



CV Check Ltd
Half-year Report
2021



Appendix 4D – Half-year Report

(ASX Listing rule 4.2A)

Company Name:	CV Check Ltd ('CV Check' or the 'Company')
ABN:	25 111 728 842
Reporting Period:	Half-year ended 31 December 2021
Prior Corresponding Period:	Half-year ended 31 December 2020

Results for Announcement to the Market

In accordance with ASX Listing Rule 4.2A, attached is the Half-year Report (incorporating Appendix 4D) for the six months ended 31 December 2021, which was approved by a resolution of the Board of Directors on 23 February 2022. This information should be read in conjunction with the CV Check Ltd Financial Report for the half-year ended 31 December 2021.

The results of CV Check Ltd for the half-year ended 31 December 2021 are as follows:

	Consolidated 31-Dec 2021 \$	Consolidated 31-Dec 2020 \$
Revenue from ordinary activities	12,809,282	6,956,295
(Loss) / profit after tax from ordinary activities attributable to owners	(625,989)	6,022
Net (loss) / profit for the period attributable to owners	(625,989)	6,022

Brief explanation of figures reported above

A review of the operations of the Company during the financial period is set out in the announcement attached to this Appendix 4D (Half-Year Report to the Australian Securities Exchange).

Dividends

No dividends have been paid or declared by the Company since the beginning of the current reporting period. No dividends were paid for the previous reporting period.

Net Tangible Assets

	Consolidated 31-Dec 2021	Consolidated 31-Dec 2020
Net Tangible Assets (\$)	10,188,124	3,809,305
Shares (No.)	434,543,161	292,197,676
Net Tangible Assets Per Share – (Cents)	2.34	1.30

Profit / (Loss) per Share

	Consolidated 31-Dec 2021 \$	Consolidated 31-Dec 2020 \$
Basic Loss per share (cents)	(0.15)	0.00
Diluted Loss per share (cents)	(0.15)	0.00

Control gained over entities

Not Applicable

Loss of control over entities

During the period the Company completed its deregistration of Carbon 6 Pty Ltd and Westgame Pty Ltd acquired as part of the Bright People Technologies acquisition in April 2021. Both entities had been dormant and had not contributed to the profit or loss of the Group.

Details of associates and joint venture entities

Not Applicable

Status of Review of Accounts

This Appendix 4D is based on accounts which have been reviewed. The independent auditor's review report is included within the financial report which accompanies this Appendix 4D.

Attachments forming Part of Appendix 4D

Interim Financial Report for the Half-year 31 December 2021

Independent Auditor's Review Report



ABN: 25 111 728 842

Interim Financial Report for the Half-year ended 31 December 2021

This interim financial report does not include all the notes normally included in an annual financial report. This report is to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements under the Australian Securities Exchange Listing Rules and the *Corporations Act 2001*.

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Company Directory

AUSTRALIAN COMPANY NUMBER (ACN)

111 728 842

CV Check Ltd is a Public Company limited by shares, domiciled in Australia.

DIRECTORS

Ivan Gustavino - Non-Executive Chairman

George Cameron-Dow - Non-Executive Director

Oliver Stewart – Non-Executive Director

Jon Birman - Non-Executive Director

COMPANY SECRETARY

Craig Sharp

WEBSITE

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REGISTERED OFFICE

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Perth, WA, 6000 Australia

AUDITORS

RSM Australia Partners

Level 32, 2 The Esplanade

Perth, WA, 6000 Australia

SOLICITORS

Steinepreis Paganin

Level 4, 16 Milligan St

The Read Buildings

Perth, WA, 6000 Australia

SECURITIES QUOTED

Australian Securities Exchange - Ordinary Fully Paid Shares (Code: CV1)

Directors' Report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of CV Check Ltd (referred to hereafter as the 'Company' or 'CV Check') and the entities it controlled at the end of, or during the six months ended 31 December 2021 ('H1 FY2022').

