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ASX: CV1

CVCHECK – Q1FY21 QUARTERLY ACTIVITIES REPORT

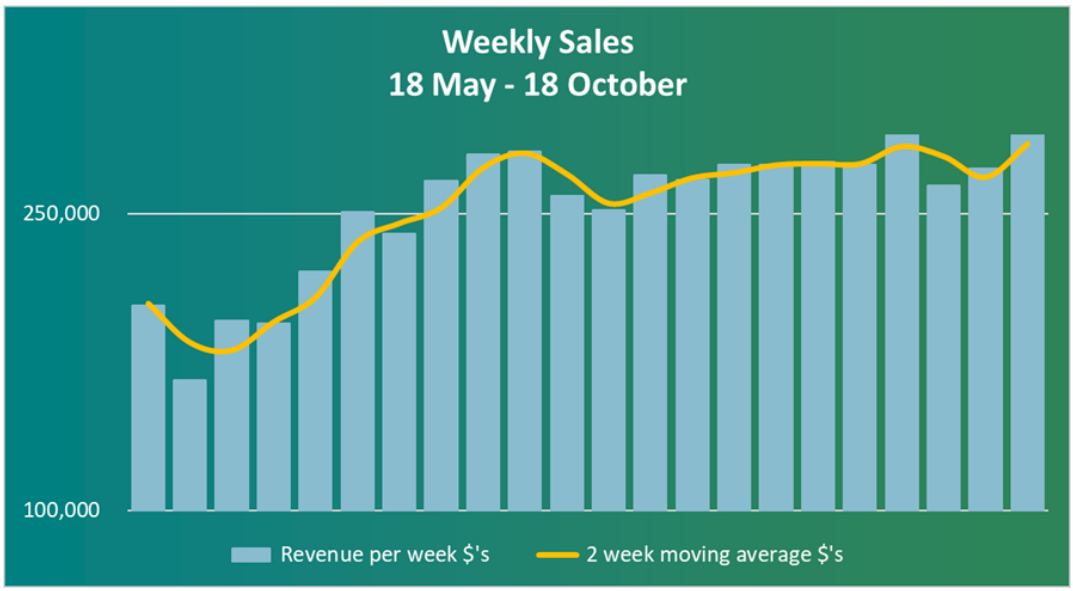
- **$3.4M revenue booked in Q1FY21 (1% down on PCP), $2.6M from B2B and $0.8M B2C**
- **Q1 revenue was 40% higher than the prior quarter despite pandemic related shutdowns in New Zealand and Victoria, strong sales continue in October following record September sales**
- **$9.9M booked ARR in the 12 months to 30 September from $9.6M in the 12 months to 30 June**
- **Revenue from platform integrations continued rising strongly (156% above PCP)**
- **Net cash generation of $0.5M driven by strong sales recovery, R&D tax incentive and aided by government assistance**
- **Strong balance sheet with cash at bank $5.2M as at the end September, no debt**

Leading online integrated screening and verification company, CV Check Limited ("CV1" or "the Company") (ASX:CV1) is pleased to provide an operating update and report on its cashflow performance for Q1FY21.

CV1 Chief Executive Officer, Rod Sherwood, commented, "A resurgence of CV1 revenues was experienced during the past quarter with record sales being achieved for the month of September despite renewed shutdowns across New Zealand and Victoria; that trading strength has continued in October. New client wins were strong throughout the period and a new integration was announced with RealMe, the New Zealand government digital ID platform. CV1 was also thrilled to announce recently that it had won its first major international customer under its strategic white label initiative, NetForce Global LLC, and then back that up by winning the business of Vero Screening Ltd."

Record September revenues, strength continues in October

CV1 Group revenue was 40% higher than the prior quarter with strengthening momentum as the period progressed. The Company set a new sales record for the month of September, driven by a record month in total website usage and the highest B2B and B2C new account sign ups in over 12 months. That strength has continued during October even with the dampening effect of both public and school holidays.



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Q1FY21 sales came to $3.4M (1% down on the previous corresponding period (PCP)), with $2.6M in revenue coming from B2B customers and $0.8M from B2C customers. Sales strength was derived from new client wins coupled with improved order flow from established customers previously affected by the pandemic related shutdowns.

Booked ARR rose to $9.9 million for the 12 months ended 30 September as both the average revenue per account and number of returning customers expanded.

New customer wins

First orders were booked during the quarter from new customers including Amaysim (ASX: AYS), the Australian Digital Health Agency, Geelong Port, Harmoney (the largest digital platform lender in New Zealand), Ironman, Manpower, Melbourne Storm, Sigma Healthcare (ASX: SIG), Village Roadshow (ASX: VRL) and many other well-known brands.

These client wins were aided by the CV1 platform offering a comprehensive range of screening and verification products, the broad number of integrations now in place with other key HR technology platforms and the strong performance of our customer engagement teams.

Platform integrations

As previously announced, part of CV1's strategy is to deliver growth through platform integrations with providers of other HR information systems and applicant tracking systems. Revenue booked through these integrations continues to rise strongly with Q1FY21 sales exceeding PCP by 156%; the average number of checks per order made through integrations also rose, supporting margins. On 30 September CV1 announced a successful integration with RealMe®, the digital identity verification entity operated by the New Zealand government.

White label, NetForce Global and Vero Screening signed as international customers

CV1 previously announced its strategic objective to white label its screening and verification services, particularly to recognised international wholesalers within the industry.

The strategic white label rollout has gained momentum with CV1 announcing on:

- 15 October 2020, that it had signed US headquartered employment screening specialist, Netforce Global LLC, as its first international customer under the strategic white label rollout; and
- 22 October 2020, that it had signed UK headquartered Vero Screening Ltd as another international customer under this roll out.

Net cash generation of $0.5M, cash balance increased to $5.2 million

Driven by strengthening sales performance, customer receipts rose to $3.4 million in Q1FY21 to be 8% higher than the $3.1 million received in the PCP and $0.9 million (34%) higher than the $2.5 million received in Q4FY20.

Net cash generation of $0.5 million across the quarter compares favourably to $0.2 million cash burn in the PCP and in the prior quarter.

In line with PCP, $0.5 million was received as an R&D incentive from the Australian Federal government against FY20 expenditures. CV1 received some government assistance during the quarter resulting from packages introduced by governments in response to the COVID-19 pandemic. The Company has used the

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assistance received judiciously and further reduced its net current liabilities. Given improved trading conditions, CV1 does not expect to qualify for such assistance in the coming quarter.

The cash balance increased to $5.2 million. The net current liabilities further improved both against last quarter and the PCP. CV1 Group has no external debts.

Related party payments (listing rule 4.7C.1)

$179k of related party payments were made during Q1FY20, being director fees, salary for the executive director and other remuneration.

-ENDS-

Announcement released with authority of CV1's Disclosure Committee.

For further information, please contact:
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About CV Check Limited: CV1 is an expanding business with growing revenue streams through the provision of its check products to employers, industry associations and individuals via the CVCheck brand on its proprietary online platform CVCheck.com. The Company has been operating for more than 10 years and in the process has developed a world-class online platform providing a comprehensive range of checks across the globe. CV Check Limited is a listed public company quoted under the ticker CV1 on the Australian Securities Exchange (ASX).

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