

26 April 2022

**ASX RELEASE**

ASX: CV1

**CV Check achieves seventh consecutive cashflow positive quarter from operations in March quarter****Investment highlights**

- ✓ Cashflow positive from operations for seventh consecutive quarter
- ✓ Cash receipts of \$7.3m, up 102% on previous corresponding period (pcp)
- ✓ Revenues of \$6.9m in Q3 FY22, up 64% on pcp
- ✓ Strong balance sheet with cash at bank of \$12.3m as at 31 March 2022, and no debt
- ✓ Continued to grow client list and deepen relationships with existing clients, signing binding SaaS agreement with Hireup Pty Ltd and securing 12-month extension of Atlas Iron contract

Leading Australian RegTech, CV Check Limited (ASX:CV1) (Company or CV1) is pleased to provide its Appendix 4C for the quarter ended 31 March 2022 (Q3 FY22) along with the following operational update.

**CV1's CGI growth strategy continues to boost revenue base**

As recently reported in CV1's flash update, the Company has continued to deliver strong revenue growth in its Q3 FY22, thanks to the successful execution of its three-pronged CGI growth strategy, which aims to:

**C|G|I**

Consolidate the base;  
Grow new markets; and  
Innovate

CV1 has been able to deliver this growth whilst also generating cash from its operations for three consecutive quarters.

**Cash position**

The Company generated \$0.9m in cash from its operating activities during Q3 of FY22 (and \$2.1m in FY22 year to date).

CV1 closed the quarter with a cash balance of \$12.3m, and no debt.

## Strong financial performance supports growth agenda

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The continued net positive cashflow from operations has enabled the Company to pursue market consolidation and product expansion in support of the CGI growth strategy.

During Q3 of FY22, CV1 generated \$6.9m in revenue, which is up 64% on the prior corresponding period (pcp) level of \$4.2m; and is 6% above the corresponding Q2 FY22 figure. This revenue surge resulted in receipts from customers of \$7.3m, up 102% on pcp.

Included in the total CV1 revenue is \$0.6m of SaaS revenue from the Company's Real Time Compliance product (Cited), which continues to gain traction (as noted below). The \$0.6m of SaaS revenue has been earned from contracted companies. Those contracts also result in \$0.7m of additional screening and verification revenue in the Cited platform.

Through process improvements and product expansion, the Company continues to improve its gross margin. As at the end of the quarter, its gross margin was 64% (expanded from 59% as at the end of FY21).

As previously reported to the market, other highlights of CV1's Q3 FY22 included:

-  Signed a binding SaaS agreement with Hireup Pty Ltd for the provision of real-time compliance monitoring including identity verification, expected to be worth more than \$350,000 pa (see ASX Announcement, dated 23 February 2022);
-  Secured 12-month extension of Atlas Iron contract with for Cited, including access to real-time compliance monitoring, for a further 12 months; and
-  Appointed Geoff Hoffmann, previously of Sensis and Adstream, as Global Sales Director. He has, over the years, built a reputation for successfully building and operating international sales teams and delivering revenue on a scale that aligns with the belief and ambition CV1 has in its products, people, and overall business model.

CV1's excellent Q3 FY22 performance builds on the Company's strong H1 FY22 performance, which included Group revenue of \$12.8m, SaaS revenue of \$1.2m, gross margin of 64% (pcp: 56%), and a net cash inflow from operating activities of \$1.2m. First orders under the recently signed Hireup contract are expected in Q4 of FY22.

## Technology developments - Mobile Passport and Digital Identity

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The Company remains on target to release a mobile credential passport in Q4 FY22, with government accredited digital identity before the end of the year.

This passport will enable workers to simply and easily demonstrate their capabilities, credentials and experience, supported by a validated digital identity, to organisations everywhere; a feature that adds further value for those organisations using Cited.

As previously announced, the Company has formally commenced the process for Trusted Digital Identity Framework (TDIF) accreditation of its identity process, through the Commonwealth's Digital Transformation Agency. CV1 is targeting the successful achievement of its TDIF accreditation in calendar 2022.

## Buyback of unmarketable parcels

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During the quarter, CV1 announced, and commenced, a buyback of unmarketable parcels of the Company's securities. At the date of this quarterly activities report, the buyback remains in progress.

## Related party payments (listing rule 4.7C.1)

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During the quarter, the Company made \$161k of payments to related parties. This sum includes director fees and other remuneration.

**CV1 CEO Michael Ivanchenko said:** *"In Q3 FY22, CV1 has built upon and continued our success from the previous two quarters as we continue to drive our evolution from a provider of Australian/New Zealand background screening services to an international provider of Know Your People software enabled by the features of our Cited Platform. In large part, this was due to the continued successful implementation of our CGI growth strategy, with the continued strong company performance underpinning the investment in our technology.*

*"The effective execution of these CGI initiatives helped us deliver a very pleasing financial performance over our just-completed Q3 FY22, and our seventh consecutive quarter of generating cash flow from operations. In consolidating our base, we reported a significant surge in traditional background screening revenue, with more than 80% of this coming from repeat customers and 84% from B2B corporate customers.*

*"Our newer Cited business, with its Real Time Compliance product, is our focus for growth. Its performance over the balance of FY22 and into FY23 will be boosted by the recently signed Hireup contract and Atlas Iron's decision to renew its contract. We expect to provide details of additional Cited wins over the coming months, as negotiations complete.*

*"The CV1 team also continues to action the Innovate component of our CGI growth strategy. Our mobile application is on target to be released in Q4 FY22, and the government accreditation process for our identity system is now underway.*

*"With our vast experience and acknowledged expertise in both background screening and compliance management, CV1 is in a unique position to ultimately expand its product offering. We will continue to add value to our customers by leveraging insights and business intelligence offered by the end-to-end management of compliance monitoring through the entire worker lifecycle, as we develop more comprehensive Know Your People software solutions."*

-ENDS-

This announcement was authorised by the Disclosure Committee of CV Check Ltd.

**For further information, please contact:**

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**About CV Check Limited:**

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CV Check Limited (ASX: CV1) is a leading provider of know your people solutions – comprising pre-employment screening, verification services and workforce compliance management - internationally.

CV Check provides real-time workforce compliance management via its core software-as-a-service RegTech solution Cited. By combining certifications and compliance data with business policy and legislative requirements, Cited enables scalable compliance monitoring spanning pre-employment to daily requirements related to geo-location, roles and tasks applicable across a wide range of industries.

The company also provides a wide range of pre-employment checks via its CVCheck solution. This is delivered via its proprietary technology platform, which has over time evolved into a best-of-breed employment screening and verification offering with a track record of customer service excellence.

CV Check continues to grow its position as the pre-eminent background screening brand in Australasia and is planning its global expansion of its growing suite of RegTech solutions.

To learn more please visit: [www.cvcheck.com](http://www.cvcheck.com)