amortization of equity method basis difference	(1,370)	(1,370)	(1,370)
BALANCE, END OF PERIOD	$ (1,950)	$ (397)	$ 1,338

In February 2025, the Company provided a revolving credit facility to MarketSpark with an aggregate principal amount of up to $2.0 million. Borrowings under the facility bear interest at 12% per annum, payable semiannually, and are due and payable in February 2027. Between February 2025 and July 2025, the Company advanced MarketSpark $1.9 million under the facility. In June 2026, the Company advanced MarketSpark an additional $0.1 million, fully drawing the facility. In July 2026, the Company provided MarketSpark an additional $0.2 million under a new subordinated loan agreement, due and payable in January 2027. As of July 31, 2026, $2.2 million of principal was outstanding under the revolving credit facility and subordinated loan agreement.

Because the Company has committed and provided up to $2.2 million in funding to MarketSpark under the revolving credit facility and subordinated loan agreement, it continues to recognize its share of MarketSpark's losses in excess of its zero carrying value, up to that funding amount.

Note 9—Fair Value Measurements

The following table presents the balance of assets and liabilities measured at fair value on a recurring basis:

(in thousands)	Level 1	Level 2	Level 3	Total
July 31, 2026				
Debt securities	$ 25,942	$ 12,670	$ —	$ 38,612
Equity investments included in current assets	12,642	—	—	12,642
Equity investments included in noncurrent assets	—	500	383	883
TOTAL	$ 38,584	$ 13,170	$ 383	$ 52,137
Acquisition consideration included in:				
Other current liabilities	$ —	$ —	$ 323	$ 323
Other noncurrent liabilities	—	—	—	—
TOTAL	$ —	$ —	$ 323	$ 323
July 31, 2025				
Debt securities	$ 12,926	$ 8,723	$ —	$ 21,649
Equity investments included in current assets	5,637	—	—	5,637
Equity investments included in noncurrent assets	—	2,500	902	3,402
TOTAL	$ 18,563	$ 11,223	$ 902	$ 30,688
Acquisition consideration included in:				
Other current liabilities	$ —	$ —	$ —	$ —
Other noncurrent liabilities	—	—	(610)	(610)
TOTAL	$ —	$ —	$ (610)	$ (610)

At July 31, 2026 and 2025, the Company had $4.3 million and $3.0 million, respectively, in investments in hedge funds, which were included in noncurrent "Equity investments" in the accompanying consolidated balance sheets. The Company's investments in hedge funds were accounted for using the equity method and were therefore not measured at fair value.

The following tables summarize the change in the balance of the Company's assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

(in thousands) **Year ended July 31,**	**2026**	**2025**	**2024**
Balance, beginning of period	$ 902	$ 695	$ 1,263
Redemption for Visa mandatory release assessment	—	—	(877)
Total (losses) gains included in "Other expense, net"	(519)	207	309
BALANCE, END OF PERIOD	$ 383	$ 902	$ 695
Change in unrealized gains or losses for the period included in earnings for assets held at the end of the period	$ —	$ —	$ —

The following tables summarize the change in the balance of the Company's liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

(in thousands) **Year ended July 31,**	**2026**	**2025**	**2024**
Balance, beginning of period	$ 610	$ 906	$ 4,805
Payments	(287)	(296)	(2,104)
Total (gains) losses included in:			
"Other operating expense, net"	—	—	(1,838)
Interest expense included in "Interest income, net"	—	—	44
"Foreign currency translation adjustments"	—	—	(1)
BALANCE, END OF PERIOD	$ 323	$ 610	$ 906
Change in unrealized gains or losses for the period included in earnings for liabilities at the end of the period	$ —	$ —	$ —

In fiscal 2026, fiscal 2025, and fiscal 2024, the Company paid an aggregate of $0.3 million, $0.3 million, and $2.1 million, respectively, for contingent consideration related to prior acquisitions, which included 2,679 shares in fiscal 2024, of the Company's Class B common stock with an issue date value of $0.1 million. In addition, the Company recorded gains of $1.8 million in fiscal 2024, on the write-off of contingent consideration payment obligations. These write-offs of contingent consideration were included in "Other operating expense, net" in the accompanying consolidated statements of income.

Fair Value of Other Financial Instruments

The estimated fair value of the Company's other financial instruments was determined using available market information or other appropriate valuation methodologies. However, considerable judgment is required in interpreting these data to develop estimates of fair value. Consequently, the estimates are not necessarily indicative of the amounts that could be realized or would be paid in a current market exchange.

Cash and cash equivalents, restricted cash and cash equivalents, settlement assets, disbursement prefunding, other current assets, customer funds deposits, settlement liabilities, and other current liabilities. At July 31, 2026 and 2025, the carrying amount of these assets and liabilities approximated fair value because of the short period of time to maturity. The fair value estimates for cash, cash equivalents, and restricted cash and cash equivalents were classified as Level 1 and settlement assets, disbursement prefunding, other current assets, customer funds deposits, settlement liabilities, and other current liabilities were classified as Level 2 of the fair value hierarchy.

Other assets and other liabilities. At July 31, 2026 and 2025, the carrying amount of these assets and liabilities approximated fair value. The fair values were estimated based on the Company's assumptions, which were classified as Level 3 of the fair value hierarchy.

Note 10—Property, Plant, and Equipment

Property, plant, and equipment consist of the following:

(in thousands)

July 31,	**2026**	**2025**
Equipment	$ 50,509	$ 45,879
Computer software	208,391	194,339
Leasehold improvements	2,526	1,837
Furniture and fixtures	976	695
	262,402	242,750
Less accumulated depreciation and amortization	(220,538)	(203,881)
Property, plant, and equipment, net	$ 41,864	$ 38,869

The Company reduced its gross property, plant, and equipment and accumulated depreciation and amortization by $3.5 million and $6.1 million in fiscal 2026 and fiscal 2025, respectively, for property, plant, and equipment that was fully depreciated and no longer in service.

Depreciation and amortization expense of property, plant, and equipment was $20.0 million, $19.5 million, and $19.1 million in fiscal 2026, fiscal 2025, and fiscal 2024, respectively.

Note 11—Goodwill

The table below reconciles the change in the carrying amount of goodwill by operating segment:

(in thousands)	Fintech	net2phone	Traditional Communications	Total
Balance at July 31, 2023	$ 3,199	$ 9,844	$ 13,414	$ 26,457
Foreign currency translation adjustments	—	(22)	(147)	(169)
Balance at July 31, 2024	3,199	9,822	13,267	26,288
Foreign currency translation adjustments	—	77	123	200
Balance at July 31, 2025	3,199	9,899	13,390	26,488
Foreign currency translation adjustments	—	14	37	51
Balance at July 31, 2026	$ 3,199	$ 9,913	$ 13,427	$ 26,539

Note 12—Other Intangible Assets

The table below presents information on the Company's amortized intangible assets:

(in thousands)	Weighted Average Amortization Period (years)	Gross Carrying Amount	Accumulated Amortization	Net Balance
July 31, 2026				
Tradenames	6.8	$ 1,373	$ (716)	$ 657
Non-compete agreements	16.7	660	(486)	174
Customer relationships	9.8	13,082	(5,151)	7,931
TOTAL	9.6	$ 15,115	$ (6,353)	$ 8,762
July 31, 2025				
Tradenames	14.6	$ 1,391	$ (585)	$ 806
Non-compete agreements	6.0	660	(376)	284
Customer relationships	9.9	8,220	(4,254)	3,966
TOTAL	10.3	$ 10,271	$ (5,215)	$ 5,056

Amortization expense of intangible assets was $1.4 million, $1.5 million, and $1.3 million in fiscal 2026, fiscal 2025, and fiscal 2024, respectively. The Company estimates that amortization expense of intangible assets with finite lives will be $1.9 million, $1.8 million, $1.5 million, $1.3 million, and $1.3 million in fiscal 2027, fiscal 2028, fiscal 2029, fiscal 2030, and fiscal 2031, respectively.

