

ASX Announcement
30 October 2023

IODM Q1 FY24 Quarterly Activities Report and Appendix 4C

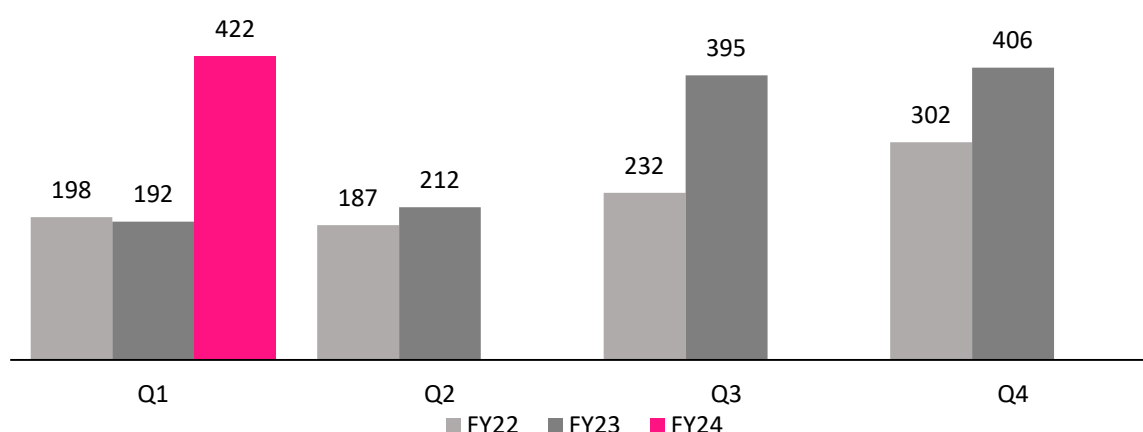
Q1 FY24 highlights:

- Quarterly cash receipts of A\$422k, +3.9% quarter on quarter (+119% versus previous corresponding period (“pcp”))
 - UK cash receipts of A\$154k a pleasing result notwithstanding the traditional quiet period between UK academic years
 - Domestic cash receipts of A\$232k, +13.2% quarter on quarter
- Significant efforts ongoing to further progress and validate UK education sector with four additional universities going live and another ten in the onboarding stage
- Receipt of Research & Development tax offset of \$625k and an Export Development Grant of \$25k

IODM Limited (ASX:IOD) (“**IODM**” or “**the Company**”), a cloud-based software solution that revolutionises business cash flow management, is pleased to release its Quarterly Activities Report and Appendix 4C for the period ended 30 September 2023 (“Q1 FY24”).

Quarterly cash receipts in Q1 FY24 of A\$422k increased 3.9% quarter on quarter and 119% vs the pcp.

Figure 1: IODM Quarterly Cash Receipts (A\$'000)



UK Education Business

In line with both industry and Convera expectations, the UK Education business saw a modest decline in cash receipts during the quarter as it entered the seasonally slower period for the industry as it transitions academic years and the northern hemisphere summer. Equally, the number of automated reminder communications sent during the quarter was also lower. Notwithstanding this, the total

value outstanding invoices continues to grow, underpinning the ‘work-in-progress’ revenue yet to be collected by IODM.

During the quarter, the IODM UK team successfully saw an additional four universities go live in the UK, with another ten in the onboarding stage. In a groundbreaking new account for IODM, Chester University has elected to use the IODM platform to manage its full end-to-end student payment journey and lifecycle, from the first deposit payment they make when enrolling through to their final payment upon graduation. In this instance, students will receive all invoices and options to pay through the IODM/Convera platform only. Once this model is proven and working, the Company expect it to result in incremental opportunity beyond purely management of outstanding or overdue payments.

In other developments, the Company is beginning to trial the Company’s software solution with potential clients outside of the education industry within Europe. The Company will continue to update shareholders around the results and key learnings of these trials.

Domestic Business

Cash receipts during Q1 FY24 within the domestic enterprise business increased by 13.2% versus Q4 FY23, primarily as a consequence of an increase in new client signings for the September 2023 quarter.

The Company developed additional features for its cash allocation module during the quarter which has generated a strong level of interest which has resulted in an increase in the Company’s expectations for growth in its domestic pipeline. The Company has observed an increased number of enterprise companies seeking the IODM solution and requesting presentations and contract proposals. The Company expects to see the domestic signings continue at a higher rate in the coming quarters.

