

ASX Announcement
11 April 2024

IODM Q3 FY24 Quarterly Activities Report and Appendix 4C

Q3 FY24 highlights:

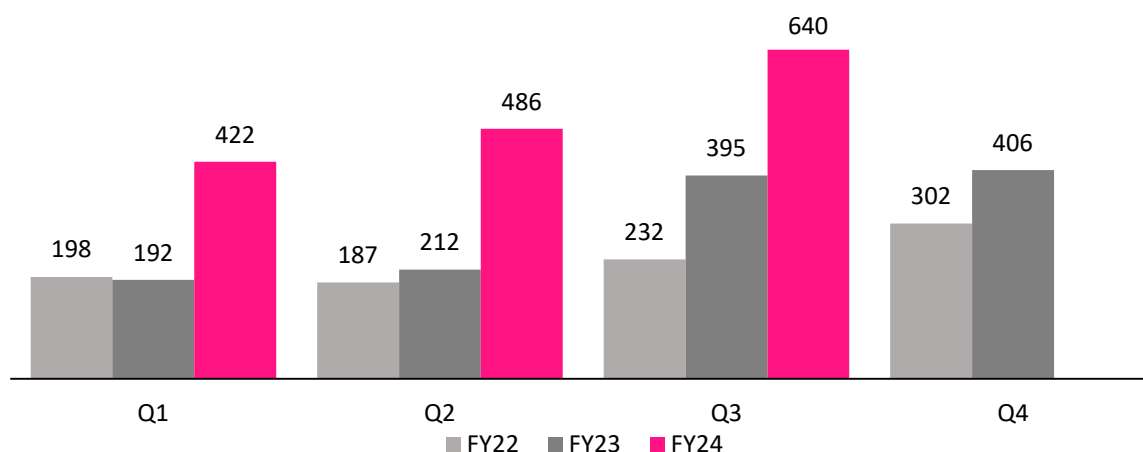
- Cash receipts of A\$640k, +65% versus previous corresponding period (“pcp”)
 - UK cash receipts of A\$311k, +130% versus pcp, driven by new commercial agreement with Convera for UK education business
 - Domestic cash receipts of A\$329k, +27% versus pcp
- UK revenue of \$335k, +196% versus pcp
- First client signed in the US, including strong pipeline of opportunities

IODM Limited (ASX:IOD) (“**IODM**” or “**the Company**”), a cloud-based software platform delivering a complete working capital communications solution, is pleased to release its Quarterly Activities Report and Appendix 4C for the period ended 31 March 2024 (“**Q3 FY24**”).

Quarterly cash receipts in Q3 FY24 of A\$640k increased 65% vs the pcp.

In addition, following the implementation of the new revenue share agreement with Convera, effective 1 January 2024, UK quarterly revenue grew to \$334k, up 196% versus the pcp. This strong result demonstrates the new Convera agreement announced to ASX on 5 February 2024 (effective 1 January 2024) is having an immediate positive effect on the Company’s UK revenues, as anticipated.

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



UK Education Business

Pleasingly, the uplift in cash receipts and revenue observed during the third quarter is a direct result of the abovementioned new revenue share agreement with Convera, further confirming its attractiveness to IODM. Importantly, the agreement stipulates monthly payments to IODM (in arrears), such that the reported Q3 FY24 cash receipts only contain two months contribution from this newly struck agreement (February & March 2024).

Encouragingly, further analysis of Convera-related receipts during the February reveals IODM immediately demonstrated its optionality above the minimum guaranteed payment of GBP50k per month, with IODM collecting GBP73k for February. Equally, in what is historically a quiet quarter for the Company – primarily due to Chinese Lunar New Year – IODM was partially protected from a cash receipts perspective throughout March 2024, whereby the Company receipted the minimum guaranteed payment of GBP50k.

Further, the new Convera agreement has also led to an increase in IODM's revenue from the UK education space versus pcp as well as on quarter on quarter basis.

Domestic Business

Cash receipts during Q3 FY24 were up 27% versus pcp. The Company successfully had five new enterprise clients go live during Q3 FY24, including customers operating within the pharmaceutical and professional services sectors under IODM's Enterprise offering.

The Company continues to see an increasing number of enterprise companies seeking out the IODM solution and requesting presentations and contract proposals. The Company expects to see the domestic signings continue at an elevated rate in the coming quarters.

US Business

As previously announced, the first senior sales executive in North America commenced mid-November 2023.

During Q3 FY24, the Company signed its first test client in the US. This particular client is in the final stages of onboarding and expected to go live during Q4 FY24. In addition, IODM has built a strong pipeline of opportunities in the US in a relatively short period. The Company looks forward to updating the market on future conversions.

Corporate and Additional Information

Payments to related parties and their associates during the Q3 FY24 which totalled \$17k directors fees.

The Company also raised \$800k during the quarter through a share issue at \$0.23 per share to sophisticated and institutional investors, to fund working capital as the Company progresses to achieving cash flow positivity.

IODM CEO, Mark Reilly said:

"IODM has had an extremely positive quarter across all sectors of its business. The immediate uplift in both cash receipts and revenue from the UK business as a direct result of the new agreement with Convera is extremely pleasing. This, combined with a strong quarter from the Australian arm, and encouraging early results from the USA, bodes very well for the ensuing quarters and I continue to look forward to updating shareholders as we progress.."

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")

31 MARCH 24

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	640	1,547
1.2 Payments for		
(a) research and development	0	0
(b) product manufacturing and operating costs	0	0
(c) advertising and marketing	(22)	(54)
(d) leased assets	0	0
(e) staff costs	(752)	(2,028)
(f) administration and corporate costs	(609)	(1,765)
1.3 Dividends received (see note 3)	0	0
1.4 Interest received	3	27
1.5 Interest and other costs of finance paid	(5)	(12)
1.6 Income taxes paid	0	0
1.7 Government grants and tax incentives	0	650
1.8 Other (provide details if material)	0	0
1.9 Net cash from / (used in) operating activities	(745)	(1,635)
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	(1)	(1)
(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 (9 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	(1)	(1)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	800	800
3.2	Proceeds from issue of convertible debt securities	0	0
3.3	Proceeds from exercise of options	0	19
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(5)	(6)
3.5	Proceeds from borrowings	0	0
3.6	Repayment of borrowings	(42)	(123)
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	753	690

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	827	1,782
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(745)	(1,635)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1)	(1)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	753	690
4.5	Effect of movement in exchange rates on cash held	3	1
4.6	Cash and cash equivalents at end of period	837	837

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	837	827
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)	837	827

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	16.5
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)	(745)
8.2	Cash and cash equivalents at quarter end (item 4.6)	837
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	837
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.12
	<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: The company agreed new commercial terms with Convera for the UK education sector in February 2024 effective 1 January 2024 which has resulted in an immediate uplift to cash receipts during the quarter. The company expects this increase to continue in the ensuing quarters. Consequently IODM is comfortable with the current cash at bank balances versus cash flow budgets which take in to account for increase in revenue and cash receipts which is forecast for UK education sector over future quarters in line with the commercial agreement.	

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.

11 APRIL 2024

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.