Note 13—Variable Interest Entity

The Company is the primary beneficiary of the Disbursement Payments VIE. The Company consolidates the Disbursement Payments VIE because it has the power to direct the activities of the VIE that most significantly impact its economic performance, and has the obligation to absorb losses of, and the right to receive benefits from, the Disbursement Payments VIE that could potentially be significant to it. The Company does not currently own any interest in the Disbursement Payments VIE and thus the net income of the Disbursement Payments VIE was attributed to noncontrolling interests in the accompanying statements of income.

The Disbursement Payments VIE's net income and aggregate funding provided by the Company were as follows:

(in thousands)

Year ended July 31,	**2026**	**2025**	**2024**
Net income of the Disbursement Payments VIE	$ 1,850	$ 940	$ 513
Aggregate funding provided by the Company, net	$ 417	$ 488	$ 215

The Disbursement Payments VIE's summarized consolidated balance sheet amounts are as follows:

(in thousands)

July 31,	**2026**	**2025**
ASSETS		
Cash and cash equivalents	$ 3,623	$ 3,116
Restricted cash	18,102	11,000
Trade accounts receivable, net	942	244
Disbursement prefunding	4,977	1,400
Prepaid expenses	480	431
Other current assets	176	224
Other non-current assets	407	-
Property, plant, and equipment, net	517	204
Other intangibles, net	279	432
TOTAL ASSETS	$ 29,503	$ 17,051
LIABILITIES AND NONCONTROLLING INTERESTS		
Trade accounts payable	$ 371	$ 27
Accrued expenses	379	159
Customer funds deposits	19,920	10,701
Other long-term liabilities	331	-
Due to the Company	1,146	729
Accumulated other comprehensive income	129	58
Noncontrolling interests	7,227	5,377
TOTAL LIABILITIES AND NONCONTROLLING INTERESTS	$ 29,503	$ 17,051

The Disbursement Payments VIE's assets may only be used to settle the Disbursement Payments VIE's obligations and may not be used for other consolidated entities. The Disbursement Payments VIE's liabilities are non-recourse to the general credit of the Company's other consolidated entities.

Note 14—Other Operating Expense, Net

The following table summarizes the other operating expense, net by business segment:

(in thousands)

Year ended July 31,	2026	2025	2024
Corporate			
Straight Path Communications Inc. class action legal fees, net of reimbursements	$ 422	$ (527)	$ (7,237)
Straight Path Communications Inc. class action insurance claims	—	—	2,869
Legal fees associated with settlement of litigation	(176)	(1,575)	—
Other	117	(1,000)	12
Fintech			
Write-off of intangible assets	—	—	(74)
Write-off of contingent consideration liability	—	—	1,765
net2phone			
Write-off of equipment	(285)	(635)	—
Write-off of contingent consideration	—	—	73
Other	—	3	(17)
NRS			
Settlement of litigation	33	(2,401)	—
Write-off of capitalized internal use software	—	—	(45)
Other	(479)	—	(105)
Traditional Communications			
Write-off of equipment	—	(222)	—
Write-off of capitalized internal use software	—	—	(237)
Other	25	15	51
TOTAL	$ (343)	$ (6,342)	$ (2,945)

Straight Path Communications Inc. Class Action

As discussed in Note 23, the Company and other parties were named in a putative class action and derivative complaint related to Straight Path Communications Inc. filed in the Court of Chancery of the State of Delaware. The Court dismissed all claims against the Company, and found that, contrary to the plaintiffs' allegations, the class suffered no damages. The plaintiffs filed an appeal to which the Company answered. Oral argument was held on October 22, 2025, and on December 3, 2025, the Delaware Supreme Court affirmed the favorable decision of the Court of Chancery that dismissed all claims against the Company and found that Plaintiff and the class suffered no damages.

Settlement of Litigation

In fiscal 2026, the Company recorded an aggregate expense of $0.1 million related to the settlement of litigation, of which $0.2 million was included in Corporate, partially offset by less than $0.1 million recorded within the NRS segment in connection with the favorable resolution of a litigation matter.

In fiscal 2025, the Company recorded an aggregate expense of $4.0 million related to the settlement of litigation, of which $1.6 million was included in Corporate and $2.4 million was included in the NRS segment.

Contingent Consideration Liabilities

In fiscal 2024, the Company recognized a gain on the write-off of a contingent consideration payment obligation in the Fintech segment of $1.8 million, and a gain on the write-off of a contingent consideration payment obligation in the net2phone segment of $0.1 million.

Write-off of Equipment

In fiscal 2026, the Company reduced its net book value of equipment that was taken out of service and recorded expense of $0.3 million in the net2phone segment.

In fiscal 2025, the Company reduced its net book value of equipment that was taken out of service and recorded expense of $0.9 million, of which $0.6 million was recorded within the net2phone segment and $0.2 million within the Traditional Communications segment.

Write-off of Capitalized Internal Use Software Costs

In fiscal 2024, the Company reduced its unamortized capitalized internal use software costs for internal use software that was taken out of service and recorded expense of $0.3 million.

Note 15—Revolving Credit Facility

IDT Telecom, Inc. ("IDT Telecom"), a subsidiary of the Company, maintains a revolving credit facility with TD Bank, N.A. The commitment under the facility was initially $25.0 million. Effective August 11, 2026, the facility, which was scheduled to mature on August 16, 2026, was amended to extend the maturity date to July 15, 2029. The amendment also increased the facility to provide additional seasonal borrowing capacity, raising the commitment to $50.0 million during the months of May and December of each year (from $25.0 million during all other months). IDT Telecom may use the proceeds to finance working capital requirements. The facility is secured by substantially all of the Company's assets and bears interest at the term secured overnight financing rate plus 10 basis points, plus a margin of 125 to 175 basis points depending on IDT Telecom's leverage ratio as of the most recently completed fiscal quarter. Interest is payable monthly, and all outstanding principal and accrued and unpaid interest is due upon the maturity date of the facility. IDT Telecom pays a quarterly unused commitment fee of 10 basis points on the average daily unused balance of the commitment. At July 31, 2026 and July 31, 2025, there were no amounts outstanding under this facility. During fiscal 2026, fiscal 2025, and fiscal 2024, IDT Telecom borrowed and repaid $21.4 million, $24.6 million, and $32.9 million, respectively, under this facility. IDT Telecom is required to comply with various affirmative and negative covenants and to maintain certain financial ratio targets during the term of the facility. As of July 31, 2026 and July 31, 2025, IDT Telecom was in compliance with all such covenants.

