

ASX Announcement

5 February 2024

IODM agrees terms for a new UK education commercial agreement with Convera

Key highlights:

- IODM and Convera agree terms for a new agreement for the UK education market
- Amended payment terms, resulting in IODM receiving 25% of ALL Foreign Exchange (FX) payments revenue from existing onboarded universities and 30% of ALL FX payments revenue from universities onboarded from 1 January 2024
- Tiered structure, with a minimum monthly payment of GBP150,000 scaling from GBP50,000 over contract term
- New two year agreement retrospectively effective from 1 January 2024

IODM Limited (ASX:IOD, "IODM" or "the Company"), a cloud-based software solution delivering a complete working capital communications solution is pleased to announce that it has agreed terms for a new commercial agreement (subject to formal documentation expected to be an addendum to the original agreement) with Convera, effective 1 January 2024. The new agreement – in respect to the education sector in the United Kingdom and Europe – will supersede the prior agreement between IODM and Convera¹.

Under the new agreement, IODM will receive 25% of all FX revenues generated by Convera from international payments from existing onboarded universities, primarily in relation to university tuition fees and accommodation. In addition, IODM will receive 30% of the abovementioned revenue from additional universities that are onboarded from 1 January 2024. The effect of the above is that IODM will share in a larger revenue pool covering all international payments made through Convera. Previously IODM's revenue share was limited to payments directed to Convera's platform by IODM communications.

The new agreement, retrospective from 1 January 2024, allows for a guaranteed **minimum** payment of GBP150,000 per month payable to IODM when particular revenue thresholds are achieved by Convera in relation to growth in FX revenues from both existing universities as well as new onboarded universities. Specifically, the agreement initially provides for a minimum guaranteed payment of GBP50,000 per month to IODM, stepping up in GBP25,000 increments. Importantly, the minimum component partially insulates IODM from the seasonal nature of the education sector and tuition cycle.

Beyond this incentive step-up, IODM will earn revenues of 25% of total FX revenue generated from existing onboarded universities and 30% of total FX revenue generated from new universities onboarded after 1 January 2024.

The agreement also gives Convera the exclusive right to market the IODM platform to universities in the UK and Europe for a period of two years commencing from 1 January 2024.

¹ Previous agreement initially announced to ASX on 30 June 2021 and subsequently expanded on 27 August 2021, 12 May 2022 and 3 October 2022.

Based on the existing pipeline of universities, the Company believes it will move through the first stepped threshold by the end of FY24.

The new agreement and its terms are a direct result of the success that Convera and its onboarded university clients have observed utilising the IODM platform to manage their accounts receivable function.

Given the revised Convera agreement applies from 1 January 2024, applying it to the company's January 2024 payment volumes, gives the company an immediate and ongoing increase in UK cash receipts.

The Company is excited by the acknowledgement of its proposition in this region and the tertiary education sector and envisages replicating this agreement across other sectors and other regions in the coming 12 months.

IODM CEO, Mark Reilly said, *"This agreement importantly acknowledges the significant value IODM provides to Convera and the universities currently using the IODM platform. We look forward to building on the early success we have achieved with Convera in the UK education sector and indeed broadening that across different regions and verticals".*

This announcement is authorised by IODM's Board of Directors

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About IODM

IODM is a leading accounts receivable (AR) solution that utilises digital technology to optimise automation. IODM's solution provides an end-to-end AR process that supports customers with invoicing, query management, payment reminders, escalation, analytics and more. IODM's solution drives increased client productivity and timely payments while reducing costs and minimising human error. The solution is a customisable application that seamlessly integrates with any accounting ERP software package. IODM operates globally and is headquartered in Melbourne, Australia. To learn more, please visit www.iodmconnect.com

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