



**Rein In Receivables**

**Investor Presentation  
August 2017**

*Not for distribution or release in the USA*

# Disclaimer

**Summary information** - This presentation has been prepared by IODM Limited (ABN 28 102 747 133)) ("IODM or "Company"). This presentation contains summary information about IODM and its subsidiaries and their activities current as at the date of this presentation. The information in this presentation is a general background and does not purport to be complete. It should be read in conjunction with IODM's other periodic and continuous disclosure announcements lodged with ASX, which are available at [www.asx.com.au](http://www.asx.com.au).

**Past performance** - Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of IODM's views on its future financial performance or condition. Investors should note that past performance, including past share price performance, of IODM cannot be relied upon as an indicator of (and provides no guidance as to) future IODM performance including future share price performance.

**Future performance** - This presentation contains certain "forward-looking statements". The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements, including projections, guidance on future earnings and estimates, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. The forward-looking statements in this presentation speak only as of the date of this presentation. Subject to any continuing obligations under applicable law or any relevant ASX listing rules, IODM disclaims any obligation or undertaking to provide any updates or revisions to any forward-looking statements in this presentation to reflect any change therein. This presentation contains such statements that are subject to various risk factors. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person including IODM. In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this presentation will actually occur.

**Investment risk** - An investment in IODM securities is subject to investment and other known and unknown risks, some of which are beyond the control of IODM, including possible delays in repayment and loss of income and principal invested. IODM does not guarantee any particular rate of return or the performance of IODM, nor does it guarantee the repayment of capital from IODM or any particular tax treatment. Persons should have regard to the risks outlined in this presentation.

# Key Highlights

## Background

Since the beginning of FY14, IODM has developed, proven and rolled out a leading edge automated accounts receivable platform.

## Growth Initiatives

- With global brands and blue-chip customers becoming repeat customers, IODM today announces several additional and accelerated growth initiatives to meet the continued growth in domestic and international demand for its products and services:
  - Over the next 3 years the group plans to invest in working capital, ongoing innovation and additional research to meet a growing pipeline of secured and prospective customers.
  - IODM expects these initiatives to enhance its growth trajectory and increase revenues and operational earnings over the next 18 months.
  - IODM expects to be cashflow positive in calendar 2018.

## Capital Strategy

These initiatives will be funded via the following:

- A\$1.0 million 3 for 8 pro-rata non-renounceable **entitlement offer** cents per("Entitlement Offer"), underwritten to \$700k at 0.008
- All Directors will be participating in the Entitlement Offer either through taking up entitlement or by underwriting.
- Non-Executive Directors will underwrite to the amount of \$300k

This additional equity of circa \$1.0m (before costs) provides IODM with the appropriate operational and financial flexibility to implement its current growth initiatives, assess acquisition options and finalise existing multinational roll outs.

# What does IODM do?

IODM is a cloud-based accounts receivable solution which allow businesses of any size to automate their debtor collection process.

Rich in features not available from competitors

The IODM system transforms the accounts receivable process allowing businesses to:

- Increase efficiency and timeliness of collection
- Reduces the cost of collection
- Transforms the organisational structure through labour efficiencies
- Provides non-confrontational early identification of debtor issues

# The Disruptive applications of IODM

IODM changes the operational efficiency of a business shifting/reducing labour costs and/or diverting resources to other more profitable tasks

Cloud based and scalable to any sized enterprise

Global capability

## Already Strong Market Presence

Major enterprise solution being finalised by two multinational organizations

Strong take up with accounting firms and other large corporates

SME solution being adopted

# Growth Initiatives & Strategic Focus

IODM is investing in a range of working capital and growth initiatives that are expected to deliver profitability and a cashflow positive outcome in the next 18 months

## 2017

- Existing blue-chip portfolio of domestic and global clients currently implementing IODM's technology
- Enhance collaboration partnerships globally, including other technology partners
- Continue product development with input from existing corporate clients
- IODM's strategic focus includes:
  - Formalising further long-term relationships with major domestic and multinational customers.
  - Expand internationally through proven global relationships

