

ASX Announcement

28 October 2022

## IODM 1Q Quarterly Activities Report and Appendix 4C

### Key highlights

- **Achieved quarterly cash receipts of A\$192k**
- **UK Universities 1<sup>st</sup> billing cycle commencing**
- **Circa 47,500 Students' invoices recognised for 1<sup>st</sup> billing cycle**
- **Total value of invoices on a per annum basis will be higher than previously estimated**
- **R & D refund of \$400,000 received post quarter end**

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 Quarterly Cash Flow Report for the period ended 30 September 2022 ("1Q FY23").

During the quarter, IODM received cash receipts from clients of A\$192k. As explained in the last quarterly, this is in line with management's expectations given the timing of the UK universities going live outside of their main billing cycle.

In addition to the initial 47,500 students the company there is 8,750 students whose invoices are expected to be loaded for the next University billing cycle in January/February 23, with a view that a further 52,600 will be loaded by June 2023.

The start of the new academic year in the UK has commenced meaning the initial invoicing cycle for both tuition and accommodation fees has commenced as well. Accordingly, the company will be beginning to track the payments that are made through the WUBS/Convera platform and therefore calculate its revenue as it accrues.

It is evident from the initial student invoices thus far that the total value over the next twelve months will be higher than previously announced.

The company announced on the 3 October 2022 that it had executed a material variation to the commercial agreement with WUBS/Convera for the UK education sector that was signed on 29 June 2021. Under the initial agreement, IODM's revenue share was somewhere between 15% and 30% depending on how the payment was made through the WUBS/Convera platform. As of 1 October 2022 the revenue share is a flat **30%** and rather than receipting payments paid quarterly in arrears, the company will be paid monthly in arrears, thereby significantly improving the company's forecast cashflow for the 2Q FY23.

The company now has transparency on the value of payments to be made through the system, the manner in which they will be paid and the timing of the payments and will continue to grow the business through these channels.

In addition to the above, after a period of relative inactivity in Australia following extended lockdowns on the east coast, the company has seen a considerable increase in domestic activity which saw a number of new contract signings during the quarter which are now in the final stages of customisation completion and onboarding. The company's domestic pipeline

has also grown significantly during the last quarter which is expected to lead to additional signings and implementations during 2Q FY23.

The company continues to be in advanced discussions with other geographic locations globally.

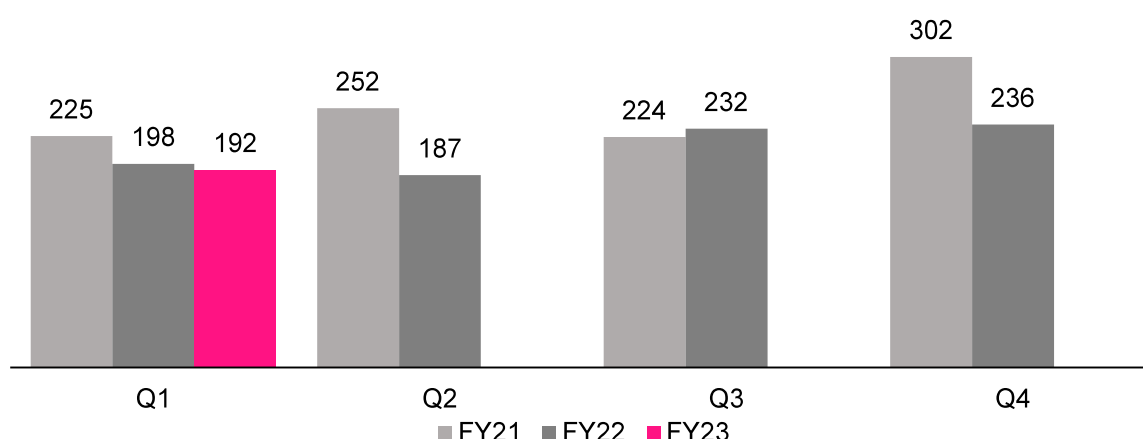
### Corporate and Additional Information

Payments to related parties of the entity and their associates during the September 22 quarter totalled \$11K, which were all directors' fees.

During the quarter the Company expended \$16K on costs associated with costs in expanding the domestic sales team, lead generation and marketing. This expenditure is included in the staff, administration and corporate costs for the quarter.

Post the end of the quarter, the company has received a Tax Research and Development refund of \$400,000, in addition to funds generated by the exercise of options both during and post the quarter, boosting the company's cash position.

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



**IODM CEO, Mark Reilly said,** *"The company has continued to have a busy quarter. With the invoices for 47,500 UK university students loaded into the system, we are about to see our platform deployed in the first meaningful way in the UK education space. Given the success the Universities have had in recovering historical debt to date, we are excited about the expected results and look forward to reporting them to shareholders in due course."*

– 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](http://www.iodmconnect.com)

## For more information, please contact:

### General enquiries

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***This announcement is authorised by IODM's Board of Directors***

## 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 22

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	192	192
1.2 Payments for		
(a) research and development	0	0
(b) product manufacturing and operating costs	0	0
(c) advertising and marketing	0	0
(d) leased assets	0	0
(e) staff costs	(498)	(498)
(f) administration and corporate costs	(323)	(323)
1.3 Dividends received (see note 3)	0	0
1.4 Interest received	0	0
1.5 Interest and other costs of finance paid	(4)	(4)
1.6 Income taxes paid	0	0
1.7 Government grants and tax incentives	25	25
1.8 Other (provide details if material)	0	0
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(608)</b>	<b>(608)</b>
<b>2. Cash flows from investing activities</b>		
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
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>0</b>	<b>0</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	44	44
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(2)	(2)
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
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>4</b>	<b>4</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,191	1,191
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(608)	(608)
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)	4	4
4.5	Effect of movement in exchange rates on cash held	0	0
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>587</b>	<b>587</b>

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	587	1,191
5.2	Call deposits	0	0
5.3	Bank overdrafts	0	0
5.4	Other (provide details)	0	0
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>587</b>	<b>1,191</b>

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	11
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>		

<b>7.</b>	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	0	0
7.2	Credit standby arrangements	0	0
7.3	Other (please specify)	0	0
7.4	<b>Total financing facilities</b>	0	0
7.5	<b>Unused financing facilities available at quarter end</b>		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		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(608)
8.2	Cash and cash equivalents at quarter end (item 4.6)	587
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	587
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	1.0
	<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?	
	Answer: On 3 October 2022 IODM announced the material variation to the commercial agreement with Western Union Business Solutions ("WUBS") /Convera in relation to the revenue share which was amended to a flat rate of 30% and payment to be made monthly rather than quarterly. Consequently, IODM is comfortable with the current cash at bank balances versus the audited cash flow forecasts which take in to account the following: <ul style="list-style-type: none"> <li>- increase in revenue and cash receipts which is forecast for UK education sector in the next two quarters in line with the commercial agreement</li> <li>- On 4 October 2022 IODM received a R &amp; D development tax offset of \$400K</li> <li>- Directors and KMP have ability to exercise options to provide additional funding up to \$555K if required. To date \$53K of options have been exercised.</li> </ul>	

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?

Answer:

The IOD Board will continue to manage capital in a prudent manner that benefits shareholders.

The directors will continue to run low cash liquidity levels for the next 12 months to ensure that shareholder value is protected.

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?

IOD expects to continue its operations and meet its business objectives as pursuant to the answers provided in Questions 1 and 2 of Section 8.6

*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.*

## 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.

28 OCTOBER 2022

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.