

ASX Announcement

30 July 2021

IODM 4Q Quarterly Activities Report and Appendix 4C

Key highlights

- Achieved quarterly cash receipts of A\$300k
- Signed new partnership agreement with WUBS for Education in the UK
- Signed first education client in the UK

IODM Limited (ASX:IOD, "IODM" or "the Company"), a cloud-based software solution that revolutionises business cash flow management is pleased to release its Quarterly Activities Report and Appendix 4C Quarterly Cash Flow Report for the period ended 30 June 2021 ("4Q FY21").

During the quarter, IODM received cash receipts from clients of A\$302k, up 35% on the 3QFY21. More than 95% of FY21 Revenue and cash receipts have been derived from the Australian operations.

On 30 June 2021, IODM announced that it had signed a material contract with WUBS regarding the updated partnership agreement in the UK Education sector. The economics of this contract changed the nature in which IODM derives revenue from one of outperformance to a revenue sharing arrangement on existing WUBS clients.

The target market is currently largely WUBS client orientated. The platform delivered to these clients is a targeted Accounts Receivable ERP system with CRM and problem-solving capabilities. The demographic that this system applies to is international students and allows the Universities to offer a seamless payment portal either as an upfront payment or through a payment plan. WUBS has a substantial market share in education in the UK



International
student pays
In domestic currency



University
receives in GBP



Using IODM
system through
Global Pmts Platform



Partnership receives
revenue

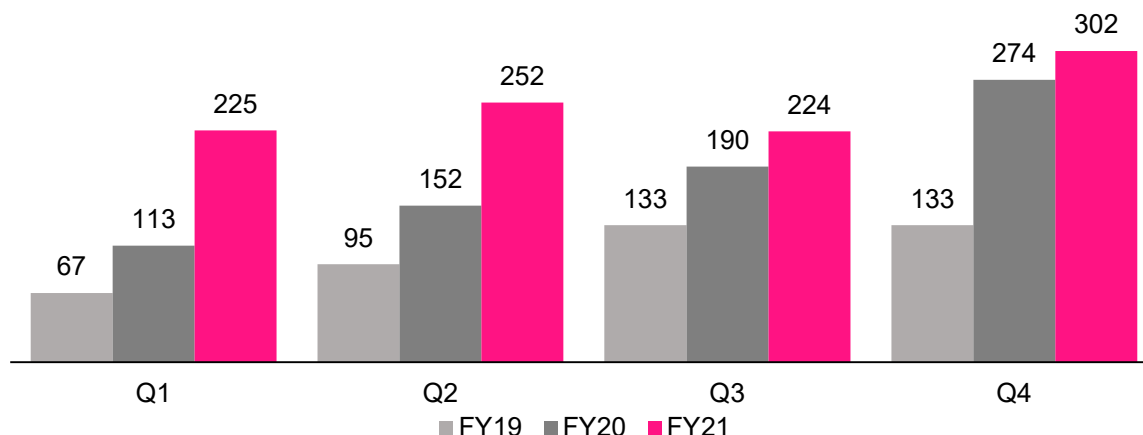


Partnerships pays
IODM commission
quarterly in arrears

In 2019/20 there were ~538,600¹ overseas students studying while on 6 February 2021 the UK Government launched an update to their International Education Strategy which is aimed at recruiting 600,000¹ students annually. In 2015, £4.8B¹ was spent on tuition fees alone.

It is envisaged that there will be a heavy skew towards overseas revenue going forward. It is also planned to extend this arrangement to WUBS education clients in North America and other regions.

