

ASX Announcement

30 April 2021

IODM 3Q Quarterly Activities Report and Appendix 4C

Key highlights

- **Achieved quarterly cash receipts of A\$224k, a 34% increase on pcg**
- **Launched new IODM Connect platform and began migration of clients**
- **Appointment of additional Sales and Marketing staff**
- **Contracted lateral revenue streams**
- **WUBS Partnership focus on the Education and Health sectors globally in the short term.**
- **Launched the WUBS partnership in North America (USA & Canada)**

IODM Limited (ASX:IOD, "IODM" or "the Company"), a cloud-based software solution that revolutionises business cash flow management is pleased to release its Quarterly Activities Report and Appendix 4C Quarterly Cash Flow Report for the period ended 31 March 2021 ("3Q FY21").

During the quarter, IODM received cash receipts from clients of A\$224k, up 34% on the prior corresponding period (pcp). As expected, Implementation Revenue only contributed ~\$20k and is expected to ramp up in the 4th quarter while investment has been made in both Sales and Account Implementation which will aid the commercialisation of new clients.

During the quarter, the company successfully launched its new IODM connect platform and began the process of migrating all clients across to the new updated platform. The new platform has been some eighteen months in the making and the feedback from clients migrated to date has been extremely positive. All new clients will be onboarded to the new platform.

The company has continued to expand its domestic workforce which is having a positive outcome on the number of leads generated. This expansion coincided with the appointment of Isaac Smith as Director of Sales & Marketing effective 1 January 2021. Isaac has a 25-year career in sales and marketing, including significant long term roles with REA, GSK and Optus both in Australia and overseas and is well placed to lead our sales team and deliver on our global sales strategy.

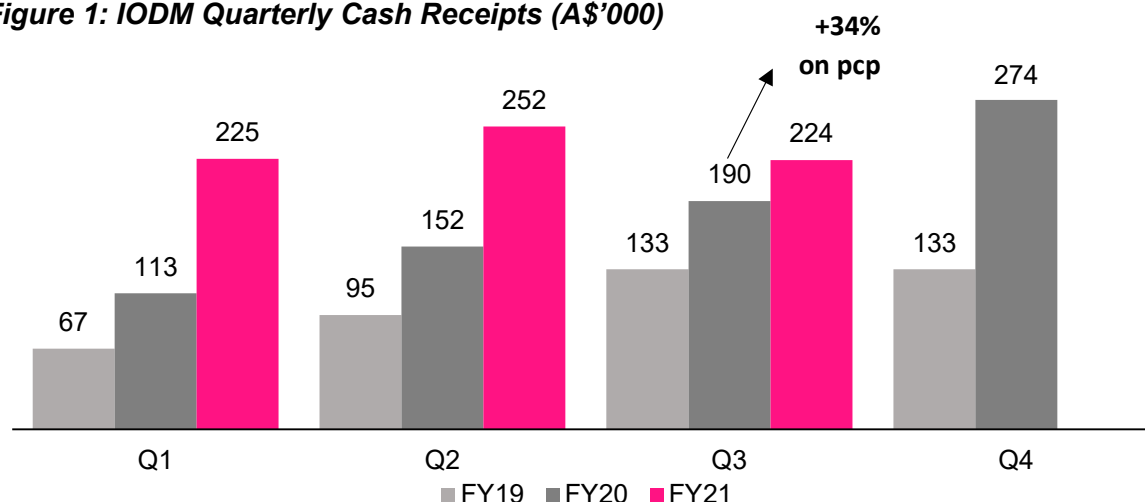
This allows the company to forecast a greater than \$300k event in cash receipts for the June quarter across not only the traditional business but also our first recognition of the finance vertical of our business underpinning that we are a working cap solutions business.

Whilst the WUBS partnership has commenced marketing to existing clients of WUBS and new opportunities across all industry verticals, the partnership is paying particular focus to both existing Education and Health clients of Western Union as well as new opportunities in these sectors. Market feedback is clear that the WUBS/IODM proposition can add considerable value to these two verticals. It is expected that the company will apply a different revenue model to these verticals, details of which the company will make available when finalised.

