

18 October 2019

## Expansion of Operations and Strategic Partnership, \$4.6m Capital Raising and Board Changes

### HIGHLIGHTS:

- **Expands operations to move into full human resource management with enhanced Nvoi platform**
- **Strikes strategic partnership with leading Australian jobs board, CareerOne, to enhance market roll out and to drive revenue**
- **Receives commitments for a \$4.6 million capital raising to institutional and sophisticated investors**
- **Appoints Philip Crutchfield to Nvoi Board as Non-Executive Chairman**

Nvoi Limited (ASX:NVO) (**Nvoi** or **Company**) is pleased to announce the completion of a strategic review of its operations and the implementation of its new strategy to drive growth.

### New strategy

Nvoi will expand its current footprint to full human resource management, rather than focusing purely on the niche contractor segment of the market. The Company will leverage the Nvoi platform's core functionality to handle employee onboarding, including ID and resume verification and contract management, time sheeting, rostering, payroll, superannuation and employee engagement and employee benefits regardless of the role in an organisation.

The enhanced Nvoi platform will allow employers to recruit and manage their workforce all within a single, cloud-based solution.

Managing Director, John Winters said, "There is a major issue in the world of HR. Companies use a myriad of HR apps in their business that don't all work together. Data is isolated and there is a lack of visibility across the workforce, which ultimately leads to a poor employee experience."

"The core functionality is there in the Nvoi platform and the market is there. This is all about optimising the tech and then scaling the business," said Mr Winters.

### Career One Strategic Partnership

CareerOne provides a digital offering for candidate sourcing, talent management, and employer branding. It has a database of approximately 1.5 million active candidates, 70,000 jobs, 65,000 SMB clients and more than 500 recruitment agencies using CareerOne.

To assist in the market rollout of the expanded offering and enhancements to the Nvoi platform, the Company has agreed a strategic partnership with leading Australian jobs board, CareerOne.

The arrangement will see CareerOne provide technical and sales support as well as incentives to drive up to \$3 million in revenue for Nvoi over the next three years, though there can be no guarantee that this level of revenue, or any revenue, will be achieved. CareerOne will provide Nvoi with lead and sales generation, technical sales support and technical and development support.

CareerOne will develop the enhancements to the Nvoi platform for seamless integration with CareerOne's solution initially targeting the health and SME sectors, which will be aimed for completion by the June quarter 2020.

In addition, CareerOne will offer the Nvoi solution to over 65,000 SMB and enterprise employers in Australia as a value-add when they advertise jobs on CareerOne's platform. Nvoi will also be given access to CareerOne's database of candidates and jobs to serve Nvoi's clients with a unique HR talent management and acquisition solution.

CareerOne will provide access to its clients and database for the purposes of promoting the Nvoi platform, lead generation, sales support and technical sales support for the Nvoi platform, and technical resources and expertise, including scoping, strategy, product roadmap and development resources under agreed SLAs.

Nvoi Managing Director John Winters commented, "This is a landmark deal for Nvoi and a potential game changer for the industry. It has the ability to drive significant revenue growth for Nvoi while allowing the Company to maintain a lean team and complete ownership over its IP."

"This is a unique opportunity and having a major player in the Australian jobs market as a strategic partner is a serious win for Nvoi," he said.

CareerOne Executive Chairman, Garen Azoyan said, "This is a great opportunity for job seekers, advertisers and both companies as we look to offer differentiated products to our peers. We are extremely excited to be working with Nvoi."

Nvoi will pay CareerOne a monthly development fee of \$15,000 (plus GST) for providing technical and development services. In addition, to incentivise CareerOne, Nvoi will grant to CareerOne a total of 100 million performance options to subscribe for Nvoi shares at an exercise price of \$0.01 each, subject to shareholder approval, which will be sought at the Company's upcoming annual general meeting. The performance options will be subject to vesting conditions linked to milestones for revenue generated for Nvoi by CareerOne.

The terms of the performance options are:

<b>Revenue Milestone</b>	<b>Milestone Date</b>	<b>No. Performance Options Vesting</b>
Milestone 1 - \$500,000	31 December 2020	33,333,333
Milestone 2 - \$1,500,000	31 December 2021	33,333,333
Milestone 3 - \$3,000,000	31 December 2022	33,333,334
<b>Total</b>		<b>100,000,000</b>

Performance Options that do not vest by the relevant milestone date will lapse. Once vested, the relevant Performance Options will remain exercisable for a period of 12 months from the date of vesting and if not exercised in that time will lapse.