Directors

The following persons were Directors of the Company during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Ivan Gustavino – Non-Executive Chairman

George Cameron-Dow – Non-Executive Director

Oliver Stewart – Non-Executive Director

Jon Birman - Non-Executive Director

Principal Activity

The principal activities of the consolidated entity during the reporting period were the provision of screening and verification services and the provision of Software-as-a-Service ('SaaS') based real time workforce compliance management reporting technology systems.

The consolidated entity's primary market is Australia and New Zealand. Through its online presence, the consolidated entity offers a comprehensive range of checks across the globe.

There were no significant changes to the principal activities of the consolidated entity during the reporting period.

Dividends

The Company did not pay any dividends during the period. The Directors do not recommend the payment of a dividend in respect of the half-year.

Review of Operations and Financial Results

The completion of the integration of Bright People Technologies and the commencement of the execution of the Company's "CGI" (Consolidate the base, Grow new markets, and Innovate) strategy has shown tangible progress in the Company's evolution from provider of screening and verification services to leading provider of international Regulatory Technology ('Reg-Tech') solutions encompassing screening, verification and workplace compliance management.

Following completion of the integration with Bright People Technologies, CV Check has moved on to market reach and messaging of its SaaS real-time compliance monitoring product, Cited. Cited enables Clients to ensure that legal, statutory and ethical obligations are satisfied at all times in all locations and in all jurisdictions. In doing so, it makes workplaces safer in a smarter way, and ensure compliance is met for every role, in every workplace, every day. The Company is confident it will be announcing increased client uptake of Cited in H2 FY2022.

Meanwhile, the Company also continues to build on its CVCheck brand, the leading provider of background screening services across Australia and New Zealand. Consolidation of this market share provides a solid and reliable revenue foundation for the business.

Directors' Report (continued...)

Review of Operations and Financial Results (continued...)

Key Revenue Highlights

- CV Check reported record revenue of \$12.8m in its H1 FY2022, up 84% on the PCP figure of \$7.0m. This strong H1 FY2022 performance reflected robust revenue growth over both CV Check's Q1 FY2022 and Q2 FY2022, despite the effects of the continued Coronavirus (COVID-19) pandemic.
- A full period contribution from the Bright People Technologies business, which was acquired by CV Check in April 2021, aided the revenue uplift achieved over the half year.
- H1 FY2022 revenues included SaaS revenue of \$1.2m from the Company's real-time monitored compliance product, Cited.
- The Australian business increased its revenues by 91% on a PCP basis to \$11.1m, while CV Check's NZ arm reported H1 FY2022 revenues of \$1.7m, up 51% on PCP.
- Net cash flow from operating activities remained a positive \$1.2m in H1 FY2022 (PCP: \$0.9m), boosted by the growth in sales across the half-year.

Underlying Margins and Net Profit

- CV Check booked a net loss of \$0.6m in H1 FY2022, after making a marginal profit in its H1 FY2021 reporting period.
- The H1 FY2022 after tax loss in part reflected amortisation costs of \$0.6m associated with the Company's acquisition of the Bright People Technologies business.
- CV Check experienced sales growth of 84% and a gross profit margin improvement of 8 percentage points on a PCP basis in its H1 FY2022 to 64% (PCP: 56%).

Operating Expenses

- CV Check's operating expenses (excluding finance costs) increased to \$8.7m in H1 FY2022, up 93% on PCP.
- Share-based costs of \$0.4m were booked in H1 FY2022 associated with options that were issued to employees and Directors. No material amount was booked in PCP.
- Depreciation and amortisation has increased by 126% to \$1.3m in CV Check's H1 FY2022, with much of this uplift attributable to amortisation accompanying the Bright People Technologies acquisition.
- Employee benefits expense was \$5.0m, up 88% on PCP reflective of increased staffing numbers as a result of the Bright People Technologies acquisition.

