

## IODM Quarterly Activities Report and Appendix 4C

### Key highlights

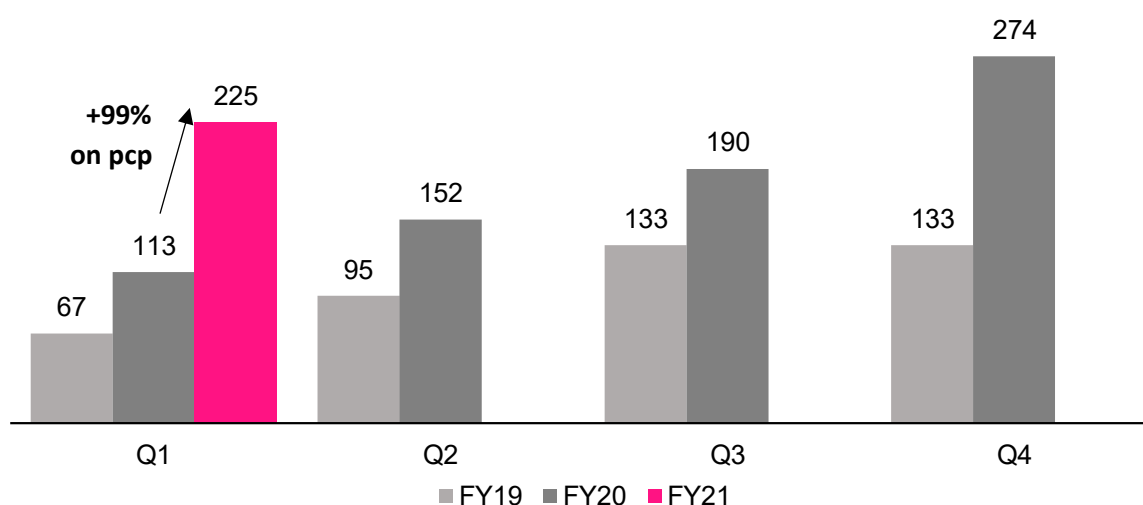
- Achieved quarterly cash receipts of A\$225k, a 99% increase on pcp
- The value of invoices uploaded through the IODM platform increased by 75% from 4Q FY20 to A\$384m
- First UK customer signed and implemented, further de-risking business opportunity
- Launch of invoice funding capability through partnership with Grow Finance
- Successfully decreased cash burn relative to previous quarters and remains in a strong financial position with a cash balance of A\$0.64m as at 30 September 2020

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 2020 ("1Q FY21").

During the quarter, IODM received cash receipts from customers of A\$225k, up 99% on the prior corresponding period (pcp). Revenue growth was primarily driven by new customer acquisitions and expanding subscription and implementation revenue from domestic customers. IODM achieved strong growth in key operational metrics with September 2020 invoice numbers rising to 298,455.

During 1Q FY21, IODM successfully signed and implemented the first customer in the UK. The first implementation in the UK represents a significant milestone for the Company, enhancing the business opportunity in the region and providing strong foundations for new customer acquisitions in the near-term. Expanding into this highly attractive market validates IODM's proven capabilities and de-risks entry into the UK and other markets across Europe.

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



**IODM CEO, Mark Reilly said,** *“IODM’s business continues to go from strength-to-strength and our unique solution is gaining traction in key strategic markets. We are pleased to proactively support our customers in managing their accounts receivable function, leading to an improvement in their working capital in the challenging COVID-19 environment. FY21 is set to be a pivotal year for IODM following the successful launch of IODM Connect and our strategic partnerships with Western Union and Grow Finance. The Company is well positioned to drive new customer acquisitions and accelerate international expansion.”*

The prolonged impact of the COVID-19 pandemic has facilitated new customer interest as businesses seek opportunities to improve their cash management and remote working capabilities. Similarly, there is a growing demand for reliable accounts receivable solutions as digital businesses expand their sales overseas. These growing complexities have also highlighted the importance of oversight and compliance, creating pressure on businesses to streamline processes and facilitate remote collaboration.

In August 2020, IODM launched new invoice funding capabilities through a partnership with Grow Finance. The new solution allows IODM customers to seamlessly access invoice financing. The solution enables companies and funders to have in-depth transparency on outstanding invoices and the data collected facilitates compliance and governance oversight. This results in better financing terms for IODM’s customers, and more surety on lending for funders. The strategic partnership with Grow Finance also creates another valuable source of referrals for IODM.

During the quarter, IODM’s partnership with Western Union continued to generate a steady flow of high-quality leads for both businesses, and the Company is in late stage discussions with a number of prospective domestic and international customers.

### **Corporate update**

IODM had net operating cash outflows for 1Q FY21 of A\$96k, with receipts from customers of A\$225k. The Company successfully decreased its cash burn from previous quarters, primarily driven by an increase in customer receipts, rebates (R&D and Export Market) of A\$286k and a reduction in administrative and corporate costs. Payments of fees to Directors and employees were A\$385k for the quarter. At the end of the quarter, IODM held A\$637k in cash and remains in a strong financial position.

– 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](http://www.iodmconnect.com)

**For more information, please contact:**

**General enquiries**

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***Announcement 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 20

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (....3...months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	225	225
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	(385)	(385)
(f) administration and corporate costs	(222)	(222)
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		
1.7 Government grants and tax incentives	286	286
1.8 Other (provide details if material)	0	0
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(96)</b>	<b>(96)</b>
<b>2. Cash flows from investing activities</b>		
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 (....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)	0	0
2.5	Other (provide details if material)	0	0
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>0</b>	<b>0</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	20	20
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	(24)	(24)
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
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(6)</b>	<b>(6)</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	739	739
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(96)	(96)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	0	0

Appendix 4C  
**Quarterly cash flow report for entities subject to Listing Rule 4.7B**

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (....3...months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(6)	(6)
4.5	Effect of movement in exchange rates on cash held	0	0
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>637</b>	<b>637</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	637	739
5.2	Call deposits	0	0
5.3	Bank overdrafts	0	0
5.4	Other (provide details)	0	0
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>637</b>	<b>739</b>

**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

<b>Current quarter \$A'000</b>
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

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

**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.*

	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	0	0
7.2 Credit standby arrangements	0	0
7.3 Other (please specify)	0	0
<b>7.4 Total financing facilities</b>	<b>0</b>	<b>0</b>

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
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<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)	(96)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	637
8.3 Unused finance facilities available at quarter end (Item 7.5)	0
8.4 Total available funding (Item 8.2 + Item 8.3)	637
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>6.6</b>

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?

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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?

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

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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.

13 OCTOBER 2020

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.