In the first quarter of fiscal 2027 through September 29, 2026, IDT Telecom had no borrowings under the facility.

Note 16—Accrued Expenses

Accrued expenses consist of the following:

(in thousands)

July 31,	**2026**	**2025**
Carrier minutes termination	$ 13,108	$ 14,229
Regulatory fees and taxes	35,638	36,450
Compensation costs	20,247	20,350
Maintenance and support	87	65
Commissions	22,676	7,732
Legal and professional fees	2,854	6,858
Other	11,824	11,611
TOTAL	$ 106,434	$ 97,295

Note 17—Redeemable Noncontrolling Interest

On September 29, 2021, NRS sold shares of its Class B common stock representing 2.5% of its outstanding capital stock on a fully diluted basis to Alta Fox Opportunities Fund LP ("Alta Fox") for cash of $10.0 million. Alta Fox has the right to request that NRS redeem all or any portion of the NRS common shares that it purchased at the per share purchase price during a period of 182 days following the fifth anniversary of this transaction. The redemption right shall terminate upon the consummation of (i) a sale of NRS or its assets for cash or securities that are listed on a national securities exchange, (ii) a public offering of NRS' securities, or (iii) a distribution of NRS' capital stock following which NRS' common shares are listed on a national securities exchange.

The shares of NRS' Class B common stock sold to Alta Fox have been classified as mezzanine equity in the accompanying consolidated balance sheets because they may be redeemed at the option of Alta Fox, although the shares are not mandatorily redeemable. The carrying amount of the shares includes the noncontrolling interest in the net income of NRS. The net income attributable to the mezzanine equity's noncontrolling interest during the periods were as follows:

(in thousands)

Year ended July 31,	2026	2025	2024
Net income of NRS attributable to the mezzanine equity's noncontrolling interest	$ 765	$ 558	$ 429

Note 18—Other Income (Expense), Net

Other income (expense), net consists of the following:

(in thousands)

Year ended July 31,	2026	2025	2024
Foreign currency transaction gains (losses)	$ 162	$ 304	$ (3,787)
Equity in net loss of investee	(1,553)	(2,661)	(3,463)
Gains on investments	3,407	1,598	229
Other	229	46	(591)
TOTAL	$ 2,245	$ (713)	$ (7,612)

Note 19—Income Taxes

The components of income before income taxes are as follows:

(in thousands)

Year ended July 31,	2026	2025	2024
Domestic	$ 112,130	$ 96,891	$ 56,316
Foreign	17,847	8,947	5,594
INCOME BEFORE INCOME TAXES	$ 129,977	$ 105,838	$ 61,910

The significant components of the Company's deferred income tax assets are as follows:

(in thousands)

July 31,	2026	2025
Deferred income tax assets:		
Bad debt reserve	$ 1,572	$ 1,699
Accrued expenses	3,384	4,239
Stock-based compensation	2,413	301
Charitable contributions	—	781
Depreciation	1,879	591
Unrealized gains	5,781	5,867
Net operating loss	14,608	20,217
Total deferred income tax assets	29,637	33,695
Valuation allowance	(11,635)	(14,905)
NET DEFERRED INCOME TAX ASSETS	$ 18,002	$ 18,790

The components of the (provision for) benefit from income taxes consist of the following:

(in thousands)

Year ended July 31,	2026	2025	2024
Current:			
Federal	$ (26,416)	$ (1,272)	$ (38)
State and local	(6,161)	(4,598)	(2,716)
Foreign	(1,552)	(2,611)	(724)
	(34,129)	(8,481)	(3,478)
Deferred:			
Federal	(2,684)	(19,493)	9,725
State and local	208	511	(261)
Foreign	1,722	2,764	368
	(754)	(16,218)	9,832
(PROVISION FOR) BENEFIT FROM INCOME TAXES	$ (34,883)	$ (24,699)	$ 6,354

A reconciliation of the provision for income taxes to the amount computed by applying the U.S. federal statutory income tax rate of 21% to income before income taxes following the adoption of ASU 2023-09, is as follows:

(in thousands)

Year ended July 31, 2026	Amount	Percent
U.S. federal income tax at statutory rate	$ (27,295)	(21.0)%
State and local income tax, net of federal income tax benefit	(4,683)	(3.6)
Valuation allowance	(176)	(0.1)
Foreign tax effects		
Netherlands		
Statutory tax rate difference between the Netherlands and United States	854	0.7
Nondeductible impairment charge	(4,542)	(3.5)
Other	(46)	(0.0)
Peru		
Statutory tax rate difference between Peru and United States	(410)	(0.3)
Cancellation of debt exclusion	1,423	1.1
Ireland		
Statutory tax rate difference between Ireland and United States	985	0.8
Cancellation of debt exclusion	1,449	1.1
United Kingdom		
Statutory tax rate difference between United Kingdom and United States	(265)	(0.2)
Tax credits	209	0.2
Other foreign jurisdictions	(1,538)	(1.2)
Effect of cross-border laws		
Global intangible low-taxed income, net of foreign tax credit	(1,176)	(0.9)
Other	328	0.3
PROVISION FOR INCOME TAXES	$ (34,883)	(26.8)%

A reconciliation of the provision for income taxes to the amount computed by applying U.S. federal statutory income tax rate of 21% to income before income taxes for the years presented prior to the adoption of ASU 2023-09, is as follows:

(in thousands) **Year ended July 31,**	**2025**	**2024**
U.S. federal income tax at statutory rate	$ (22,226)	$ (13,001)
Valuation allowance	1,303	2,984
Foreign tax rate differential	(1,544)	(1,636)
Nondeductible expenses	(903)	(1,159)
Revaluation of existing foreign attributes	2,027	(2,886)
Prior year benefit	—	23,622
State and local income tax, net of federal benefit	(3,228)	(1,855)
Other	(128)	285
(PROVISION FOR) BENEFIT FROM INCOME TAXES	$ (24,699)	$ 6,354

The Company's cash payments for income taxes were as follows:

(in thousands) **Year ended July 31,**	**2026**
Federal	$ 21,750
State and local	
Wisconsin	16
Tennessee	13
Other	8
Foreign	
Spain	12
South America	397
INCOME TAXES, NET OF AMOUNTS REFUNDED	$ 22,196

The Company’s cumulative undistributed foreign earnings are included in retained earnings in the Company’s consolidated balance sheets and consisted of approximately $281 million at July 31, 2026. The Company has concluded that these earnings are permanently reinvested outside of the United States.

At July 31, 2026, the Company had no U.S. federal net operating loss carryforwards. The Company has foreign net operating loss carryforwards of approximately $64 million, of which approximately $55 million does not expire, and approximately $9 million expires in two to ten years. These foreign loss carryforwards are available to offset future taxable income in the countries in which the losses were incurred.

In fiscal 2024, the Company completed a study under Section 382 of the Internal Revenue Code in connection with its March 2006 reacquisition of Net2Phone, Inc. As a result of the study, the Company recorded a tax benefit related to the adjusted amount of $23.6 million in fiscal 2024. As of July 31, 2025, all of the acquired NOLs have been utilized.