## 2018

- Enhance collaboration partnership model with multinational companies and extend globally via key partners and platforms in chosen countries / regions;
- The group expects these initiatives to enhance its growth trajectory and generate increased revenues and operational earnings in the coming 18 months
- Provide a balance sheet to support ongoing investment in growth in the IODM technology platform

**IODM has the right strategy in place to be a world leading intelligent accounts receivable solutions company, delivering improved business productivity and reducing the cost of doing business.**

# Four Strategic Pillars for Revenue

## 1. Subscription model

- Monthly
- Annual

## 2. Implementation Fees

## 3. Ongoing Consulting and customisation

## 4. Commissions from collection agencies

# Commercialisation model

Nationally established reseller market

Dedicated in-house sales force

Strategically aligned market partners

Wilson  
Security

maestran

DOMAIN



gadens



web services





# Corporate Snapshot

## Structure and Key Metrics

### Capital Structure

Share price (14 August 2017)	[cps]	1.0
Ordinary shares on issue	[m]	333
Unlisted options (7.5 – 20.0 cps)	[m]	27.5
Market Capitalisation	[\$]	4.3m
Cash	[\$]	350k

### Board & Management

Mark Reilly	Non-Executive Chairman
Damian Arena	Managing Director
Paul Kasian	Non-Executive Director
Chris Rogers	Executive Director
Petrina Halsall	General Manager & Company Secretary

# Entitlement Offer

Entitlement offer	<ul style="list-style-type: none"><li>- An non-renounceable 3 for 8 pro-rata Entitlement Offer, which if fully subscribed would raise approximately \$1.0m (before costs). The first \$700k of the offer is underwritten.</li><li>- Available to eligible shareholders</li><li>- Directors to participate in the Entitlement Offer</li><li>- The Directors reserve the right to place any shortfall during the 3 months following the close of the Entitlement Offer</li><li>- The Entitlement Offer price will be 0.008 cents per share</li><li>- Full details of the Entitlement Offer will be set out in the Offer Documents, which will be lodged with ASX and sent to eligible shareholders in due course</li></ul>
Use of proceeds	<p>The majority of funds are intended to be used to invest in the company's growth initiatives, including:</p> <ul style="list-style-type: none"><li>- Assisting the company in pursuing its short-term revenue opportunities, including significant identified opportunities with existing customers.</li><li>- Supporting the company's scaling to address increasing growth opportunities and objectives across both the domestic and international markets.</li></ul>
Risks	Investors are encouraged to review the business risks detailed in Appendix A of this presentation
Ranking and eligibility	All new shares issued will rank equally with existing IODM shares
Effect on capital structure	Total shares on issue to increase by approx. 125 million shares to approx. 458 million shares Increase in issued capital of approx. \$1.0 million

# Indicative Timetable

Key dates	Date
Announcement of the Entitlement Offer	8 August 2017
Notice sent to option holders	23 August 2017
Notice sent to shareholders	23 August 2017
Shares traded on an “ex” entitlement basis	24 August 2017
Record Date for eligibility to participate in the Entitlement Offer	25 August 2017
Despatch of Entitlement Offer Booklet and Entitlement and Acceptance Form to Eligible Shareholders	28 August 2017
Entitlement Offer opens	28 August 2017
Entitlement Offer closes	8 September 2017
Securities quoted on a deferred settlement basis	11 September 2017
Shortfall (if any) announced to ASX	13 September 2017
Issue of New Shares	15 September 2017
Despatch of Holding Statements	15 September 2017
New Shares commence trading on a normal settlement basis	18 September 2017

# Appendices

# Appendix A: Business Risks

This section discusses the key risks attaching to an investment in shares in IODM Limited (“IODM”), which may affect the future operating and financial performance of IODM and the value of IODM shares. Before investing in IODM shares, you should consider whether this investment is suitable for you having regard to publicly available information (including this Presentation), your personal circumstances and following consultation with financial or other professional advisers. Additional risks and uncertainties that IODM is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect IODM’s operating and financial performance.

Investors should note that the occurrence or consequences of some of the risks described in this section are partially or completely outside the control of IODM, its Directors and senior management. Further, investors should note that this description focuses on the potentially key risks and does not purport to list every risk that IODM may have now or in the future. It is also important to note that there can be no guarantee that IODM will achieve its stated objectives or that any forward looking statements or forecasts contained in this document will be realised or otherwise eventuate. Investors should satisfy themselves that they have a sufficient understanding of these matters, including the risks described in this section, and have regard to their own investment objectives, financial circumstances and taxation position.

