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ASX RELEASE

Nvoi

29 October 2020

September 2020 Quarterly Update

HIGHLIGHTS

- **Record quarterly cash receipts of over $1 million**
- **Strategic product development positions Nvoi for growth**
- **Post-JXT acquisition operational restructure complete**

Nvoi Ltd (ASX:NVO) (**Nvoi** or **Company**) has released its Appendix 4C Quarterly Report for the three month period ending 30 September 2020 and is pleased to provide the following update on its activities.

EVENTS DURING THE QUARTER

Nvoi continues its strategy with an increased focus on expanding the JXT offering to handle the entire recruitment lifecycle for global staffing companies and internal recruitment teams.

Throughout the quarter, a combination of consolidating Nvoi's technologies (Nvoi Direct, Workconex and JXT) and the CareerOne partnership has fast-tracked the development of Nvoi's new product, 'ApplyFlow'. ApplyFlow leverages years of product development, industry knowledge and data into one new system, that delivers a much-needed overhaul to the recruitment process as we know it.

On 27 August 2020, Nvoi appointed Steve Butler as new Chief Executive Officer of the Nvoi group. In his previous position as Chief Product Officer, Steve developed the product roadmap and growth strategy aligned with the new developments.

Record cash receipts

Despite the current difficult macro-economic environment as a consequence of COVID-19, cash receipts for the quarter were in excess of $1 million, up from $471,000 last quarter, with the Company achieving close to operating breakeven for the month of September.

Product consolidation & vertical expansion

Existing Nvoi technologies, the acquisition of JXT, and partnership with CareerOne provided a springboard to expedite product development towards a roadmap that delivers a cohesive experience throughout the entire recruitment flow.

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Product development throughout the quarter has focused on expanding the original JXT offering beyond recruitment websites and job boards. The new product, 'ApplyFlow', bundles everything needed to run a recruitment agency in one seamless platform and sees Nvoi enter into new segments of recruitment technology and a significantly larger serviceable available market.

Development of the new platform and its new verticals is ahead of schedule and expected to expand monthly recurring revenue with existing clients, increase average contract values and service customers with better unit economics and a 'Shopify' approach to scale.

JXT operational restructure complete

Nvoi has completed its post-JXT acquisition operational restructure as announced to ASX on 27 August 2020, recognising several immediate cost benefits amounting to approximately $2 million in annualised cost savings.

Improved customer service, product features and planned rollout for the new product has improved customer confidence – all key to retaining recurring revenue and client renewals during the quarter.

Summary of expenditure for the quarter and related party payments

During the quarter, the group's total operating expenses were approximately $2.1 million, comprised of product development ($300,000), marketing ($49,000), personnel and restructuring costs ($1.03 million), and finance and administration costs ($627,000).

In accordance with ASX Listing Rule 4.7C.3, payments to related parties and their associates outlined in the Company's Appendix 4C for the quarter relate to salary and superannuation payments to Directors, legal fees paid to Milcor Legal (a company associated with Mr Papadopoulos) for legal services and payments to Superhero Holdings Pty Ltd (a company associated with Mr Winters) for the purchase of second-hand office equipment for Nvoi's offices .

The Company's cash balance as at 30 September 2020 was approximately $4.376 million.

EVENTS SUBSEQUENT TO THE END OF THE QUARTER

New Contracts and strong contract pipeline with momentum building

Subsequent to the end of the quarter JXT entered into a new 12-month contract with Adecco, one of the world's largest staffing firms and a Fortune Global 500 company, for the provision of website management and support services to Adecco's global markets, including Australia, New Zealand, Hong Kong, Singapore, Taiwan, Malaysia, China and South Korea.

Engagement with new and existing clients, from both recruitment agencies and corporate recruitment teams has continued in multiple geographies. A strong pipeline of major new and renewing contracts is on the short-term horizon.

Momentum is increasing with a clear demand for the new 'ApplyFlow' platform. This momentum will be fuelled further as the group gears up for growth and implements its go-to-market strategy.

Proposed Name Change and New Branding

In October 2020 the Company released a notice of meeting for its 2020 AGM, convened for 12 November 2020. At the meeting, Nvoi will seek approval of shareholders for the Company to change its name to 'ApplyFlow Limited'.

The change is part of the Company's broader strategy to consolidate its brands and make its mission very clear to customers, shareholders and employees.

Clients approaching go-live date on the new 'ApplyFlow' platform

Onboarding clients to the new technology has commenced ahead of scheduled with go-live dates scheduled for the end of October 2020. The new technology replaces significant infrastructure costs and removes reliance on third-party services.

Work has continued on development of the 'ApplyFlow' platform and this is expected to continue into the next quarter.

Migration of existing clients on to the new ApplyFlow platform and adoption of new clients is expected to drive improved monthly recurring revenue as well as a reduced cost base due to operational efficiencies.

This announcement was approved for release to ASX by Nvoi's Board of Directors.

Contact

Steve Butler
CEO
steve@nvoi.com.au

John Winters
Non-Executive Director
john.winters@nvoi.com

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About Nvoi

Nvoi is on a mission to make the recruitment experience better for everyone by giving recruiters an easy to use yet powerful tech solution to manage their entire business flow. A fresh take on what the recruitment process should be and the tools your team needs to make it a reality

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Appendix 4C

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

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Name of entity	
NVOI LTD	
ABN	**Quarter ended ("current quarter")**
29 107 371 497	30 September 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	1,013	1,013
1.2	Payments for		
	(a) research and development		
	(b) product manufacturing and operating costs	(75)	(75)
	(c) advertising and marketing	(49)	(49)
	(d) leased assets		
	(e) staff costs	(1,025)	(1,025)
	(f) administration and corporate costs	(843)	(843)
1.3	Dividends received (see note 3)		
1.4	Interest received	5	5
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives	141	141
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(833)**	**(833)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) businesses *(deferred from JXT purchase)*	(25)	(25)
	(c) property, plant and equipment	(3)	(3)
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		

+ See chapter 19 of the ASX Listing Rules for defined terms.

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $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	(4)	(4)
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**(32)**	**(32)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
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		
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)		
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	5,241	5,241
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(833)	(833)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(32)	(32)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**4,376**	**4,376**

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	2,370	2,235
5.2	Call deposits	2,006	3,006
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**4,376**	**5,241**

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	213
6.2	Aggregate amount of payments to related parties and their associates included in item 2	3

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.

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

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.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(833)
8.2	Cash and cash equivalents at quarter end (item 4.6)	4,376
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	4,376
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	5

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.

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

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.

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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: 29 October 2020

Authorised by: By the board
(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.

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