



ASX RELEASE
ASX: CV1

19 April 2017

CVCHECK STRONG THIRD QUARTER

- **Q3 FY17 revenue up 38% to \$2.73 million (Q3 FY16: \$1.98 million)**
- **Q3 FY17 cash receipts from customers up 47% to \$2.9 million (Q3 FY16: \$1.9 million)**
- **Q3 FY17 total cash burn reduced to \$0.7 million with operating cash burn of \$0.4 million (63% less than Q2 FY17 on a normalized basis)**
- **Revenue update – very pronounced holiday effect in April but management anticipates similar Q4 FY17 revenue as the prior quarter and maintains a watching brief**
- **On track to achieve cash flow breakeven in December 2017 quarter**
- **Well-funded to execute growth plan with decreasing burn and cash of \$5.6 million at end March**
- **Steve Carolan to retire from executive role, and continue as a non-executive director**

Leading online screening and verification company, CV Check Limited (ASX: CV1) is pleased to provide the Company's quarterly operational and financial update.

Revenue

Revenue for Q3 FY17 was up 38% to \$2.73 million (Q3 FY16: \$1.98 million).

Following the conclusion of the Christmas/New Year holiday period, consecutive record revenue months were achieved in both February and March driving Q3 FY17 revenue to another record high. Individual revenues witnessed a seasonal spike in February, whereas corporate revenue fully rebounded from the holiday break during March.

Receipts from customers in Q3 FY17 were up 47% against the prior year comparable period to \$2.9 million (Q3 FY16: \$1.9 million). Compared to Q2 FY17, revenue was up 15% despite the seasonal slowdown in revenues in January and the continued dampening effect of New Zealand's November earthquakes.

YTD FY17 unaudited revenue was \$7.7 million. April revenue is lower than recently experienced reflecting the convergence of religious, school and public holidays. However, based on continuation of the recent user growth, recent wins of high quality corporate customers, and maintenance of existing market and economic conditions (and notwithstanding April's revenue to date), management currently anticipates the February/March growth trend to resume resulting in similar Q4 FY17 revenue to the prior quarter. Management will continue to maintain a watching brief.

CVCheck remains on track to achieve cash flow breakeven in the December 2017 quarter.

During Q3 FY17, as well as increasing the sales pipeline, the Company introduced new fully automated (no touch) products onto the CVCheck platform. The benefit from these new products is expected in future quarters as check bundling is promoted to new and existing corporate clients.



Reducing cash burn from focused cost control and growing revenues

Operating cash burn for Q3 FY17 reduced to \$0.4 million, 63% less than Q2 FY17 when normalised for the R&D tax incentive receipt. This strong performance was mostly driven by 15% higher cash receipts from customers coupled with lower staff, administration and corporate costs.

Investing cash burn over Q3 FY17 increased to \$0.3 million, in line with Q2 FY17 when normalised for R&D tax incentive receipts.

The Company's organic growth focus remains with ongoing emphasis on achieving greater efficiencies through improved workflows and technology developments.

Board and executive team evolution

CVCheck's Board continued to evolve in Q3 FY17 with the appointment of George Cameron-Dow as the Company's third independent non-executive director. With a more experienced Board and management team now in place, Steve Carolan advised the Company of his desire to transition into a non-executive capacity over the coming months.

CVCheck Chairman Chris Brown said: "Steve founded and led CVCheck with a vision to transform verification services. FY17 has seen a significant evolution in our business, with the successful transition of the CEO role to Rod Sherwood, and the enhancement of our Board. The Board and Management team thanks Steve for all his work and efforts, and wish him well in the transition from executive to non-executive life."

Steve Carolan added: "After more than 10 years leading this business, CVCheck is now at a point where the management team is very capably leading the business and executing the Company's growth strategy. I am excited about my new role as a non-executive Director and remaining a substantial shareholder. I look forward to this new phase in my journey with CVCheck and continuing to be part of the team achieving even more milestones."

Additional notes for interpreting CVCheck's Appendix 4C for Q3 FY17

Note 1.7: Part R&D tax refund in Q2 FY17, see additional amount in Note 2.5.

Note 2.5: Part R&D tax refund received across both Q3 FY17 and Q2 FY17, see also additional amount in Note 1.7.

Note 9: Consistent with ASX Guidance Note 23, this table does not include anticipated cash receipts from customers. The estimates provided are expenditure only and adopt a conservative position. Expenditures such as cost of goods sold, marketing and business development team bonuses will vary per the actual level of business activity that drives revenues. The expected expenditures stated are at the high-end range of anticipated activity.

-ENDS-

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About CV Check Limited:

CVCheck is an expanding business with growing revenue streams providing police checks, employment screening and tenant checks to employers, industry associations and individuals through its proprietary online platform www.cvcheck.com.

CVCheck has been operating for more than 10 years and in the process has developed a world-class online platform providing more than 1,000 checks across 190 countries.

CVCheck is a listed public company quoted under the ticker CV1 on the Australian Securities Exchange (ASX).