## **Funding Risk**

IODM relies on continuing to obtain adequate funding to enable execution of sales initiatives. IODM may also need to access additional funding to grow its operations.

# Appendix A: Business Risks (continued)

## **Performance Risk**

IODM relies on continuing to obtain adequate funding to enable execution of sales initiatives. IODM may also need to access additional funding to grow its operations.

The operating and financial performance of IODM relies on its ability to execute on its growth initiatives, including its ability to convert opportunities to sales, or profitable sales, and its ability to procure/produce/manufacture cost effectively to meet customer demand in a timely manner.

## **Major customer risk**

If there was a substantial reduction in demand for the price of the relevant goods or services or if IODM loses a major customer, this would materially adversely affect IODM's profit and financial performance.

## **Competition risk**

IODM faces competition from other Accounts Receivable management competitors. There is a risk that an existing or new entrant to the market might aggressively attempt to grow its market share through acquisitions, increased advertising and marketing and price cutting. Such activities may cause IODM's competitive position to deteriorate. Any deterioration in IODM's competitive position may result in a decline in revenue and margins and a loss of market share which may have an adverse effect on Vivid Technology's profit and financial performance.

## **Key personnel risk**

The loss of key management personnel or the inability to recruit or retain suitable skilled personnel may adversely impact sales and margins, reduce overall profitability and have an adverse effect on IODM's operations and financial performance.

## **Outsourcing risk**

The company's operations are subject to outsourcing risk due to reliance on third parties performing various functions in its supply and distribution chain, including manufacturing, assembly, distribution and installation of its products. The company manages outsourcing risk by selecting, engaging and managing third parties with appropriate expertise and experience in order to underpin quality supply and timely delivery to customers, and overseeing and managing the accountability of outsourced service providers in relation to the relevant outsourced activities forming part of its commercial operations.

# Appendix A: Business Risks (continued)

## **Intellectual property risk**

IODM will pursue a program of registering trademarks, and protecting its intellectual property as IODM believes this is to be fundamental to the ongoing success of the business and protecting shareholder value. However, given the broad nature of intellectual property, IODM cannot guarantee that IODM's intellectual property rights will not be infringed. IODM may incur unforeseen costs to protect its intellectual property, including litigation and any such infringement may result in a negative impact on the reputation and revenues of IODM and the company.

Competitors may be able to develop competing designs that are substantially similar to those of IODM. Any legal action that IODM may bring to protect its intellectual property may be unsuccessful, protracted and expensive and could divert management's attention from normal business operations.

## **Product liability**

IODM is exposed to the risk of product liability claims where a defect in a product sold or supplied by IODM could result in, results in or is alleged to have resulted in, personal injury or property damage, or not perform to specification. IODM may suffer loss as a result of claims for which it is underinsured or coverage being denied or in connection with a loss that exceeds IODM's insured limits.

## **IT system failure**

IODM relies on third party IT software and service providers to support its business operations. IODM's IT systems may be adversely affected by damage to computer equipment or network systems, equipment faults, power failures, computer viruses, misuse of systems or inadequate business continuity planning. Any failure of IODM's IT systems as a result of these factors may compromise IODM's data integrity (which may result in an inadvertent security breach in relation to customer data) or the aspects of operations which rely on such systems, which may in turn adversely affect IODM's reputation, business operations, and financial performance and profitability or expose IODM to third party liability.

# Appendix A: Business Risks (continued)

## **General risks**

### **Financial markets risks**

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. There can be no guarantee that an active market for Shares will exist. There may be relatively few potential buyers or sellers of Shares on the ASX at any given time. This may increase the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This could result in Shareholders receiving a market price for their Shares that is less than the price that they paid.

### **Shareholders may suffer dilution**

IODM may issue more shares in the future in order to fund acquisitions and investments. While IODM will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within a 12 month period (other than where exceptions apply), any such equity raisings may dilute the interests of Shareholders.

### **Expected future events may not occur**

Certain statements in this Presentation constitute forward-looking statements. Please refer to the disclaimer as set out in the front cover.



