

14 May 2020

Strategic Acquisition of Global HR Tech Business and Capital Raising

Key highlights:

- **Acquisition of JXT, a global business with operations in Australia, UK and US**
- **Bluechip recruitment agency client base**
- **Established revenue base with immediate cost-saving opportunities**
- **Supports strategy to expand operations to handle broader HR management**
- **\$1.8 million pro rata entitlements offer to Nvoi shareholders**

Nvoi Ltd (ASX:NVO) (**Nvoi** or **Company**) is pleased to announce that it has entered into a binding agreement (through a wholly owned subsidiary) to acquire the JXT business and associated key assets. The acquisition provides Nvoi an immediate global presence with operations in Australia, the UK and the US and an impressive list of recruiter and corporate clients utilising its services in more than 20 countries.

JXT is already a world leader in cloud-based digital marketing solutions for recruiters and corporate hiring teams. Its primary product offering is a software-as-a-service platform for delivering complete websites containing, among other things, job boards to display opportunities to jobseekers and a results-driven solution to attract, engage and place talent into suitable roles.

Nvoi will pay a cash consideration of \$650,000 for the acquisition.

Nvoi CEO Raife Watson said, “With millions of workers now unemployed and facing job uncertainty due to the coronavirus pandemic, there has never been a more important time to ensure that recruiters have a stable, strong, reliable and ready-to-deploy platform to connect employers and job seekers.

“Having the opportunity to own this business is tremendously exciting for Nvoi and instantly positions us as a global player with vast opportunity to rapidly scale. There will be a lot of movement in the jobs market over the coming months, and recruiters and major employers will need reliable, agile, easy to use and efficient technology to support their employment needs.”

The Company has also expanded its strategic partnership with CareerOne to leverage the full strength of CareerOne’s technical team and the rollout of CareerOne’s job board technology across the JXT product offering.

Nvoi Chairman Philip Crutchfield said, “This strategic acquisition could not have occurred without the deep industry knowledge of the Nvoi team, the Company’s strong capital position and our strategic partnership with CareerOne. We welcome the JXT team, and we look forward to growing the business together.”

The acquisition supports Nvoi’s publicly stated strategy to expand its operations to handle broader human resource management with an enhanced offering to the recruitment market. This will be increasingly important as economies across the globe emerge from the current COVID-19 crisis.

The Company is also pleased to announce a capital raising of up to \$1.8 million under a pro rata non-renounceable entitlement offer to Nvoi shareholders. Details are set out below.

JXT Acquisition

JXT Australia Pty Ltd, a wholly owned subsidiary of the Company, has agreed to purchase the JXT business and key assets from JXT Global Pty Ltd, an Australian company that was placed into administration in December 2019 and is currently under deed of company arrangement.

JXT Australia will acquire the JXT business as a going concern and all key assets, including the JXT proprietary technology platform and associated intellectual property, customer contracts, key personnel and accounts receivable (including approximately \$245,000 of fees invoiced by JXT in May) as at completion.

For the March quarter 2020, JXT Global produced approximately \$600,000 in revenue.

Mr Watson said, “The March quarter saw the JXT business continue to perform strongly despite the circumstances and we look forward to continuing the customer, supplier and employee relationships.”

“With an immediate focus on efficiency, our team will implement a number of cost saving initiatives that are expected to flow as soon as the June quarter. A strong sales pipeline in our key markets is also expected to drive incremental revenue growth without a significant impact on costs.”

The integration of JXT into Nvoi will enable the Company to present a suite of products that support and empower recruitment agencies and hiring teams.

Under the terms of the agreement, Nvoi will acquire the JXT business and key assets from the administrators of JXT Global for a cash consideration of \$650,000, payable at completion as adjusted for outgoings, receipts and accruals as at the agreed transfer date of 30 April 2020.

The agreement also includes provisions customary for an acquisition from administrators in a transaction of this nature, including provisions for pre-completion undertakings, limited warranties and representations from the administrators and confidentiality.

Completion is conditional upon the payment and release of certain securities and debts that will not be assumed by the Company and new contracts with key personnel, and is expected to occur later this month.

Expansion of CareerOne Strategic Partnership

The Company is also pleased to announce an expansion of its strategic partnership with CareerOne Pty Ltd to leverage the full strength of CareerOne’s technical team and job board IP and technology, with an increase in full time technical resources working across the entire Nvoi business.

The Company’s strategic partnership with CareerOne was announced to ASX in October 2019.