The change in the valuation allowance is as follows:

(in thousands) Year ended July 31,	Balance at Beginning of Year	Additions Charged to Costs and Expenses	Deductions	Balance at End of Year
2026				
Reserves deducted from deferred income taxes, net:				
Valuation allowance	$ 14,905	$ —	$ (3,270)	$ 11,635
2025				
Reserves deducted from deferred income taxes, net:				
Valuation allowance	$ 13,602	$ 4,655	$ (3,352)	$ 14,905
2024				
Reserves deducted from deferred income taxes, net:				
Valuation allowance	$ 10,618	$ 2,984	$ —	$ 13,602

In fiscal 2026, the Company decreased the valuation allowance by $3.3 million due to profitability in the United Kingdom as well as restructuring of foreign operations.

In fiscal 2025, the Company decreased the valuation allowance by $3.4 million due to profitability in the United Kingdom, offset by $4.7 million of additions in other jurisdictions, due to losses in countries that it couldn't utilize.

In fiscal 2024, the Company increased the valuation allowance by $3.0 million, which included the establishment of a valuation allowance of $3.5 million for deferred income tax assets that were not more likely than not going to be utilized prior to expiration, net of a decrease of $0.2 million due to the utilization or disposal of previously valued deferred income tax assets and a release of $0.3 million for profitability in the United Kingdom.

At July 31, 2026 and 2025, the Company had no unrecognized income tax benefits. There were no changes in unrecognized income tax benefits in fiscal 2026, fiscal 2025, and fiscal 2024. At July 31, 2026, the Company did not expect any changes in unrecognized income tax benefits during the next twelve months. The Company did not record any interest and penalties related to income taxes during fiscal 2026, fiscal 2025, and fiscal 2024. At July 31, 2026 and 2025, there was no accrued interest included in current income taxes payable.

The Company is subject to examination by the relevant taxing authorities for the following periods: U.S. federal income tax returns for fiscal 2023 through fiscal 2026, state and local income tax returns generally for fiscal 2022 through fiscal 2026, and foreign income tax returns generally for fiscal 2022 through fiscal 2026.

On July 4, 2025, the One Big Beautiful Bill Act (the “OBBBA”) was signed into law. The OBBBA includes several changes to the U.S. tax code, including the restoration of 100% bonus depreciation, the immediate expensing of certain domestic research and development costs, revisions to the interest expense limitation rules, and modifications to certain international tax provisions governing GILTI and FDII. The Company evaluated the effects of the OBBBA and determined that the impact on its consolidated financial statements was not material for the fiscal years ended July 31, 2026 and 2025.

Note 20—Equity

Class A Common Stock and Class B Common Stock

The rights of holders of Class A common stock and Class B common stock are identical except for certain voting and conversion rights and restrictions on transferability. The holders of Class A common stock and Class B common stock receive identical dividends per share when and if declared by the Company's Board of Directors. In addition, the holders of Class A common stock and Class B common stock have identical and equal priority rights per share in liquidation. The Class A common stock and Class B common stock do not have any other contractual participation rights. The holders of Class A common stock are entitled to three votes per share and the holders of Class B common stock are entitled to one-tenth of a vote per share. Each share of Class A common stock may be converted into one share of Class B common stock, at any time, at the option of the holder. Shares of Class A common stock are subject to certain limitations on transferability that do not apply to shares of Class B common stock.

Dividend Payments

In March 2024, the Company's Board of Directors initiated a quarterly cash dividend of $0.05 per share on the Company's Class A and Class B common stock. In March 2025, the Company's Board of Directors increased the quarterly cash dividend on the Company's Class A and Class B common stock to $0.06 per share from $0.05 per share. In May 2026, the Company's Board of Directors increased the quarterly cash dividend on the Company's Class A and Class B common stock to $0.07 per share from $0.06 per share. In fiscal 2026 and fiscal 2025, the Company paid aggregate cash dividends per share of $0.26 and $0.22, respectively, on its Class A and Class B common stock. In fiscal 2026 and fiscal 2025, the Company paid aggregate cash dividends of $6.5 million and $5.6 million, respectively.

On September 22, 2026, the Company's Board of Directors declared a cash dividend on the Company's Class A and Class B common stock of $0.07 per share payable on or about October 14, 2026 to stockholders of record as of the close of business on October 5, 2026.

Stock Repurchases

The Company has an existing stock repurchase program authorized by its Board of Directors for the repurchase of shares of the Company's Class B common stock. In January 2016, the Board of Directors authorized the repurchase of up to 8.0 million shares in the aggregate. In fiscal 2026, the Company repurchased 421,938 shares of its Class B common stock for an aggregate purchase price of $21.0 million. In fiscal 2025, the Company repurchased 221,823 shares of its Class B common stock for an aggregate purchase price of $10.1 million. In fiscal 2024, the Company repurchased 298,421 shares of its Class B common stock for an aggregate purchase price of $9.1 million. At July 31, 2026, 3.8 million shares remained available for repurchase under the stock repurchase program.

Shares Withheld for Employee Taxes

In fiscal 2026, fiscal 2025, and fiscal 2024, the Company paid $0.5 million, $7.7 million, and $1.5 million, respectively, to repurchase 10,852, 157,180, and 41,994 shares, respectively, of the Company's Class B common stock tendered by employees to satisfy tax withholding obligations arising from the vesting of deferred stock units ("DSUs"), the lapsing of restrictions on restricted stock, and the issuance of shares for bonus payments. Such shares were repurchased by the Company based on their fair market value as of the close of business on the trading day immediately prior to the vesting date.

Distributions

The Company distributed cash of $2.7 million, $0.1 million, and $0.1 million in fiscal 2026, fiscal 2025, and fiscal 2024 respectively, to the noncontrolling interests in certain of its subsidiaries.

Exchange of NRS Equity for Shares of the Company's Class B Common Stock and Cash

In June 2024, the Company initiated a tender offer to purchase 10% of each qualified holder's outstanding DSUs that are to be settled in shares of NRS common stock ("NRS DSUs") in exchange for cash or shares (depending on the number of NRS DSUs held by each holder) of the Company's Class B common stock. In July 2024, certain qualified holders tendered and sold an aggregate of 199,687 NRS DSUs to the Company, and, as a condition of the tender offer, each NRS DSU seller granted to the Company an option, exercisable in the Company's sole discretion for a period of one year, to purchase an additional aggregate 199,687 NRS DSUs at the same purchase price. In addition, in July 2024, certain holders of NRS DSUs and shares of NRS' Class B common stock sold an aggregate of 10,000 NRS DSUs and 142,500 shares of NRS' Class B common stock to the Company, and, each of these sellers granted to the Company an option, exercisable in the Company's sole discretion for a period of one year, to purchase an additional aggregate 10,000 NRS DSUs and 142,500 shares of NRS' Class B common stock with the purchase price to be paid in shares of the Company's Class B common stock with a value based on an average closing price of the Company's Class B common stock at the time of the exercise notice. The NRS DSUs and shares in the exchange represented an aggregate of 0.2% of NRS' outstanding capital stock on a fully diluted basis. The NRS DSUs and shares were exchanged for an aggregate of 13,042 and 12,094 shares of the Company's Class B common stock that were issued in July 2024 and August 2024, respectively, and cash of $0.1 million, with an aggregate value of $1.0 million based on agreed-upon valuations of the NRS DSUs and NRS Class B common stock and the market value of the Company's Class B common stock at the time of issuance.