Cash at Hand and Cashflow Highlights

- Cash at bank as at end-H1 FY2022 was \$12.2m (30 June 2021: \$12.9m). A number of one-off payments were made by CV Check in its H1 FY2022 reporting period, including the finalisation of the Bright People Technologies acquisition, which reduced the cash balance by \$1.0m.
- As noted above, net cash flow from operating activities remained a positive \$1.2m in H1 FY2022 (PCP: \$0.9m), boosted by the growth in sales across the half-year. Customer receipts rose to \$14.4m (PCP \$7.0m), an increase of 105%.
- Cash utilised in the investing activities of the consolidated entity increased to a much higher \$1.7m in H1 FY2022 (PCP: \$0.1m), driven by investment in the Company's technology platforms.

The Company has no external financing.

Directors' Report (continued...)

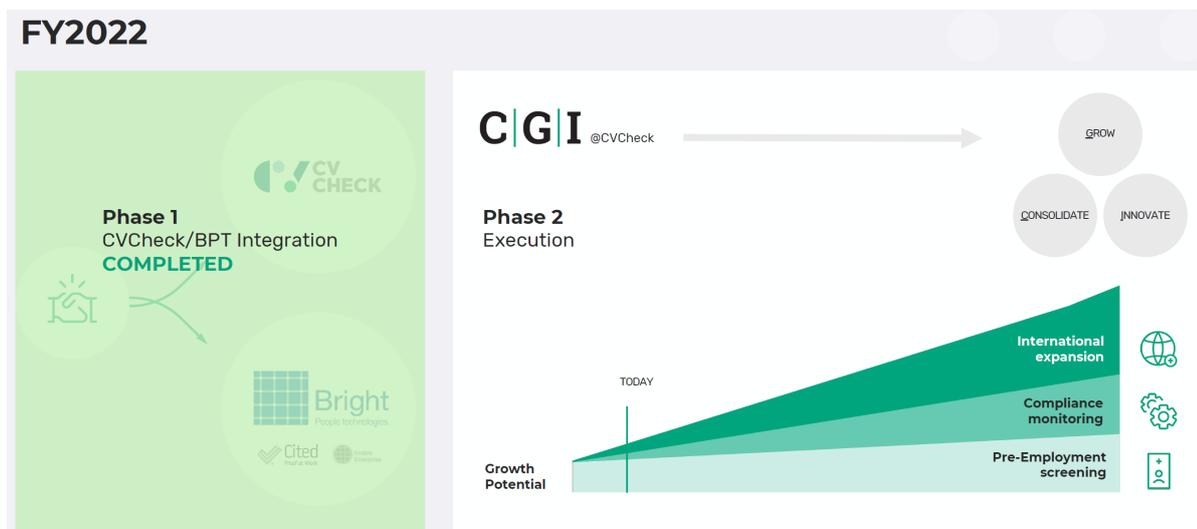
Review of Operations and Financial Results (continued...)

Balance Sheet and Equity

- The CV Check balance sheet was ungeared as at end H1 FY2022, leaving the Company with scope to fund further growth initiatives.
- Pursuant to the CV Check Employee Incentive Option Plan, which was approved by shareholders on 30 January 2019, the Company issued a total of 1,875,864 unlisted options to senior executives in its H1 FY2022 reporting period. These options are subject to vesting conditions and performance criteria.
- The H1 FY2022 reporting period also saw CV Check issue 6,000,000 Performance Rights to Directors, as approved by shareholders at the Annual General Meeting on 29 November 2021. These Performance Rights are subject to vesting conditions and performance criteria.
- Subject to the Company meeting various performance criteria, up to a maximum of 6,000,000 Performance Shares may become available to Michael Ivanchenko in future years as part of his appointment as Chief Executive Officer, as announced on 4 August 2021.

