

## Quarterly Activity Report and Appendix 4C 30 June 2020

### Principal Activities

Corum Group Limited (ASX:COO) is a technology and software development company. The key business activities relate to Corum Health which develops and distributes business software for the pharmacy industry with emphasis on point-of-sale and pharmaceutical dispensing software, multi-site retail management, support services and computer hardware. Corum eCommerce operates a payment gateway primarily for the real estate and pharmacy sectors.

### Key Activities during the June 2020 Quarter

#### PharmX investment

PharmX Pty Ltd is the pre-eminent electronic gateway that links pharmacies, pharmaceutical wholesalers and direct suppliers within the pharmacy market. Last quarter, Corum increased its stake in PharmX to 43% and paid related costs during the current quarter. There are some remaining matters between Fred IT and PharmX that are continuing before the courts and the revenue due from PharmX remains outstanding.

#### Software investment

Corum is continuing to invest in its software products, with \$723,000 of the investment made during the quarter being capitalised.

Much of this development was focused on readying the core dispense products for the rollout of electronic prescribing across community pharmacies in Australia. Corum has been deeply involved in the government and industry's effort to design and implement this initiative. Corum has developed, achieved conformance, and now deployed a flexible solution that retains all workflow and relevant information within one system.

Development has also continued in the enterprise space. Our focus has been on Corum Clear Enterprise and upgrading RPM Head Office. The functionality improvements made to RPM will enable medium and large groups to transition onto this platform ahead of moving to Corum Clear Enterprise.

## **BAMM Agreement**

The development of Corum Clear Enterprise, our next generation cloud-based Head Office solution, continued during the quarter. As per our 30 June 2020 announcement, the first milestone associated with the Subscription Deed with BAMM Group Administration Pty Ltd ('BAMM') to develop a cloud-based Head Office solution, has not been met. Consequently, the arrangements between the parties for the further development of the product are being reviewed.

## **COVID-19 and cost management**

The impact of COVID-19 on Corum has not been as significant as on many businesses. However, Corum has prudently managed a cost saving program given the potential economic impact of the pandemic. The quarter demonstrates some of the results from these savings measures.

## **Payments to related parties of the entity and their associates**

During the quarter, \$196,000 was paid in fees and salaries to Directors, Key Management Personnel and their related entities. Directors and Key Management Personnel took a 20% reduction in fees and salaries for the quarter.

This Quarterly Activity Report and Appendix 4C has been authorised for release by the Board of Corum Group Limited.

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For further information contact:  
David Clarke, Managing Director

Investor email: [companysecretary@corum.com.au](mailto:companysecretary@corum.com.au)

## Appendix 4C

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

**Name of entity**

Corum Group Limited

**ABN**

25 000 091 305

**Quarter ended ("current quarter")**

30 June 2020

| <b>Consolidated statement of cash flows</b>               | <b>Current quarter<br/>\$A'000</b> | <b>Year to date (12<br/>months)<br/>\$A'000</b> |
|-----------------------------------------------------------|------------------------------------|-------------------------------------------------|
| <b>1. Cash flows from operating activities</b>            |                                    |                                                 |
| 1.1 Receipts from customers                               | 2,511                              | 9,773                                           |
| 1.2 Payments for                                          |                                    |                                                 |
| (a) research and development                              | -                                  | -                                               |
| (b) product manufacturing and operating costs             | (395)                              | (1,731)                                         |
| (c) advertising and marketing                             | (97)                               | (607)                                           |
| (d) leased assets                                         | -                                  | -                                               |
| (e) staff costs                                           | (1,303)                            | (7,158)                                         |
| (f) administration and corporate costs                    | (157)                              | (972)                                           |
| 1.3 Dividends received (see note 3)                       | -                                  | -                                               |
| 1.4 Interest received                                     | 6                                  | 44                                              |
| 1.5 Interest and other costs of finance paid              | -                                  | -                                               |
| 1.6 Income taxes paid                                     | -                                  | (281)                                           |
| 1.7 Government grants and tax incentives                  | -                                  | 1,774                                           |
| 1.8 Other (provide details if material)                   | 167                                | (473)                                           |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>732</b>                         | <b>369</b>                                      |
| <b>2. Cash flows from investing activities</b>            |                                    |                                                 |
| 2.1 Payments to acquire or for:                           |                                    |                                                 |
| (a) entities                                              | -                                  | -                                               |
| (b) businesses                                            | -                                  | -                                               |
| (c) property, plant and equipment                         | (53)                               | (156)                                           |
| (d) investments                                           | (90)                               | (875)                                           |
| (e) intellectual property                                 | (723)                              | (3,128)                                         |
| (f) other non-current assets                              | -                                  | -                                               |