In April 2025, the Company exercised its rights and purchased an aggregate of 209,317 additional NRS DSUs and 142,500 additional shares of NRS' Class B common stock. The NRS DSUs and shares represented an aggregate of 0.2% of NRS' outstanding capital stock on a fully diluted basis. The NRS DSUs and shares were exchanged for an aggregate of 17,584 shares of the Company's Class B common stock that were issued in April 2025, and cash of $0.1 million, with an aggregate value of $1.0 million based on agreed-upon valuations of the NRS DSUs and NRS Class B common stock and the average price of the Company's Class B common stock during the 10 days immediately before the notice of the additional exercise.

The Company accounted for the exchange of NRS' Class B common stock for shares of the Company's Class B common stock as an equity transaction and recorded a decrease in "Noncontrolling interests" and an increase in "Additional paid-in capital" of $33,000 in fiscal 2025 and $13,000 in fiscal 2024, based on the carrying amount of the 0.1% and 0.09% noncontrolling interest in NRS in fiscal 2025 and fiscal 2024, respectively. The Company accounted for the exchange of NRS' DSUs for shares of the Company's Class B common stock and cash as compensation expense and recorded stock-based compensation expense of $0.5 million in both fiscal 2025 and fiscal 2024, based on the closing price of the shares of the Company's Class B common stock on the date prior to the date that the shares were issued plus the cash paid.

In January 2024, three management employees of NRS exchanged shares of NRS' Class B common stock that they held for shares of the Company's Class B common stock with an equal value. The NRS shares in the exchange represented an aggregate of 1.25% of NRS' outstanding shares (1.21% on a fully diluted basis), which were exchanged for an aggregate of 192,433 shares of the Company's Class B common stock. The Company accounted for the exchange as an equity transaction and recorded a decrease in "Noncontrolling interests" and an increase in "Additional paid-in capital" of $0.1 million, based on the carrying amount of the 1.25% noncontrolling interest in NRS.

Note 21—Stock-Based Compensation

2024 Equity Incentive Plan

The 2024 Equity Incentive Plan is intended to provide incentives to officers, employees, directors, and consultants of the Company, including stock options, stock appreciation rights, DSUs, and restricted stock. At July 31, 2026, the Company had 425,000 shares of Class B common stock reserved for the grant of awards under the 2024 Equity Incentive Plan, and 162,920 shares were available for future grants. On September 22, 2026, the Company's Board of Directors approved an amendment to the plan to increase the number of shares of the Company's Class B common stock available for future grant by 75,000 shares, subject to approval by the Company's stockholders at the Annual Meeting of Stockholders scheduled for December 10, 2026.

Stock Options

Option awards are generally granted with an exercise price equal to the market price of the Company's stock on the date of grant. Option awards generally vest on a graded basis over three years of service and have ten-year contractual terms. No option awards were granted in fiscal 2026 or fiscal 2024. The fair value of stock options granted in fiscal 2025 was estimated on the date of the grant using a Black-Scholes valuation model and the assumptions in the following table. Expected volatility is based on historical volatility of the Company's Class B common stock and other factors. Expected dividends are based on the Company's dividend policy at the time of grant. The Company uses historical data on exercise of stock options, post vesting forfeitures and other factors to estimate the expected term of the stock options. The risk free rate is based on the U.S. Treasury yield curve in effect at the time of grant.

Year ended July 31, 2025	
ASSUMPTIONS	
Average risk-free interest rate	3.49%
Expected dividend yield	0.5%
Expected volatility	53.2%
Expected term (years)	4.0
Weighted-average grant date fair value	$ 16.58

A summary of stock option activity for the Company is as follows:

	Number of Options (in thousands)	**Weighted-Average Exercise Price**	**Weighted-Average Remaining Contractual Term (in years)**	**Aggregate Intrinsic Value** (in thousands)
Outstanding at July 31, 2025	36	$ 38.43	4.2	$ 741
Granted	—	—	—	—
Exercised	(5)	38.43	—	—
Cancelled / Forfeited	—	—	—	—
OUTSTANDING AT JULY 31, 2026	31	$ 38.43	3.2	$ 850
EXERCISABLE AT JULY 31, 2026	7	$ 38.43	3.2	$ 188

In fiscal 2026, fiscal 2025, and fiscal 2024, the Company received cash from the exercise of stock options of $0.2 million, nil, and $0.2 million, respectively, for which the Company issued 5,204 shares, nil, and 12,500 shares, respectively, of its Class B common stock.

The total intrinsic value of options exercised during fiscal 2026, fiscal 2025, and fiscal 2024 was $0.1 million, nil, and $0.1 million, respectively. At July 31, 2026, there was $0.2 million of total unrecognized compensation cost related to non-vested stock options, which is expected to be recognized over a weighted-average period of 0.7 years.

Restricted Stock

The fair value of restricted shares of the Company's Class B common stock is determined based on the closing price of the Company's Class B common stock on the grant date. Share awards generally vest on a graded basis over three years of service.

A summary of the status of the Company's grants of restricted shares of Class B common stock is presented below:

	Number of Non-vested Shares (in thousands)	**Weighted-Average Grant-Date Fair Value**
Non-vested restricted shares at July 31, 2025	7	$ 25.54
Granted	11	54.02
Vested	(7)	42.42
Forfeited	(2)	66.74
NON-VESTED RESTRICTED SHARES AT JULY 31, 2026	9	$ 52.08

At July 31, 2026, there was $0.3 million of total unrecognized compensation cost related to non-vested restricted shares, which is expected to be recognized over a weighted-average period of 0.7 years. The total grant date fair value of shares vested in fiscal 2026, fiscal 2025, and fiscal 2024 was $0.3 million, $0.7 million, and $0.7 million, respectively.

2022 Equity Growth Program

On November 30, 2022, the Company adopted the IDT 2022 Equity Growth Program in the form of grants of DSUs that, upon vesting, entitled the grantees to receive shares of the Company's Class B common stock. The number of shares issuable on each vesting date varied between 50% to 200% of the number of DSUs vesting on that date, depending on the market price for the underlying Class B common stock on the vesting date relative to the base price of $25.45 per share approved by the Compensation Committee of the Company's Board of Directors, based on the market price of the Class B common stock at the time of the grants. In fiscal 2025 and fiscal 2024, in accordance with the program and based on elections made by grantees, the Company issued 276,960 and 55,039 shares, respectively, of its Class B common stock for vested DSUs. No shares were issued under this program in fiscal 2026. The Company estimated that the fair value of the DSUs on the date of grants was $5.4 million which was recognized on a graded vesting basis over the requisite service periods. The Company used a risk-neutral Monte Carlo simulation method to value the DSUs, simulating the range of possible future values of the Company's Class B common stock over the life of the DSUs. With the final vesting in February 2025, the 2022 Equity Growth Program has been completed, and no DSUs remain outstanding thereunder.

