

ASX Announcement

29 October 2021

IODM 1Q Quarterly Activities Report and Appendix 4C

Key highlights

- **Achieved quarterly cash receipts of A\$198k**
- **Continued signing of university clients in the UK with WUBS**
- **Established a sales function in Dubai**
- **Implemented a transactional revenue to the strategy**
- **Rollout in to the North American Education sector brought forward**

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 September 2021 ("1Q FY22").

During the quarter, IODM received cash receipts from clients of A\$198k, down 12% on the 1QFY21. This was solely due to the company being impacted from the prolonged lockdown on the East Coast of Australia and its inability to implement new clients. The Implementation Revenue forecast is in excess of ~\$115,000 and is expected to resume to normal functionality in December. During the prolonged lockdown, the company took the opportunity to reposition its domestic resources to assist in its international operations growth, including the onboarding of international clients in the overseas regions where the company was seeing significant demand due to these regions not been locked down.

As previously disclosed, the company signed further Education clients in the UK through its partnership with WUBS. The company also repositioned key staff members in Australia to aid the added workload it has seen through the presentation process in commercialising and onboarding this opportunity. The company believes it will continue to sign UK universities during the current quarter and beyond at an accelerated pace. As a result of the quick success the company has experienced in the Education space in the UK, it was decided to bring forward the introduction of the offering to the US and Canada from 3Q FY22 to 2Q FY22 and that process has commenced with the WUBS education team in North America. It is the company's intention to start promoting the offering to the healthcare sector in the US with WUBS alongside this expansion. The company is confident of North American signings in the 2Q FY22, based on the pattern we have seen in the UK to date.

During the quarter, because of its efforts to date in the UK, the company has seen significant growth in its brand awareness in the Middle East. Consequently the company has employed a Head of Sales in Dubai and it intends to use this as a base to expand through the Middle East. The company is in commercial discussions with several large Multi-national groups that base their finance teams in Dubai and surrounding regions. These companies are looking for a global AR solution and it is envisaged that revenue model in this instance would be a global licensing fee, as opposed to doing a subscription based model on a regional basis.

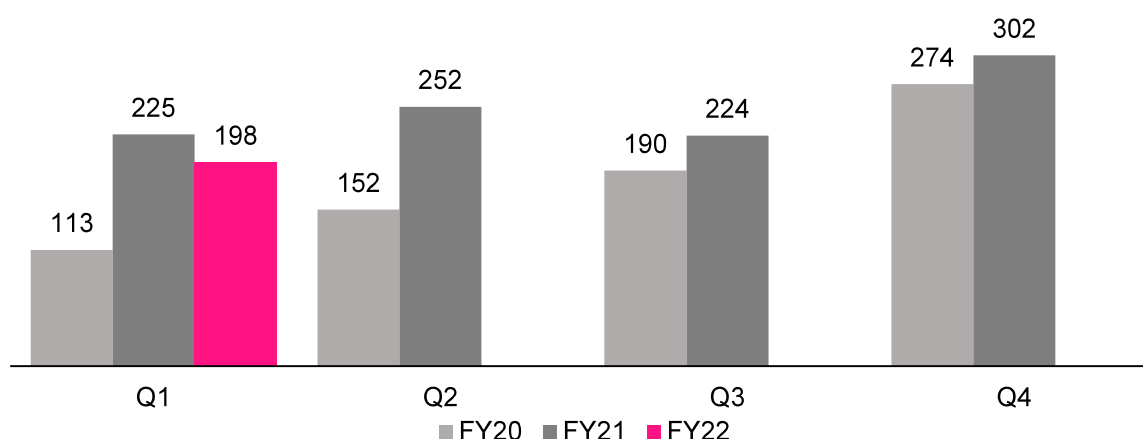
Corporate and Additional Information

During the quarter the Company expended \$14K on costs associated with setting a US subsidiary and \$25K on employing a Head of Sales in Dubai. This expenditure is included in the staff, administration and corporate costs for the quarter.

Payments to related parties of the entity and their associates during the September quarter totalled \$11K, which were all directors' fees.

Post the end of the quarter, the company has received a Tax Research and Development refund of \$406,000, in addition to funds generated by the exercise of options both during and post the quarter, boosting the company's cash position.

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



IODM CEO, Mark Reilly said, *"The company is enjoying a very busy period of time at the moment globally and while domestically our closed borders have proved difficult, globally economies are open and are very easy to transact business."*

– 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

For more information, please contact:

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This announcement is authorised by IODM's Board of Directors

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 SEPTEMBER 2021

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	198	198
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	(464)	(464)
(f) administration and corporate costs	(276)	(276)
1.3 Dividends received (see note 3)	0	0
1.4 Interest received	0	0
1.5 Interest and other costs of finance paid	0	0
1.6 Income taxes paid	0	0
1.7 Government grants and tax incentives	30	30
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(512)	(512)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(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 (3 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)		
2.5	Other (Redeem refundable security deposit)	43	43
2.6	Net cash from / (used in) investing activities	43	43

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	0	0
3.2	Proceeds from issue of convertible debt securities	0	0
3.3	Proceeds from exercise of options	150	150
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(2)	(2)
3.5	Proceeds from borrowings	0	0
3.6	Repayment of borrowings	(10)	(10)
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	138	138

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	651	651
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(512)	(512)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	43	43

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)	138	138
4.5	Effect of movement in exchange rates on cash held	0	0
4.6	Cash and cash equivalents at end of period	320	320

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	320	651
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)	320	651

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	11
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0
<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>		

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	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)	(512)
8.2 Cash and cash equivalents at quarter end (item 4.6)	320
8.3 Unused finance facilities available at quarter end (item 7.5)	0
8.4 Total available funding (item 8.2 + item 8.3)	320
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.6
<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: 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 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 North America. - On 13 October 2021 IODM received a R & D development tax offset of \$406K - Directors and KMP have ability to exercise options to provide additional funding up to \$365K if required	

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

The directors will continue to run low cash liquidity levels for the next 12 months to ensure that shareholder value is protected.

- 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: 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

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.

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.

29 OCTOBER 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.