# Appendix B: International offer restrictions

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

## **Hong Kong**

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities. The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

## **United States**

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

# Appendix B: International offer restrictions

## (continued)

### **New Zealand**

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

### **Singapore**

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA. This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

# Appendix C: IODM overview

# Our Mission?

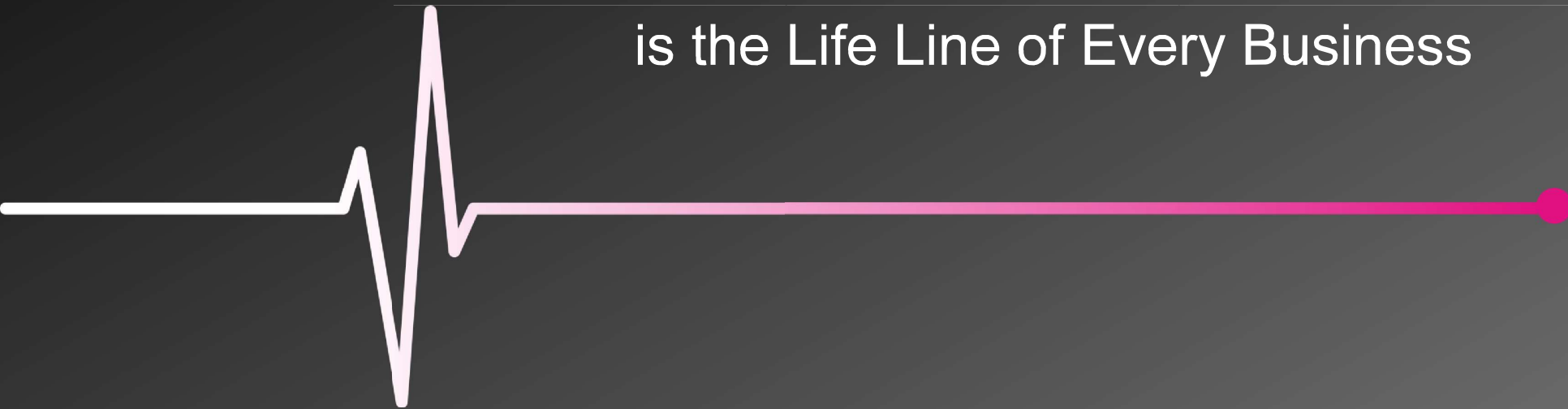
**Help Clients succeed in rapidly evolving financial and technology markets**