| Consolidated statement of cash flows |                                                       | Current quarter<br>\$A'000 | Year to date (12 months)<br>\$A'000 |
|--------------------------------------|-------------------------------------------------------|----------------------------|-------------------------------------|
| 2.2                                  | Proceeds from disposal of:                            |                            |                                     |
|                                      | (a) entities                                          | -                          | -                                   |
|                                      | (b) businesses                                        | -                          | -                                   |
|                                      | (c) property, plant and equipment                     | -                          | -                                   |
|                                      | (d) investments                                       | -                          | -                                   |
|                                      | (e) intellectual property                             | -                          | -                                   |
|                                      | (f) other non-current assets                          | -                          | -                                   |
| 2.3                                  | Cash flows from loans to other entities               | -                          | -                                   |
| 2.4                                  | Dividends received (see note 3)                       | -                          | -                                   |
| 2.5                                  | Other (provide details if material)                   | -                          | 823                                 |
| <b>2.6</b>                           | <b>Net cash from / (used in) investing activities</b> | <b>(866)</b>               | <b>(3,336)</b>                      |

|             |                                                                                         |              |              |
|-------------|-----------------------------------------------------------------------------------------|--------------|--------------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>                                             |              |              |
| 3.1         | Proceeds from issues of equity securities (excluding convertible debt securities)       | -            | 3,660        |
| 3.2         | Proceeds from issue of convertible debt securities                                      | -            | -            |
| 3.3         | Proceeds from exercise of options                                                       | -            | -            |
| 3.4         | Transaction costs related to issues of equity securities or convertible debt securities | -            | (302)        |
| 3.5         | Proceeds from borrowings                                                                | -            | -            |
| 3.6         | Repayment of borrowings                                                                 | -            | -            |
| 3.7         | Transaction costs related to loans and borrowings                                       | -            | -            |
| 3.8         | Dividends paid                                                                          | -            | -            |
| 3.9         | Other (provide details if material)                                                     | (112)        | (401)        |
| <b>3.10</b> | <b>Net cash from / (used in) financing activities</b>                                   | <b>(112)</b> | <b>2,957</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                             | 2,569 | 2,333   |
| 4.2       | Net cash from / (used in) operating activities (item 1.9 above)              | 732   | 369     |
| 4.3       | Net cash from / (used in) investing activities (item 2.6 above)              | (866) | (3,336) |

| Consolidated statement of cash flows |                                                                  | Current quarter<br>\$A'000 | Year to date (12 months)<br>\$A'000 |
|--------------------------------------|------------------------------------------------------------------|----------------------------|-------------------------------------|
| 4.4                                  | Net cash from / (used in) financing activities (item 3.10 above) | (112)                      | 2,957                               |
| 4.5                                  | Effect of movement in exchange rates on cash held                | -                          | -                                   |
| 4.6                                  | <b>Cash and cash equivalents at end of period</b>                | <b>2,323</b>               | <b>2,323</b>                        |

| 5.  | Reconciliation of cash and cash equivalents<br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------|
| 5.1 | Bank balances                                                                                                                                                        | 443                        | 241                         |
| 5.2 | Call deposits                                                                                                                                                        | 1,880                      | 1,328                       |
| 5.3 | Bank overdrafts                                                                                                                                                      | -                          | -                           |
| 5.4 | Other (provide details)                                                                                                                                              | -                          | 1,000                       |
| 5.5 | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>                                                                                     | <b>2,323</b>               | <b>2,569</b>                |

| 6.                                                                                                                                                              | Payments to related parties of the entity and their associates                          | Current quarter<br>\$A'000 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|----------------------------|
| 6.1                                                                                                                                                             | Aggregate amount of payments to related parties and their associates included in item 1 | 196                        |
| 6.2                                                                                                                                                             | Aggregate amount of payments to related parties and their associates included in item 2 | -                          |
| <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. Financing facilities</b><br><i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i><br><i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>                                                                                               | <b>Total facility<br/>amount at quarter<br/>end<br/>\$A'000</b> | <b>Amount drawn at<br/>quarter end<br/>\$A'000</b> |
| 7.1 Loan facilities                                                                                                                                                                                                                                                                                                                             | -                                                               | -                                                  |
| 7.2 Credit standby arrangements                                                                                                                                                                                                                                                                                                                 | -                                                               | -                                                  |
| 7.3 Other (please specify)                                                                                                                                                                                                                                                                                                                      | -                                                               | -                                                  |
| 7.4 <b>Total financing facilities</b>                                                                                                                                                                                                                                                                                                           | -                                                               | -                                                  |
| 7.5 <b>Unused financing facilities available at quarter end</b>                                                                                                                                                                                                                                                                                 |                                                                 | -                                                  |
| 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. |                                                                 |                                                    |
|                                                                                                                                                                                                                                                                                                                                                 |                                                                 |                                                    |

|                                                                                                                                                                                                                        |                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| <b>8. Estimated cash available for future operating activities</b>                                                                                                                                                     | <b>\$A'000</b> |
| 8.1 Net cash from / (used in) operating activities (item 1.9)                                                                                                                                                          | 732            |
| 8.2 Cash and cash equivalents at quarter end (item 4.6)                                                                                                                                                                | 2,323          |
| 8.3 Unused finance facilities available at quarter end (item 7.5)                                                                                                                                                      | -              |
| 8.4 Total available funding (item 8.2 + item 8.3)                                                                                                                                                                      | 2,323          |
| 8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>                                                                                                                                      | n.a.           |
| <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: n.a.                                                                                                                                                                                                           |                |
| 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: n.a.                                                                                                                                                                                                           |                |
| 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?                                                                                      |                |
| Answer: n.a.                                                                                                                                                                                                           |                |
| <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.

Date: 31 July 2020

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.