



## **IODM Limited**

### **March Quarter 2017 Report and Update**

#### **Highlights**

- Quarterly sales continues to grow, albeit at a slower rate than anticipated
- Corporate and accounting channels have converted to revenue with BDO and Caterlink and significant momentum is building
- Several proposals submitted to large corporates, sales pipeline remains very strong
- Top 10 law firm goes to revenue with first client Optus
- RSM completes successful pilot
- Growth of reseller network with sales conversion commencing
- Scottish Pacific strategic partnership established
- Additional functionality added to IODM software to meet corporate clients' needs

Cloud-based automated debtor management solution IODM, IODM Limited (ASX: IOD) ("IODM" and "Company") is pleased to provide a report of its activities for the quarter ending 31 March 2017.

Throughout the March quarter, IODM grew revenue whilst reducing its overall cost base, resulting in a fall in the burn rate. Notwithstanding the increase in revenue, the company acknowledges that growth is below expectations. The company continued to deliver on its strategic priorities including aggressive sales and marketing, and expansion of its reseller network and strategic partnerships. This resulted in a revenue/sales increase compared to the previous quarter, which will accelerate over the coming quarters. IODM's focus on the enterprise and medium to large corporate market is coming to fruition, with confirmed revenue contracts and numerous agreements poised to be signed with these corporates.

#### **Sales Update**

During the period the company secured key enterprise contracts in Western Australia including accountancy group BDO, and Caterlink, WA's largest commercial kitchen contractor. These clients were acquired through its reseller network, indicating its strategy of a national reseller network is generating revenue.

IODM continues to grow its pipeline in the corporate market, with contracts with several multi-nationals poised to be signed off, which will translate into strong revenue in the coming quarter.

The reseller network continues to expand, with four new resellers appointed across NSW and Victoria. Through this distribution channel the sales pipeline gathers momentum, with conversion to sales.

#### **IODM Limited**

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The company's customer segmentation strategy has enabled IODM to introduce a tailored solution suite comprising cloud, desktop and enterprise versions to capitalise on strong market opportunities within the SME, accounting and corporate sectors.

## **Strategic Partnerships**

The company signed a new strategic partnership with Australia and New Zealand's largest trade and debtor finance company, Scottish Pacific, whereby the ASX-listed firm will white label IODM's solution to its SME client base, opening up a new sales channel. The partnership also entails adding a finance facility to IODM's solution. This partnership will generate revenue in the June quarter.

The company's previously announced strategic partnerships with NCI and BStar will also generate revenue in the June quarter.

The NAB strategic partnership continues to move in the right direction, with the invoice and trade finance division successfully demonstrating the business case for IODM. This initiative has ratified the need for IODM throughout NAB's client base, and has progressed to a pilot program.

The company also signed a top 10 law firm with its first client, Optus, going to revenue in the next quarter.

## **Technology**

Several key enhancements have been added to the IODM solution to support client corporate needs. These features include better analytics across multi divisional organisations, providing unparalleled insight into debtor profiles. These include better scalability and improved performance for high volume clients. These changes were initiated at the request of large corporate clients

The company is aware that the slower than anticipated pipeline conversion has had an impact on the company's cash position. However, in light of the significant pipeline - particularly in the large corporate and enterprise market - the company is very confident that in the event that further funding is required, it would readily be available through its strategic alliances and existing shareholder base.

For further information, please contact Damian Arena on 0419 106 176 or [damian@iodm.com.au](mailto:damian@iodm.com.au).

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