# \$26Billion

**unpaid invoices** at anyone time in Australia.

# Cash

is the Life Line of Every Business



# What causes **AR** headaches?

**15%**

rise of **90+** days  
outstanding debt

**22%**

Increase of  
61-90 days  
**outstanding debt**

**72.5%**

Of all business  
invoices are  
**paid late**

**18M**

Hours **chasing**  
debtors

# What's causing your **AR** headaches?



You've got more  
work **with less** time  
and resources



**Lack of** systems  
and procedures



**Inefficiencies**



## The cost of debtors

30 Days

1.82%

60 Days

9.29%

90 Days

17.74%

120 Days

26.71%

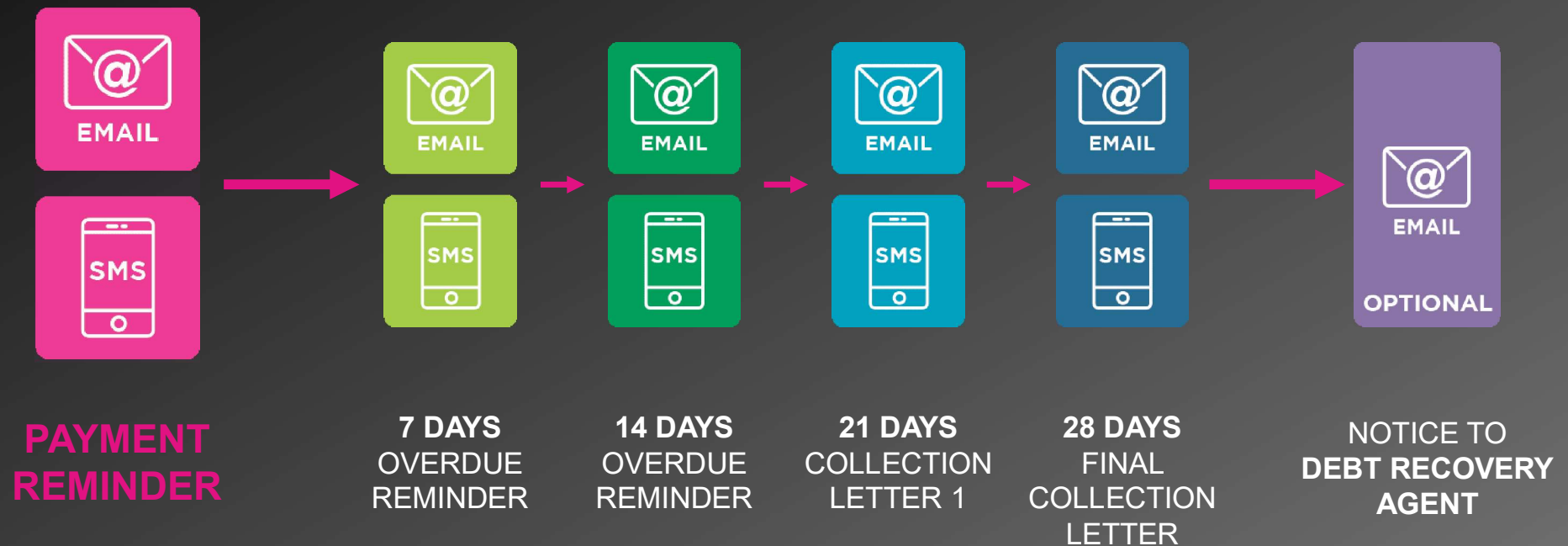
# The Cure

that every credit manager wants

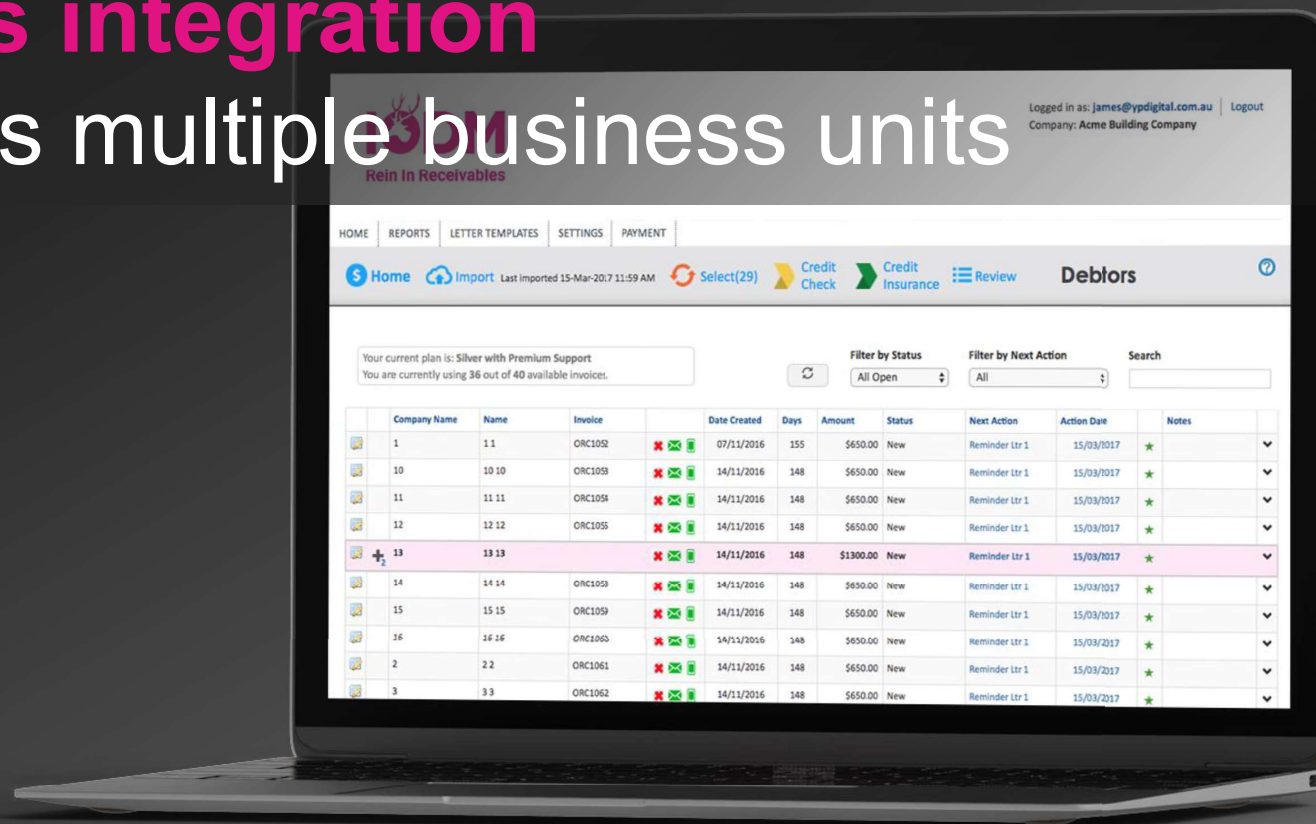
- ✓ **Automation**
- ✓ **A seamless system**
- ✓ **Decrease corporate credit risk**
- ✓ **Value added work**
- ✓ **Improved working capital**
- ✓ **Decrease dispute volume**
- ✓ **Better Customer Experience**
- ✓ **Real time data**