As announced to the market on 10 March 2021, the company has now extended its partnership with Western Union to include North America, (USA & Canada). The potential of

this development was described by Howard Young, Global head of Channel Partners, “We are constantly striving to meet the ever-changing needs of our customers all around the globe and the extension of our partnership with IODM into North America and Canada strengthens our value proposition in two of our largest markets globally.” As a result, and the anticipated success that is revealing itself through the Graeme Smith appointment in the UK, the company is in the process of finalising the first of its direct appointments in that region.

Figure 1: IODM Quarterly Cash Receipts (A\$'000)



IODM CEO, Mark Reilly said, “It is clear that the roll out of IODM’s corporate strategies have put it in a position where it is poised for strong revenue growth from a number of verticals in the coming quarters. *IODM’s business is focused on growth globally for the remainder of the calendar year and we are well positioned with both the financial and people resources needed as well as the products to achieve this*”

– END –

About IODM

IODM is a leading accounts receivable (AR) solution that utilises digital technology to optimise automation. IODM’s solution provides an end-to-end AR process that supports customers with invoicing, query management, payment reminders, escalation, analytics and more. IODM’s solution drives increased client productivity and timely payments while reducing costs and minimising human error. The solution is a customisable application that seamlessly integrates with any accounting ERP software package. IODM operates globally and is headquartered in Melbourne, Australia. To learn more, please visit www.iodmconnect.com

For more information, please contact:

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This announcement is authorised by IODM’s Board of Directors

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

IODM LIMITED

ABN

28 102 747 133

Quarter ended ("current quarter")

31 March 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (....9...months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	224	701
1.2 Payments for		
(a) research and development	0	0
(b) product manufacturing and operating costs	0	0
(c) advertising and marketing	0	0
(d) leased assets	0	0
(e) staff costs	(472)	(1,332)
(f) administration and corporate costs	(250)	(790)
1.3 Dividends received (see note 3)	0	0
1.4 Interest received	0	0
1.5 Interest and other costs of finance paid	(1)	(3)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	0	286
1.8 Other (provide details if material)	0	0
1.9 Net cash from / (used in) operating activities	(499)	(1,138)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	0	0
(b) businesses	0	0
(c) property, plant and equipment	0	0
(d) investments	0	0
(e) intellectual property	0	0
(f) other non-current assets	0	0

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (....9...months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	0	0
	(b) businesses	0	0
	(c) property, plant and equipment	0	0
	(d) investments	0	0
	(e) intellectual property	0	0
	(f) other non-current assets	0	0
2.3	Cash flows from loans to other entities	0	0
2.4	Dividends received (see note 3)	0	0
2.5	Other (provide details if material)	0	0
2.6	Net cash from / (used in) investing activities	0	0

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,750	1,750
3.2	Proceeds from issue of convertible debt securities	0	0
3.3	Proceeds from exercise of options	0	20
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(8)	(10)
3.5	Proceeds from borrowings	0	0
3.6	Repayment of borrowings	(25)	(72)
3.7	Transaction costs related to loans and borrowings	0	0
3.8	Dividends paid	0	0
3.9	Other (provide details if material)	0	0
3.10	Net cash from / (used in) financing activities	1,717	1,688

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	71	739
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(499)	(1,138)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	0	0

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (....9...months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,717	1,688
4.5	Effect of movement in exchange rates on cash held	0	0
4.6	Cash and cash equivalents at end of period	1,289	1,289

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,289	71
5.2	Call deposits	0	0
5.3	Bank overdrafts	0	0
5.4	Other (provide details)	0	0
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,289	71

6. Payments to related parties of the entity and their associates

6.1 Aggregate amount of payments to related parties and their associates included in item 1

6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

10

0

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Directors fees \$10K

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	0	0
7.2 Credit standby arrangements	0	0
7.3 Other (please specify)	0	0
7.4 Total financing facilities	0	0

7.5 **Unused financing facilities available at quarter end** 0

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

N/A

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(499)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	1,289
8.3 Unused finance facilities available at quarter end (Item 7.5)	0
8.4 Total available funding (Item 8.2 + Item 8.3)	1,289
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	2.6

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

30 APRIL 2021

Date:

BY THE BOARD OF IODM LIMITED

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.