Mr Watson said, “CareerOne has very impressive job matching technology and having the ability to further leverage their IP through our strategic partnership will allow Nvoi to enhance the JXT business and its product offering.”

“This expanded partnership will allow Nvoi to leverage all of CareerOne’s job technology to deliver market leading products and services at pace. They have a proven track record of building large scale applications in the job market, supporting their own business but also some of Australia’s largest recruiters and corporates.”

Under the expanded strategic partnership, Nvoi will increase its monthly payments to up to \$100,000 per month for at least six months for development and licensing fees. This increase is expected to be largely offset by a reduction of costs in the JXT business and fees will decrease upon completion of proposed development works.

Capital Raising

Nvoi is also pleased to announce a non-renounceable entitlement offer (**Entitlement Offer or Offer**) at \$0.006 (0.6 cents) per share to raise approximately \$1.8 million.

Mr Crutchfield commented, “Nvoi is well positioned financially to see through its strategy over the medium term. In the current economic environment, this capital raising is a prudent fiscal measure that will not only strengthen the Company’s balance sheet but will also allow all shareholders to benefit from the future growth of the Company.”

The Entitlement Offer will be an offer of approximately 299,545,308 new fully paid ordinary shares in the Company (**New Shares**) on the basis of one New Share for every five existing shares held by eligible shareholders on the Record Date (**Entitlement**). The offer price is a discount of approximately 25% to the volume weighted average price of Nvoi shares on ASX since the commencement of broad-scale COVID-19 lockdown measures on 16 March 2020 (a period of 39 trading days for Nvoi shares prior to the trading halt).

Only Nvoi shareholders with a registered address in Australia or New Zealand as at 7.00pm (AEST) on 19 May 2020 will be eligible to participate in the Entitlement Offer. The Offer Document will be lodged with ASX today, 14 May 2020 and will be sent to eligible shareholders together with a personalised Entitlement and Acceptance Form no later than 22 May 2020. The Entitlement Offer is not underwritten.

The Offer also includes a top-up facility under which eligible shareholders will be entitled to apply for additional New Shares in excess of their Entitlement, at the same price as under the Offer. Shareholders wishing to subscribe for additional New Shares under the top-up facility must apply for them at the same time as they apply for New Shares under their Entitlement. The allocation of additional New Shares under the top-up facility is at the discretion of the Company’s Directors. Should such applications exceed the number of New Shares available, a scale-back will be applied in a manner determined by the Directors.

Any shortfall that arises after applications are received for New Shares under the Offer (including after the completion of the top-up facility and the entitlements of ineligible shareholders are taken into account) may be placed by the Directors within three months after the Offer closing date to either existing shareholders or new investors at their discretion.

The proceeds of the Offer, approximately \$1.8 million before costs, will be used to fund the further development work proposed for JXT, salaries and marketing. Full details of the use of funds are contained in the Offer Document.

The proposed timetable for the Entitlement Offer is set out in the table below. All dates are indicative only and the Company reserves the right to vary them (subject to the Corporations Act and the ASX Listing Rules).

Indicative Timetable

Activity	Date
Announcement of Offer Offer Document released to ASX Appendix 3B lodged Section 708AA(2)(f) cleansing notice lodged	14 May 2020
“Ex” date	18 May 2020
Record date for Offer (7.00pm Sydney time)	19 May 2020
Offer Document and Entitlement and Acceptance Form despatched Announce to ASX despatch of Offer Document and Offer opening Offer opens	22 May 2020
Last day to extend Closing Date of the Offer	4 June 2020
Closing date for Offer (5.00pm Sydney time)	10 June 2020
Announcement of results of the Offer and Shortfall	15 June 2020
Settlement of Offer (before noon Sydney time) Appendix 2A lodged	16 June 2020

*IMPORTANT NOTE: The indicative timetable above is subject to change without notice. Nvoi reserves the right to amend any or all of these dates and times, subject to the Corporations Act, the ASX Listing Rules and other applicable laws.

This announcement has been approved for release to ASX by the Nvoi Board of Directors.

Contact

Raife Watson
CEO
raife.watson@nvoi.com.au

John Winters
Executive Director
john.winters@nvoi.com.au

About Nvoi

Nvoi Ltd (NVO:ASX) is a global provider of leading HR technology products that support and empower recruitment agencies and hiring teams. Our vision is to transform recruiting in Australia and across the globe by harnessing the power of technology so that businesses can focus on their own innovation and growth.

Website: www.nvoi.com.au