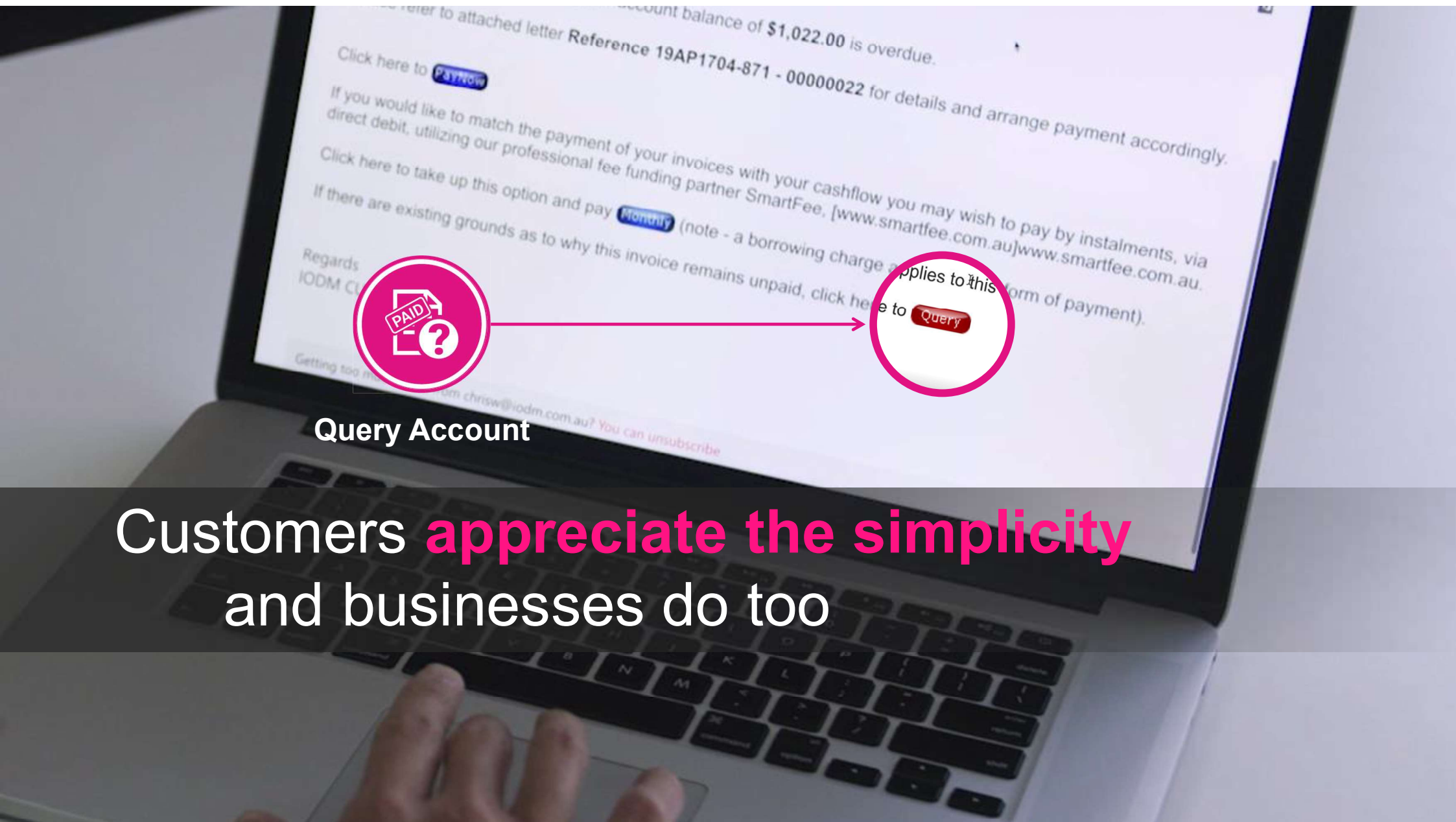
# Discovering your **cashflow** solution