2025 Equity Growth Program

On September 18, 2025, the Company adopted the IDT 2025 Equity Growth Program under its 2024 Equity Incentive Plan, pursuant to which it granted 109,975 DSUs to certain executive officers, employees, and consultants. Upon vesting, the DSUs entitle grantees to receive shares of the Company's Class B common stock. The DSUs vest in three substantially equal installments on February 17, 2026, February 16, 2027, and February 15, 2028, subject to continued service. The number of shares issuable on each vesting date varies based on the market price of the Class B common stock on the vesting date relative to the grant price of $50.90 per share, ranging from 50% to 267% of the DSUs vesting on that date, and up to 400% for certain executive officers. Grantees may elect to defer vesting of some or all of their DSUs to the next scheduled vesting date.

In February 2026, the first vesting date under the program, the Company issued 26,681 shares of its Class B common stock in respect of DSUs that vested on February 17, 2026, based on elections made by grantees. To satisfy statutory tax withholding obligations, the Company withheld 10,852 shares and remitted the equivalent cash to the applicable tax authorities, recording the withheld shares as treasury stock. The Company estimated the aggregate grant-date fair value of the DSUs at $13.3 million, which is being recognized on a graded vesting basis over the requisite service periods ending in February 2028. The Company used a risk-neutral Monte Carlo simulation method to value the DSUs, simulating the range of possible future values of the Class B common stock over the life of the DSU.

A summary of the status of the Company's grants of DSUs is presented below:

	Number of Non-vested DSUs (in thousands)	**Weighted-Average Grant-Date Fair Value**
Non-vested DSUs at July 31, 2025	18	$ 43.64
Granted	186	80.83
Vested	(27)	58.80
Forfeited	(1)	62.23
NON-VESTED DSUs AT JULY 31, 2026	176	$ 80.40

At July 31, 2026, there was $5.9 million of total unrecognized compensation cost related to non-vested DSUs, which is expected to be recognized over a weighted-average period of 0.7 years. The total grant date fair value of DSUs vested in fiscal 2026, fiscal 2025, and fiscal 2024 was $1.6 million, $4.3 million, and $1.1 million, respectively.

Amended and Restated Employment Agreement with Abilio ("Bill") Pereira

On December 21, 2023, the Company entered into an Amended and Restated Employment Agreement with Bill Pereira, the Company's President and Chief Operating Officer. The agreement provides for, among other things, certain equity grants, including 23,500 DSUs that, upon the scheduled vesting, represent the right to receive shares of the Company's Class B common stock, and 50,000 shares of Class B common stock of net2phone 2.0, as well as a contingent bonus subject to the completion of certain financial milestones as set forth in the agreement. In fiscal 2024, two of these milestones were achieved, for which the Company issued to Mr. Pereira 39,155 shares of its Class B common stock in fiscal 2024 with an issue date value of $1.5 million, and 39,155 shares of its Class B common stock in fiscal 2025 with an issue date value of $1.8 million. In addition, in fiscal 2025, the Company accrued $1.0 million in connection with the achievement of an additional milestone. In fiscal 2024, the Company accrued aggregate stock-based compensation expense of $4.1 million related to these equity grants and the contingent bonus, which is included in "Selling, general and administrative expense" in the accompanying consolidated statements of income.

NRS Restricted Common Stock

Effective as of June 30, 2022, restricted shares of NRS' Class B common stock representing 1.2% of its outstanding capital stock on a fully diluted basis were granted to certain NRS employees. The restrictions on the shares lapse in three installments, the first was in June 2024, and the others were scheduled to vest in June 2026, and June 2027 (see "Exchange of NRS Restricted Common Stock for IDT DSUs" below). The estimated fair value of the restricted shares on the grant date was $3.3 million, which is recognized over the vesting period.

In connection with the vesting of the restricted shares of NRS Class B common stock on June 1, 2024, the Company repurchased a portion of the shares representing an aggregate of 0.17% of the outstanding shares of NRS with an aggregate fair value of $0.6 million to satisfy the grantees' tax withholding obligations in connection with the lapsing of restrictions on restricted stock. The fair value per share of the NRS Class B common stock was based on a valuation of the total equity of NRS using a market approach and income approach. The Company recorded a decrease in "Noncontrolling interests" of $21,000 and a decrease in "Additional paid-in capital" of $0.6 million, and an offsetting income tax withholding liability of $0.6 million.

Exchange of NRS Restricted Common Stock for IDT DSUs

On January 21, 2026, the Company exchanged unvested shares of NRS Restricted Common Stock, representing approximately 0.71% of NRS on a fully diluted basis and 0.73% on an outstanding basis, held by certain employees for an aggregate of 72,182 DSUs of the Company. The DSUs are subject to the same terms and conditions as DSUs previously issued under the Company's 2025 Equity Growth Program and vest in three substantially equal tranches, the first of which was in February 2026, and the others of which are in February 2027, and February 2028.

The transaction was accounted for as a modification under ASC 718, *Compensation — Stock Compensation*. The fair value of the DSUs granted was estimated at approximately $4.2 million, resulting in incremental compensation cost of approximately $0.6 million.

net2phone 2.0, Inc. Restricted Common Stock

On December 31, 2020, the Company finalized compensatory arrangements with Howard Jonas, the Company's Chairman of the Board of Directors and Shmuel Jonas, the Company's Chief Executive Officer, pursuant to which each received 500,000 restricted shares of net2phone 2.0's Class B common stock, representing an aggregate of 10% of net2phone 2.0's issued and outstanding common stock at the time of the grant. The shares entitle each grantee to proceeds only on a sale, spin-off, initial public offering, or other monetization of net2phone 2.0, and include anti-dilution protection with respect to the first $15 million invested in net2phone 2.0 following the grant. In January 2024, the restrictions on these shares lapsed. Concurrently, Bill Pereira was granted 50,000 shares of net2phone 2.0 Class B common stock pursuant to his employment agreement described above. In connection with the lapsing of restrictions and the share grant, the Company repurchased an aggregate of 4.5% of net2phone 2.0's outstanding shares, with an aggregate fair value of $3.6 million to satisfy the grantees' tax withholding obligations. The fair value per share was determined based on a valuation of net2phone 2.0 using both a market approach and an income approach. As a result, in January 2024, the Company recorded an increase in "Noncontrolling interests" of $53,000, a decrease in "Additional paid-in capital" of $3.6 million, and a corresponding income tax withholding liability of $3.6 million.