## ASX RELEASE

Revenue refers to aggregate revenue that Nvoi actually receives as payment for the use of the Nvoi platform from users that are introduced to the platform by CareerOne, not being users that Nvoi has acquired independently or from third parties.

Nvoi has today signed a binding agreement with CareerOne for this strategic partnership. In addition to providing for the above, the agreement provides for the following:

- (a) engagement of CareerOne to provide the abovementioned, including access to its clients and database to promote the Nvoi platform, lead generation, sales support and technical support and assistance under agreed SLAs;
- (b) Nvoi to provide all reasonable assistance to CareerOne to fulfil the abovementioned, including making its personnel available, allowing the integration with the Nvoi platform and diagnosing and solving technical issues with the Nvoi platform;
- (c) commencement of the strategic partnership immediately for a term of 24 months, with early termination rights for material breaches and insolvency events;
- (d) protection of existing intellectual property (**IP**) rights with the IP in any enhancements, developments and improvements to become the property of Nvoi;
- (e) customary provisions relating to confidentiality and privacy/data protection; and
- (f) other customary provisions for a relationship of this nature.

John Winters has been a non-executive director of CareerOne for the past 18 months and has an equity interest in CareerOne of approximately 13%. Philip Crutchfield has an equity interest in CareerOne of approximately 8%.

### **Capital Raising**

The Company is pleased to announce that it has received commitments for a \$4.6 million capital raising placed with institutional and sophisticated investors. The placement was supported by existing shareholders and new investors and includes a \$175,000 investment from Nvoi Directors, subject to shareholder approval.

The capital raising will result in the placement of a total of approximately 461 million new fully paid ordinary shares at an average issue price of \$0.01 per new share.

The company will issue 155,471,481 shares at 0.098 cents per share under the Company's current placement capacity in accordance with Listing Rule 7.1 and 103,647,654 shares at 1.03 cents under the Company's current placement capacity in accordance with Listing Rule 7.1A. The issue of shares under Listing Rule 7.1A at the price of \$0.0103 meets the requirements of LR 7.1A.3 in being greater than 75% of the 15-day VWAP.

Settlement of the placement and issue of new shares for non-related parties is expected on or about Tuesday, 22 October 2019.

Shareholder approval will be sought for the remaining 184,630,865 shares and for Director participation under Listing Rule 10.11 (17,500,000 shares) at an issue price of 1 cent per share at the Company's 2019 Annual General Meeting scheduled for late November.

The funds raised will be used for further technical development of the Nvoi platform, the buildout of Nvoi's own internal development and sales teams, promotional, advertising and marketing activities and for general working capital.

## **Board and Management Changes**

As part of its new strategic direction, the Company is pleased to announce changes to its Board and management structure.

Philip Crutchfield has been appointed to the Nvoi Board of Directors as Non-Executive Chairman effective immediately. Philip is a barrister and a former partner of Mallesons Stephen Jacques (now King & Wood Mallesons). He is Non-Executive Chairman of ASX-listed Zip Co Limited (ASX:Z1P), a non-executive Director of ASX-listed Encounter Resources Limited and a board member of the Geelong Grammar School Council, Bell Shakespeare Theatre Company and the Victorian Bar Foundation Limited.

Andrew Bursill has resigned from his roles as Non-Executive Director and Joint Company Secretary effective immediately to pursue other opportunities. The Board thanks Mr Bursill for his services to the Company.

As part of these changes, Steven Papadopoulos has relinquished the role of Chairman and become Non-Executive Director and Sinead Teague assumes the role of sole Company Secretary.

## **Contact**

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## **About Nvoi**

Nvoi is seeking to expand its current footprint to full human resource management, rather than focussing purely on the niche contractor segment of the market. The Company will leverage its platform's core functionality to handle employee onboarding, including ID and resume verification and contract management, time sheeting, rostering, payroll, superannuation and employee engagement and employee benefits regardless of the role in an organisation.

The enhanced Nvoi platform will allow employers to recruit and manage their workforce all within a single, cloud-based solution.

Website: [www.nvoi.com.au](http://www.nvoi.com.au)

## **About CareerOne**

CareerOne is a household name in Australian jobs and operates one of Australia's oldest digital job boards. It provides a leading digital offering for a unique job-hunting experience and innovative corporate solutions for candidate sourcing, talent management, and employer branding. CareerOne has a database of approximately 1.5 million active candidates, 70,000 jobs, 65,000 SMB clients and more than 500 recruitment agencies using CareerOne.

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