CV Check's FY2022 outlook and growth strategy

- Even allowing for seasonality inherent in CV Check's business – the latter reflective of historical Australian and New Zealand employer staff onboarding cycles – the Company has recorded a strong start in its H2 FY2022 reporting period with revenue 75.2% up for January 2022 on PCP. This has CV Check well placed to deliver excellent revenue growth over its fiscal third and fourth quarters.
- The balance of FY2022 will see CV Check management continue to implement its "CGI" (Consolidate the base, Grow new markets, and Innovate) strategy. As such, CV Check expects in H2 FY2022 to earn continued revenue from traditional screening products, is confident of seeing accelerated take up of the Company's compliance monitoring product, Cited, and anticipates announcing innovations to supplement these revenue opportunities.



Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Directors' Report (continued...)

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' Report.

This Report is made in accordance with a resolution of Directors, pursuant to Section 306(3) of the Corporations Act 2001.

On behalf of the directors



Ivan Gustavino

Non-Executive Chairman

Dated: 23 February 2022



Michael Ivanchenko

Chief Executive Officer

Dated: 23 February 2022

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of CV Check Ltd for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) Any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



AIK KONG TING
Partner

Perth, WA
Dated: 23 February 2022

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Interim Financial Statements
For the half-year ended 31 December 2021

Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2021

	Note	Consolidated	
		31 December 2021	31 December 2020
		\$	\$
Revenue	5	12,809,282	6,956,295
Other income		115	655,230
Interest Income		14,493	15,810
Expenses			
Cost of sales		(4,655,613)	(3,075,867)
Director and employee benefits expense		(5,020,667)	(2,672,365)
Depreciation and amortisation expense		(1,298,540)	(573,536)
Finance costs		(7,914)	(12,173)
Marketing expenses		(790,006)	(450,977)
Share based payment expense	4	(378,712)	(18,578)
Professional and legal fees		(175,215)	(121,476)
Occupancy expenses		(154,730)	(153,398)
IT expenses		(631,256)	(243,377)
Other expenses		(296,716)	(299,566)
(Loss) / profit before income tax for the period		(585,479)	6,022
Income tax expense		(40,510)	-
(Loss) / profit after income tax for the period		(625,989)	6,022
Other comprehensive loss			
Exchange differences arising on translation of foreign operations		(3,622)	(7,577)
Other comprehensive loss for the period (net of tax)		(3,622)	(7,577)
Total comprehensive loss for the period attributable to equity holders of the Company		(629,611)	(1,555)
Loss per Share (cents per share)		(0.15)	0.00

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 31 December 2021

	Note	Consolidated	
		31 December 2021 \$	30 June 2021 \$
CURRENT ASSETS			
Cash and cash equivalents		12,169,540	12,905,805
Trade and other receivables		2,927,921	2,956,765
Other current assets		698,517	429,405
Total Current Assets		15,795,978	16,291,975
NON CURRENT ASSETS			
Plant and equipment		238,423	323,606
Intangibles		11,155,035	11,222,238
Goodwill		4,666,555	4,669,730
Total Non Current Assets		16,060,013	16,215,574
TOTAL ASSETS		31,855,991	32,507,549
CURRENT LIABILITIES			
Trade and other payables		3,583,962	3,763,371
Employee benefits		1,032,356	1,562,659
Lease liability		30,120	217,810
Contract liabilities		991,740	648,017
Income tax liability		-	106,079
Total Current Liabilities		5,638,178	6,297,936
NON CURRENT LIABILITIES			
Employee benefits		208,099	-
Total Non Current Liabilities		208,099	-
TOTAL LIABILITIES		5,846,277	6,297,936
NET ASSETS		26,009,714	26,209,613
EQUITY			
Issued capital	6	47,977,147	47,193,068
Reserves		482,565	1,082,675
Accumulated losses		(22,449,998)	(22,066,130)
TOTAL EQUITY		26,009,714	26,209,613

The accompanying notes form part of these financial statements.