Note 22—Accumulated Other Comprehensive Loss

The accumulated balances for each classification of other comprehensive loss were as follows:

(in thousands)	Unrealized Loss on Available-for-Sale Securities	Foreign Currency Translation	Accumulated Other Comprehensive Loss
Balance at July 31, 2023	$ (645)	$ (16,547)	$ (17,192)
Other comprehensive income (loss) attributable to IDT Corporation	265	(1,215)	(950)
Balance at July 31, 2024	(380)	(17,762)	(18,142)
Other comprehensive income attributable to IDT Corporation	155	1,418	1,573
Balance at July 31, 2025	(225)	(16,344)	(16,569)
Other comprehensive income attributable to IDT Corporation	63	2,409	2,472
BALANCE AT JULY 31, 2026	$ (162)	$ (13,935)	$ (14,097)

Note 23—Commitments and Contingencies

Legal Proceedings

On July 5, 2017, plaintiff JDS1, LLC, on behalf of itself and all other similarly situated stockholders of Straight Path, and derivatively on behalf of Straight Path as nominal defendant, filed a putative class action and derivative complaint in the Court of Chancery of the State of Delaware (the "Court of Chancery") against the Company, The Patrick Henry Trust (a trust formed by Howard S. Jonas that held record and beneficial ownership of certain shares of Straight Path he formerly held), Howard S. Jonas, and each of Straight Path's directors. The complaint alleged that the Company aided and abetted Straight Path Chairman of the Board and Chief Executive Officer Davidi Jonas, and Howard S. Jonas in his capacity as controlling stockholder of Straight Path, in breaching their fiduciary duties to Straight Path in connection with the settlement of claims between Straight Path and the Company related to potential indemnification claims concerning Straight Path's obligations under the Consent Decree it entered into with the Federal Communications Commission ("FCC"), as well as the sale of Straight Path's subsidiary Straight Path IP Group, Inc. to the Company in connection with that settlement. The Plaintiffs sought, among other things, (i) a declaration that the action may be maintained as a class action or in the alternative, that demand on the Straight Path Board is excused; (ii) that the term sheet is invalid; (iii) awarding damages for the unfair price stockholders received in the merger between Straight Path and Verizon Communications Inc. for their shares of Straight Path's Class B common stock; and (iv) ordering Howard S. Jonas, Davidi Jonas, and the Company to disgorge any profits for the benefit of the class Plaintiffs. The trial was held in August and December 2022. On October 3, 2023, the Court of Chancery issued a Memorandum Decision (the "Post-Trial Decision") dismissing all claims against the Company, and finding that, contrary to the plaintiffs' allegations, the class suffered no damages. The Court of Chancery denied plaintiff's request for attorney's fees (the "Attorney's Fee Decision"). On December 16, 2024, the Court of Chancery issued a Final Order and Judgment, embodying the Post-Trial Decision and Attorney's Fee Decision. On January 14, 2025, the plaintiff filed a notice of appeal of the Final Order and Judgment to the Supreme Court of the State of Delaware. On April 22, 2025, the Company filed its answering brief to the appeal. Oral argument was held on October 22, 2025, and on December 3, 2025, the Delaware Supreme Court affirmed the favorable decision of the Court of Chancery that dismissed all claims against the Company and found that Plaintiff and the class suffered no damages.

In addition to the foregoing, the Company is subject to other legal proceedings that have arisen in the ordinary course of business and have not been finally adjudicated. Although there can be no assurance in this regard, the Company believes that none of the other legal proceedings to which the Company is a party will have a material adverse effect on the Company's results of operations, cash flows, or financial condition.

Sales Tax Contingency

On June 21, 2018, the United States Supreme Court rendered a decision in South Dakota v. Wayfair, Inc., holding that a state may require a remote seller with no physical presence in the state to collect and remit sales tax on goods and services provided to purchasers in the state, overturning certain existing court precedent. It is possible that one or more jurisdictions may assert that the Company has liability for periods for which it has not collected sales, use or other similar taxes, and if such an assertion or assertions were successful it could materially and adversely affect the Company's business, financial position, and operating results. One or more jurisdictions may change their laws or policies to apply their sales, use or other similar taxes to the Company's operations, and if such changes were made it could materially and adversely affect the Company's business, financial position, and operating results.

Purchase Commitments

At July 31, 2026, the Company had purchase commitments of $10.4 million primarily for equipment and services.

Performance Bonds

The Company has performance bonds issued through third parties for the benefit of various states in order to comply with the states' financial requirements for money remittance licenses and telecommunications resellers. At July 31, 2026 and 2025, the Company had aggregate performance bonds outstanding of $25.6 million and $33.8 million, respectively.

Note 24—Related Party Transactions

Rafael Holdings, Inc.

In connection with the spin-off of Rafael Holdings, Inc. ("Rafael") in March 2018, the Company and Rafael entered into a transition services agreement, which provides for certain services to be provided by the Company and Rafael. This constitutes a related person transaction because Howard Jonas is the chairman of the Company's Board of Directors and executive chairman of Rafael. The Company charged Rafael $0.3 million, $0.3 million, and $0.3 million in each of fiscal 2026, fiscal 2025, and fiscal 2024, respectively, for services provided, net of the amounts charged by Rafael to the Company. At both July 31, 2026 and 2025, other current assets reported in the Company's consolidated balance sheets included net receivables from Rafael of nil.

Genie Energy Ltd.

In connection with the spin-off of Genie Energy Ltd. ("Genie") in October 2011, the Company and Genie entered into a transition services agreement, which provides for certain services to be performed by the Company and Genie. This constitutes a related person transaction because Howard Jonas is a chairman of Genie. The Company charged Genie $0.1 million, $0.9 million, and $0.9 million in fiscal 2026, fiscal 2025, and fiscal 2024, respectively, for services provided and other items, net of the amounts charged by Genie to the Company. At both July 31, 2026 and 2025, other current assets reported in the Company's consolidated balance sheets included receivables from Genie of $0.2 million.

Zedge, Inc.

In connection with the spin-off of Zedge, Inc. ("Zedge") in June 2016, the Company and Zedge entered into a transition services agreement, which provides for certain services to be performed by the Company and Zedge. This constitutes a related person transaction because Howard Jonas is a director and vice chairman of Zedge and his son, Michael Jonas, is the chairman of the board of directors, executive chairman, and the controlling stockholder of Zedge. Pursuant to the agreement, the Company provides legal services to Zedge. Zedge paid the Company a total of $131,000 and $126,000 for legal services provided by the Company during fiscal 2026 and fiscal 2025, respectively. In addition, the Company paid Zedge $89,000 and $86,000 for consulting services provided to the Company by a Zedge employee in fiscal 2026 and fiscal 2025, respectively. As of July 31, 2026 and 2025, Zedge owed the Company $9,000 and $1,000, respectively.

In fiscal 2024, NRS and Zedge entered into a marketing relationship. During fiscal 2026 and fiscal 2025, Zedge received $24,000 and $0.2 million from this agreement. In fiscal 2024, there were no monetary transactions between the parties.

CTM Media Group

In fiscal 2024, NRS and CTM Media Group ("CTM") entered into a marketing relationship. This constitutes a related person transaction because Howard Jonas is the owner of CTM. NRS billed CTM a total of nil and $0.5 million pursuant to the marketing relationship during fiscal 2026 and fiscal 2025, respectively. As of July 31, 2026 and 2025, CTM owed NRS $0.6 million and $0.5 million, respectively, for such services. In fiscal 2024, there were no monetary transactions between the parties.

Other Related Party Transactions

The Company provides office space, certain connectivity and other services to Jonas Media Group, a publishing firm owned by Howard Jonas. Billings for such services were nil, $1,180, and $1,300 in fiscal 2026, fiscal 2025, and fiscal 2024, respectively. The balance owed to the Company by Jonas Media Group was $6,461 and $6,461 as of July 31, 2026 and 2025, respectively.