# Easy contact to all customers with a seamless **automated system**



# Seamless integration across multiple business units





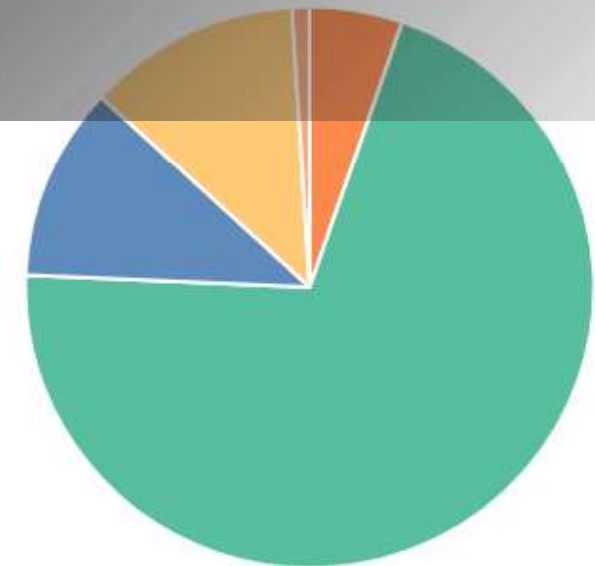
Query Account

Customers **appreciate the simplicity**  
and businesses do too

Outstanding Amount By Month



Outstanding Amount By Action



- With Collections
- Reminder Letter 1
- Reminder Letter 2
- Collection Letter 1
- Collection Letter 2

Achieve real time data

# The IODM IMPACT



**66% debt settled** after 1<sup>st</sup> reminder

**Query button** identified why payments were not being made  
IODM only system to interface with MYOB AE



From 3 days to **now 2-3 hours per week** to manage debtors

**64% efficiencies** in reining in receivables

**IODM only system** to interface with Reckon APS



Improves efficiencies

Streamlines the debtor management process



**97% of debt settled** after the 1<sup>st</sup> reminder

Takes 5 minutes per week to manage





# Wilson Security What **we** can do for **you**

*"Implementing **IODM** will increase cash collections, streamline the collection process for the SME ledger and ensure that we don't have to increase our headcount when we acquire more businesses."*

**NARELLE CIRILLO**

Security Group Credit Manager  
Wilson Security

## Positive cash flow impact

Subscriber	Debtors Outstanding	Settled Debt	%
Client No 1	\$33,059	\$24,509	74.2
Client No 2	\$255,744	\$192,383	75.2
Client No 3	\$691,091	\$515,157	74.5
Client No 4	\$944,050	\$538,869	58.0
Client No 5	\$1,012,584	\$685,074	67.7

Improvement in outstanding debtors: 69%

# Thank you

Damian Arena  
Managing Director  
[damian@iodm.com.au](mailto:damian@iodm.com.au)  
+61 3 8396 5890



**Rein In Receivables**