Statement of Changes to Equity

For the half-year ended 31 December 2021

	Issued Capital	Share Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2020	27,323,910	255,933	(82,435)	(21,100,982)	6,396,426
Profit for the period	-	-	-	6,022	6,022
Exchange differences on translation of foreign operations	-	-	(7,577)	-	(7,577)
Total comprehensive loss for the period	-	-	(7,577)	6,022	(1,555)
Transactions with owners, recorded directly in equity					
Share based payments	-	18,578	-	-	18,578
Balance at 31 December 2020	27,323,910	274,511	(90,012)	(21,094,960)	6,413,449
Balance at 1 July 2021	47,193,068	1,083,585	(910)	(22,066,130)	26,209,613
(Loss) for the period	-	-	-	(625,989)	(625,989)
Exchange differences on translation of foreign operations	-	-	(3,622)	-	(3,622)
Total comprehensive loss for the period	-	-	(3,622)	(625,989)	(629,611)
Transactions with owners, recorded directly in equity					
Shares issued net of issue costs	784,079	(733,079)	-	-	51,000
Share based payments	-	378,712	-	-	378,712
Options lapsed	-	(242,121)	-	242,121	-
Balance at 31 December 2021	47,977,147	487,097	(4,532)	(22,449,998)	26,009,714

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the half-year ended 31 December 2021

Consolidated

	31 December 2021 \$	31 December 2020 \$
<i>Cash flows from operating activities</i>		
Receipts from customers	14,364,754	7,004,849
Payments to suppliers and employees	(12,654,050)	(6,966,505)
Finance costs paid	(7,914)	(7,651)
Interest received	14,493	15,679
Income tax paid	(146,589)	-
Receipt of government grant	-	825,181
Acquisition related costs expensed	(349,968)	-
Net cash flows from operating activities	1,220,726	871,553
<i>Cash flows from investing activities</i>		
Payment for purchases of plant and equipment	(61,293)	(13,874)
Payment for intangibles	(1,084,466)	(436,084)
Payment for acquisition of subsidiary	(546,462)	-
Receipt of government grant	-	302,279
Net cash used in investing activities	(1,692,221)	(147,679)
<i>Cash flows from financing activities</i>		
Proceeds from issue of shares	51,000	(144,698)
Payment for lease liabilities	(187,690)	-
Payment for borrowing	(137,299)	-
Net cash used in financing activities	(273,989)	(144,698)
Net (decrease) / increase in cash and cash equivalents	(745,484)	579,176
Cash and cash equivalents at the beginning of the period	12,905,805	4,627,717
Effects of exchange rate changes on the balance of cash held in foreign currencies	9,219	(13,267)
Cash and cash equivalents at the end of the period	12,169,540	5,193,626

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

31 December 2021

Note 1. Company Information

The interim consolidated financial statements of CV Check Ltd and its subsidiaries (collectively, 'the Consolidated Entity' or 'the Group') for the half year ended 31 December 2021 were authorized for issue in accordance with a resolution of the directors on 23 February 2022.

CV Check Ltd ('the Company') is a for profit company, limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The Group's principal activity for the six months ended 31 December 2021 consisted of the provision of screening and verification services and the provision of SaaS-based workforce management and compliance technology systems.

Note 2. General information and basis of preparation

a. Statement of compliance

The interim consolidated financial statements for the six months ended 31 December 2021 have been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 30 June 2021 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

b. Significant accounting policies

The accounting policies applied in these financial statements are consistent with those applied by the Group in the 30 June 2021 consolidated financial statements, except as disclosed in note 2(c).

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2021 half year reporting period and have not been applied in these financial statements.

c. New and amended standards adopted by the Group

The Group has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period and were relevant to the Group. The adoption of the new and amended accounting standards and interpretations had no material impact on the Group. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been adopted early.

d. Critical accounting estimates and judgements

When preparing the Interim Financial Statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the Interim Financial Statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2021.

Notes to the Financial Statements

31 December 2021 (continued)

Note 3. Segment Information

The consolidated entity is organised into two operating segments based on geographical locations consisting of Australia and New Zealand. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors who are identified as the Chief Operating Decision Makers ('CODM') in assessing performance and in determining the allocation of resources.

Performance is measured based on segment operating profit. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information is reported to the CODM monthly.