Mason and Company Consulting, LLC ("Mason and Co."), a company owned solely by Jonathan Mason, receives annual commissions and fees for the insurance brokerage referral and placement of certain of the Company's insurance policies. Jonathan Mason is the husband of Joyce Mason, the Company's General Counsel, and brother-in-law of Howard Jonas. Based on information the Company received from Jonathan Mason, the Company believes that Mason and Co. received commissions and fees from payments made by the Company in the aggregate amount of $54,000 in fiscal 2026, $54,000 in fiscal 2025, and $57,000 in fiscal 2024. Neither Howard Jonas nor Joyce Mason has any ownership or other interest in Mason and Co., or the commissions paid to Mason and Co., other than via the familial relationships with Jonathan Mason. On April 28, 2025, the Company exercised its option pursuant to an Exchange and Option Agreement with Alexander Mason, son of Joyce Mason, pursuant to which the Company exchanged 127,500 shares of NRS, a subsidiary of the Company, for 7,685 shares of Class B Common Stock of IDT Corporation (valued at $395,250).

IDT DT leases space in a building in the Bronx, New York that is owned by a limited liability company that is jointly owned by Howard Jonas and Shmuel Jonas. The annual rent is $18,600.

The Company had loans receivable from employees aggregating $0.5 million and $0.4 million at July 31, 2026 and 2025, respectively, which are included in "Other current assets" in the accompanying consolidated balance sheets.

Note 25—Defined Contribution Plans

The Company maintains a 401(k) Plan available to all U.S.-based employees meeting certain eligibility criteria. The plan permits participants to contribute up to the maximum amount allowed by law. The plan provides for discretionary matching contributions that vest over the first five years of employment. In fiscal 2026, fiscal 2025, and fiscal 2024, the Company's expense related to the plan was $1.0 million, $1.0 million, and $1.0 million, respectively.

Exhibit 21.01

In accordance with SEC rules, the following is a list of IDT Corporation's (IDT) subsidiaries as of July 31, 2026, other than those subsidiaries, considered in the aggregate as a single subsidiary, that would not constitute a "significant subsidiary" as of July 31, 2026.
This list of subsidiaries will change from year-to-year as a result of changes in IDT and its subsidiaries' results of operations and financial condition, legal entity consolidations and any sales and other dispositions of IDT's subsidiaries. Accordingly, this list is not representative of the total number of subsidiaries that IDT may have at any given time.

Domestic Subsidiaries

IDT America, Corp. (NJ)
IDT Domestic Telecom, Inc. (DE)
IDT Domestic-Union, LLC (DE)
IDT Financial Services, LLC (DE)
IDT International Telecom, Inc. (DE)
IDT Payment Services of New York, LLC (DE)
IDT Payment Services, Inc*. (DE)
IDT Telecom, Inc. (DE)
Immigrant Holdings, Inc. (DE)
Net2Phone, Inc. (DE)
Net2Phone Global Services, LLC (DE)
National Retail Solutions, Inc. (DE)

*IDT Payment Services, Inc. has d/b/a - Boss Revolutions Money Transfers and Boss Money

Foreign Subsidiaries

Name	Country
IDT Corporation de Argentina S.A.	Argentina
IDT Telecom Canada Corp.	Canada
Versature Communications Corp.*	Canada
IDT Guatemala S.A.	Guatemala
IDT Financial Services Limited	Gibraltar
IDT Telecom Asia Pacific Limited	Hong Kong
Elmion Netherlands B.V.	Netherlands
IDT Dutch Holdings B.V.	Netherlands
IDT Global Limited	United Kingdom
IDT Retail Europe Limited	United Kingdom

*Versature Communications Corp. has registered Net2Phone Canada as a Trade Name

Exhibit 23.01

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our reports dated September 29, 2026, with respect to the consolidated financial statements and internal control over financial reporting included in the Annual Report of IDT Corporation on Form 10-K for the year ended July 31, 2026. We consent to the incorporation by reference of said reports in the Registration Statements of IDT Corporation on Forms S-3 (File No. 333-104286, File No. 333-115403, File No. 333-119190, File No. 333-37141, File No. 333-43501, File No. 333-45199, File No. 333-53719, File No. 333-61565, File No. 333-71991, File No. 333-77395, File No. 333-80133 and File No. 333-86261) and on Forms S-8 (File No. 333-100424, File No. 333-105865, File No. 333-110657, File No. 333-116266, File No. 333-130287, File No. 333-130288, File No. 333-130562, File No. 333-146718, File No. 333-154257, File No. 333-177247, File No. 333-19727, File No. 333-199299, File No. 333-208447, File No. 333-214105, File No. 333-220982, File No. 333-42267, File No. 333-49150, File No. 333-63282, File No. 333-73167, File No. 333-234168, File No. 333-260252, File No. 333-275010, File No. 333-282658 and File No. 333-290594).

/s/ GRANT THORNTON LLP

New York, New York
September 29, 2026

Exhibit 31.01

Certification of Chief Executive Officer
pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Shmuel Jonas, certify that:

1. I have reviewed this Annual Report on Form 10-K of IDT Corporation;

2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 29, 2026

/s/ Shmuel Jonas

Shmuel Jonas
Chief Executive Officer

Exhibit 31.02

Certification of Principal Financial Officer
pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Marcelo Fischer, certify that:

1. I have reviewed this Annual Report on Form 10-K of IDT Corporation;

2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 29, 2026

/s/ Marcelo Fischer

Marcelo Fischer
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.01

IDT CORPORATION
Certification Pursuant to
18 U.S.C. Section 1350
(as Adopted Pursuant to Section 906 of
the Sarbanes-Oxley Act Of 2002)

In connection with the Annual Report of IDT Corporation (the "Company") on Form 10-K for fiscal 2026 as filed with the Securities and Exchange Commission (the "Report"), I, Shmuel Jonas, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 29, 2026

/s/ Shmuel Jonas
Shmuel Jonas
Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to IDT Corporation and will be retained by IDT Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.02

IDT CORPORATION
Certification Pursuant to
18 U.S.C. Section 1350
(as Adopted Pursuant to Section 906 of
the Sarbanes-Oxley Act Of 2002)

In connection with the Annual Report of IDT Corporation (the "Company") on Form 10-K for fiscal 2026 as filed with the Securities and Exchange Commission (the "Report"), I, Marcelo Fischer, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 29, 2026

/s/ Marcelo Fischer

Marcelo Fischer
Chief Financial Officer
(Principal Financial Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to IDT Corporation and will be retained by IDT Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

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Appendix L

TARIFFING REQUIREMENT

Not Applicable

Attachment A

AFFIDAVIT

California Public Utilities Commission
Attachment A for CPCN Application Form – Telephone Corporation
(rev June 2025)

ATTACHMENT A

SWORN AFFIDAVIT

net2phone 2.0 America, Inc.

My name is Carl Billek. I am Vice President – Regulatory of net2phone 2.0 America, Inc. My personal knowledge of the facts stated herein has been derived from my employment with net2phone 2.0 America, Inc.

I affirm that net2phone 2.0 America, Inc.:

- Agrees to comply with all federal and state statutes, rules, and regulations, Commission requirements as a Telephone Corporation, and state contractual rules and regulations, if granted the request as stated in this application;

- Certifies that all responses to the attached Application for CPCN are true and correct; and

I affirm and declare under penalty of perjury under the laws of the State of California, including Rule 1.1 of the California Public Utilities Commission's Rules of Practice and Procedure, that, to the best of my knowledge, all of the statements and representations made in this Application are true and correct.

Carl Billek

Signature

Carl Billek – Vice President - Regulatory

Name and Title