Post-quarter developments

Post the quarter end, the Company made the first of its senior hires in North America, with the appointment of Mr John Frericks as Sales Executive, North America. Mr Frericks is a multi-decade experienced SaaS sales enterprise executive, more recently having spent several years with Blackline, an American group which offers products similar to IODM. Mr Frericks will work closely with Convera and the company’s other channel partners as well as direct sales.

Corporate and Additional Information

Payments to related parties of the entity and their associates during the Q1 FY24 totalled \$18k, which were all directors’ fees.

The company received its annual Research & Development tax offset (R&D) refund of \$625K and an Export Development Grant of \$25K during the quarter which was in accordance with expectations.

The Company received \$19K from the exercise of options during the quarter.

IODM CEO, Mark Reilly said: *“Given the expected quiet period due to the northern hemisphere academic year and summer holidays, we’re pleased with the continued growth in the UK education landscape, particularly the expanding University pipeline as we move into the new academic year. In addition, the Company looks forward to updating shareholders with news on what it expects to be real growth in North America following the appointment of Mr John Frericks, providing further support to our channel partners and the significant direct sales opportunity in that region.”.*

This announcement is authorised by IODM’s Board of Directors

– END –

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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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

IODM LIMITED

ABN

28 102 747 133

Quarter ended ("current quarter")

30 SEPTEMBER 23

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	422	422
1.2 Payments for		
(a) research and development	0	0
(b) product manufacturing and operating costs	0	0
(c) advertising and marketing	(21)	(21)
(d) leased assets	0	0
(e) staff costs	(584)	(584)
(f) administration and corporate costs	(579)	(579)
1.3 Dividends received (see note 3)	0	0
1.4 Interest received	14	14
1.5 Interest and other costs of finance paid	(5)	(5)
1.6 Income taxes paid	0	0
1.7 Government grants and tax incentives	650	650
1.8 Other (provide details if material)	0	0
1.9 Net cash from / (used in) operating activities	(103)	(103)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	0	0
(b) businesses	0	0
(c) property, plant and equipment	0	0
(d) investments	0	0
(e) intellectual property	0	0
(f) other non-current assets	0	0

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	0	0
	(b) businesses	0	0
	(c) property, plant and equipment	0	0
	(d) investments	0	0
	(e) intellectual property	0	0
	(f) other non-current assets	0	0
2.3	Cash flows from loans to other entities	0	0
2.4	Dividends received (see note 3)		
2.5	Other (Redeem refundable security deposit)	0	0
2.6	Net cash from / (used in) investing activities	0	0

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	0	0
3.2	Proceeds from issue of convertible debt securities	0	0
3.3	Proceeds from exercise of options	19	19
3.4	Transaction costs related to issues of equity securities or convertible debt securities	0	0
3.5	Proceeds from borrowings	0	0
3.6	Repayment of borrowings	(38)	(38)
3.7	Transaction costs related to loans and borrowings	0	0
3.8	Dividends paid	0	0
3.9	Other (provide details if material)	0	0
3.10	Net cash from / (used in) financing activities	(19)	(19)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,782	1,782
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(103)	(103)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	0	0

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(19)	(19)
4.5	Effect of movement in exchange rates on cash held	2	2
4.6	Cash and cash equivalents at end of period	1,662	1,662

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,662	1,782
5.2	Call deposits	0	0
5.3	Bank overdrafts	0	0
5.4	Other (provide details)	0	0
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,662	1,782

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	18
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	0	0
7.2	Credit standby arrangements	0	0
7.3	Other (please specify)	0	0
7.4	Total financing facilities	0	0
7.5	Unused financing facilities available at quarter end		0
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(103)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,662
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	1,662
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	16.1
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
	8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? <div style="border: 1px solid black; padding: 5px; margin-top: 5px;">Answer: N/A</div>	
	8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? <div style="border: 1px solid black; padding: 5px; margin-top: 5px;">Answer: N/A</div>	
	8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? <div style="border: 1px solid black; padding: 5px; margin-top: 5px;">N/A</div>	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

30 OCTOBER 2023

Date:

BY THE BOARD OF IODM LIMITED

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.