	Australia	New Zealand	Elimination	Total
	\$	\$	\$	\$
For the six months ended 31 December 2021				
Income				
Sales revenue	11,135,221	1,674,061	-	12,809,282
Other income	532,908	166	(518,466)	14,608
Total income	11,668,129	1,674,227	(518,466)	12,823,890
EBITDA				
Depreciation and amortisation	(1,269,724)	(28,816)	-	(1,298,540)
Interest income	14,445	48	-	14,493
Interest expense	(6,081)	(1,833)	-	(7,914)
(Loss) / profit before income tax	(1,165,139)	579,660	-	(585,479)
Income tax expense	-	(40,510)	-	(40,510)
(Loss) / profit after income tax	(1,165,139)	539,150	-	(625,989)

31 December 2021

Assets

Segment assets	74,553,694	2,719,560	(45,417,263)	31,855,991
Total assets	74,553,694	2,719,560	(45,417,263)	31,855,991

31 December 2021

Liabilities

Segment liabilities	37,721,123	1,904,466	(33,779,312)	5,846,277
Total liabilities	37,721,123	1,904,466	(33,779,312)	5,846,277

Notes to the Financial Statements

31 December 2021 (continued)

Note 3. Segment Information (continued)

	Australia	New Zealand	Elimination	Total
	\$	\$	\$	\$
For the six months ended 31 December 2020				
Income				
Sales revenue	5,845,111	1,111,184	-	6,956,295
Other income	821,027	13	(150,000)	671,040
Total income	6,666,138	1,111,197	(150,000)	7,627,335
EBITDA				
Depreciation and amortisation	(540,563)	(32,973)	-	(573,536)
Interest income	15,797	13	-	15,810
Interest expense	(9,310)	(2,863)	-	(12,173)
(Loss) / profit before income tax	(143,299)	149,321	-	6,022
Income tax benefit	-	-	-	-
(Loss) / profit after income tax	(143,299)	149,321	-	6,022
30 June 2021				
Assets				
Segment assets	61,395,366	2,305,331	(31,193,148)	32,507,549
Total assets	61,395,366	2,305,331	(31,193,148)	32,507,549
30 June 2021				
Liabilities				
Segment liabilities	33,646,406	2,025,766	(29,374,236)	6,297,936
Total liabilities	33,646,406	2,025,766	(29,374,236)	6,297,936

Notes to the Financial Statements

31 December 2021 (continued)

Note 4. Options

Lapse of options

During the half-year ended 31 December 2021, 2,229,343 options exercisable at \$0 (subject to vesting and performance criteria) expiry date 28 October 2022, lapsed in accordance with their terms of issuance under the CV Check (Employee) Incentive Option Plan.

On 17 August 2021, the following options held by Directors lapsed:

- 5,000,000 options exercisable at \$0.15, expiry date 13 August 2021; and
- 5,000,000 options exercisable at \$0.25, expiry date 13 August 2021.

During the half-year ended 31 December 2021, 1,150,315 options exercisable at \$0 (subject to vesting and performance criteria), and 1,240,200 options exercisable at \$0.22165 (subject to vesting and performance criteria) lapsed in accordance with their terms of issuance.

Issue of options

During the half-year ended 31 December 2021, pursuant to CV Check Employee Incentive Option Plan, which was approved by shareholders on 30 January 2019, the Company issued a total of 1,875,864 unlisted options to senior executives. These options are subject to vesting conditions and performance criteria.

Additionally, during the half-year ended 31 December 2021:

- the Company issued 6,000,000 Performance Rights to Directors, as approved by shareholders at the Annual General Meeting on 29 November 2021. The Performance Rights are subject to vesting conditions and performance criteria; and
- subject to the Company meeting various performance criteria, up to a maximum of 6,000,000 Performance Shares may become available to Michael Ivanchenko as part of his appointment as Chief Executive Officer, as announced on 4 August 2021. The issue of any Performance Shares may also be subject to any shareholder approval or regulators if required.