Figure 1: IODM Quarterly Cash Receipts (A\$'000)



IODM CEO, Mark Reilly said, *“The company is very excited about its targeted move into the Education market globally which has been recognised by the first client signing in the UK while the existing business continues to break new ground both domestically and overseas”*

– END –

About IODM

IODM is a leading accounts receivable (AR) solution that utilises digital technology to optimise automation. IODM's solution provides an end-to-end AR process that supports customers with invoicing, query management, payment reminders, escalation, analytics and more. IODM's solution drives increased client productivity and timely payments while reducing costs and minimising human error. The solution is a customisable application that seamlessly integrates with any accounting ERP software package. IODM operates globally and is headquartered in Melbourne, Australia. To learn more, please visit www.iodmconnect.com

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This announcement is authorised by IODM's Board of Directors

1 <https://commonslibrary.parliament.uk/research-briefings/cbp-7976/>

Appendix 4C

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

Name of entity

IODM LIMITED

ABN

28 102 747 133

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (....12...months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	302	1,003
1.2 Payments for		
(a) research and development	0	0
(b) product manufacturing and operating costs	0	0
(c) advertising and marketing	0	0
(d) leased assets	0	0
(e) staff costs	(554)	(1,886)
(f) administration and corporate costs	(248)	(1,038)
1.3 Dividends received (see note 3)	0	0
1.4 Interest received	0	0
1.5 Interest and other costs of finance paid	(3)	(6)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	0	286
1.8 Other (provide details if material)	0	0
1.9 Net cash from / (used in) operating activities	(503)	(1,641)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	0	0
(b) businesses	0	0
(c) property, plant and equipment	0	0
(d) investments	0	0
(e) intellectual property	0	0
(f) other non-current assets	0	0

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (....12...months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	0	0
	(b) businesses	0	0
	(c) property, plant and equipment	0	0
	(d) investments	0	0
	(e) intellectual property	0	0
	(f) other non-current assets	0	0
2.3	Cash flows from loans to other entities	0	0
2.4	Dividends received (see note 3)	0	0
2.5	Other -payment of refundable security deposit	(111)	(111)
2.6	Net cash from / (used in) investing activities	(111)	(111)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	0	1,750
3.2	Proceeds from issue of convertible debt securities	0	0
3.3	Proceeds from exercise of options	0	20
3.4	Transaction costs related to issues of equity securities or convertible debt securities	0	(10)
3.5	Proceeds from borrowings	0	0
3.6	Repayment of borrowings	(24)	(96)
3.7	Transaction costs related to loans and borrowings	0	0
3.8	Dividends paid	0	0
3.9	Other (provide details if material)	0	0
3.10	Net cash from / (used in) financing activities	(24)	1,664

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,289	739
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(503)	(1,641)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(111)	(111)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (...12...months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(24)	1,664
4.5	Effect of movement in exchange rates on cash held	0	0
4.6	Cash and cash equivalents at end of period	651	651

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	651	1,289
5.2	Call deposits	0	0
5.3	Bank overdrafts	0	0
5.4	Other (provide details)	0	0
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	651	1,289

6. Payments to related parties of the entity and their associates

6.1 Aggregate amount of payments to related parties and their associates included in item 1

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

**Current quarter
\$A'000**

10

0

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

Directors fees \$10K

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	0	0
7.2 Credit standby arrangements	0	0
7.3 Other (please specify)	0	0
7.4 Total financing facilities	0	0

7.5 **Unused financing facilities available at quarter end** 0

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.

N/A

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(503)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	651
8.3 Unused finance facilities available at quarter end (Item 7.5)	0
8.4 Total available funding (Item 8.2 + Item 8.3)	651
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	1.3

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

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?

On 30 June 2021, IODM announced the signing of a new commercial agreement with Western Union Business Solutions ("WUBS") as well as the signing of a new material contract in the UK education sector. Consequently IODM is comfortable with the current cash at bank balances versus cash flow budgets which take in to account the following:

- increase in Revenue and Cash Receipts which is forecast to continue in an accelerated manner as a result of the new commercial agreement with WUBS
- the rollout of this education offering with WUBS into other markets most notably the USA

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?

The IOD Board will continue to manage capital in a prudent manner that benefits shareholders.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

IOD expects to continue its operations and meet its business objectives as pursuant to the answers provided in Questions 1 and 2 of Section 8.6

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.

30 JULY 2021

Date:

BY THE BOARD OF IODM LIMITED

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.