Issue of Share Options	Grant Date	Number of Options	Vesting Conditions
Employee Incentive Option Plan – Employee ZEPOs	8/12/2021	1,875,864	Unlisted options exercisable at \$0 each on or before 17 December 2023. Options are subject to vesting conditions and performance criteria being total revenue, percentage of SaaS license fees as proportion of total revenue, and continued tenure as an employee for a period of 12 months from date of issue of the options.
Directors - Performance Rights	29/11/2021	6,000,000	Performance Rights exercisable at \$0 each on or before 17 December 2023 and are subject to vesting conditions and performance criteria being share price, admittance to the S&P/ASX Technology Index and continued tenure as a Director for a period of 12 months from date of issue of the Performance Rights.
Chief Executive Officer – Performance Shares	08/08/2021	6,000,000	Performance Shares exercisable at \$0 each and are subject to vesting conditions and Performance criteria, being share price and continued tenure as Chief Executive Officer.

Notes to the Financial Statements

31 December 2021 (continued)

Note 5. Revenue

	For the six months ended 31 December	
	2021	2020
	\$	\$
Revenue from contracts with customers		
Rendering of services	12,809,282	6,956,295
Other Income		
Government assistance, grants and incentives	-	630,720
Interest income	14,493	15,810
Others	115	24,510
Total Other Income	14,608	671,040
Total Revenue and Other Income	12,823,890	7,627,335

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

Major product lines		
Criminal history verification	8,600,827	5,278,396
Credentials verification	3,008,455	1,677,899
Software-as-a-Service ('SaaS')	1,200,000	-
	12,809,282	6,956,295

Geographical regions		
Australia	11,135,221	5,845,111
New Zealand	1,674,061	1,111,184
	12,809,282	6,956,295

Timing of revenue recognition		
Services transferred at a point in time	12,809,282	6,956,295

Notes to the Financial Statements

31 December 2021 (continued)

Note 6. Issued capital

	31 December 2021		30 June 2021	
	No.	\$	No.	\$
Fully Paid Ordinary Shares				
Balance at beginning of period	428,826,741	47,193,068	292,197,676	27,323,910
Shares issued during the period				
Shares issued on 18 February 2021	-	-	63,030,303	10,400,000
Shares issued to related party on 6 April 2021	-	-	606,061	100,000
Shares issued as consideration for acquisition on 6 April 2021	-	-	72,992,701	10,218,978
Shares issued from exercise of options	5,716,420	784,079	-	-
Shares Issued	5,716,420	784,079	136,629,065	20,718,978
Transaction Costs	-	-	-	(849,820)
Balance at end of period	434,543,161	47,977,147	428,826,741	47,193,068
Total Fully Paid Ordinary Shares and Issued Capital	434,543,161	47,977,147	428,826,741	47,193,068

Note 7. Contingent Liabilities and Assets

There are no contingent liabilities or assets as at 31 December 2021 (30 June 2021: Nil).

Note 8. Commitments

There are no commitments as at 31 December 2021 (30 June 2021: Nil).

Note 9. Dividends

The directors do not recommend the payment of a dividend in respect of the half-year ended 31 December 2021.

Note 10. Events after the Reporting Date

The impact of the Coronavirus (COVID-19) pandemic is ongoing up to 31 December 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than the above, no matter or circumstances has arisen since 31 December 2021 that significantly affected, or may significantly affect, the state of affairs or operations of the reporting consolidated entity in future financial periods.

Directors' Declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Ivan Gustavino

Non-Executive Chairman

Dated: 23 February 2022



Michael Ivanchenko

Chief Executive Officer

Dated: 23 February 2022



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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF CV CHECK LTD

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of CV Check Ltd, which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of CV Check Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations act 2001*, which has been given to the directors of CV Check Ltd, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of CV Check Ltd is not in accordance with the *Corporations Act 2001* including:

- (a) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

RSM

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to read 'AIK KONG TING', with a stylized flourish extending to the right.

AIK KONG TING
Partner

Perth, WA
Dated: 23 February 2022