ASX RELEASE **30 January 2020**
ASX: CV1

CVCHECK ARR GROWTH, CASH FLOW BREAKEVEN, B2B WINS

- **CVCheck books first revenues from Volkswagen, Panasonic and other large enterprises**
- **First revenues from two recent tender wins expected in Q3FY20**
- **$3.2M revenue in Q2FY20 (7% higher than PCP), consisting of $2.4M B2B revenue and $0.8M B2C revenue**
- **Booked Annualised Recurring Revenue (ARR) increased to $9.8M**
- **Breakeven on operating and investing cash flow, including partial FY19 R&D incentive receipt of $0.1M**
- **Strong balance sheet with cash at bank $5.8M as at 31 December 2019**
- **Investor conference call to be held at 12PM AEDT (9AM AWST) Thursday 6 February 2020**

Leading online integrated screening and verification company, CV Check Limited ("CV1" or "the Company") (ASX:CV1) is pleased to release its December Quarter Appendix 4C and report a breakeven cash flow quarter and solid revenue performance amid multiple new B2B customer wins.

Continued growth in B2B customer segment

In CV1's seasonally weakest quarter, Q2FY20 revenue grew 7% relative to the previous corresponding period (PCP) with B2B revenue growing to $2.4M of sales and B2C revenue of $0.8M. Checks other than criminal history contributed 24% of total sales (18% PCP) as a result of CV1's continued focus on selling bundled solutions to large enterprise clients.

First orders were booked from new customers such as Volkswagen, Intesa Sanpaolo, Ricoh, Panasonic, and Neighbourhood Watch. Two recent tender wins are expected to produce first orders during the March quarter.

Booked Annual Recurring Revenue (ARR) increased to $9.8M, from $9.6M for the 12 months ended 30 September 2019. The number of B2B accounts increased but Average Revenue Per Account (ARPA) dipped modestly whilst retention remained high.

Platform Integrations

Part of CV1's strategy is to deliver growth through its reach via platform integrations with providers of human resource systems (HRIS) and applicant tracking systems (ATS). During the quarter, CV1 announced its successful integration with SmartRecruiters, a global enterprise recruiting software provider.

A strategic alliance with xRef was also announced during the quarter. The two development teams are currently finalising work on the first phase of the xRef integration. Several other HRIS or ATS integration builds are in progress and the Company will release further updates as completed.

Organisational Restructure

In Q2FY20, following a review by the CVCheck Board on the optimal senior leadership team to support the Company's future strategic and revenue growth objectives, CVCheck restructured its senior leadership team and direct reports to the CEO.

As previously announced last quarter, CVCheck appointed Chief Revenue and Compliance Officers and has recently been successful in recruiting Jason Margach to the role of Chief Operating Officer. Jason will commence on 3 February and was previously the Operations Director Australasia and Middle East for an IT logistics company.

Significant cash flow improvement on PCP (ex R&D)

During the December quarter, CV1 achieved breakeven on operating and investing cash flow (net cash flow slightly positive at $2K) with a partial FY19 R&D incentive receipt of $0.1M. Revenue growth, margin improvement and continuing excellence in cost control have driven this result. The cash balance at quarter end was $5.8M.

CV1 Chief Executive Officer, Rod Sherwood, commented, *"We have positioned the Company for a strong second half through a decisive sales team and executive team expansion whilst also having delivered another solid quarter of cash flow performance. ARR continued to expand as a result of new client wins, strong client retention and solid ARPA performance during our seasonally weakest period. A strong pipeline derived from recent B2B tender wins, potential B2B client wins and partnership opportunities will underpin further growth. We now look forward to continuing to execute our strategy for the second half of FY2020."*

Investor Conference Call

CV1 will hold an investor conference call at 12pm AEDT (9am AWDT) on Thursday 6 February 2020, with further details to be provided in a separate ASX announcement.

-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 CV Check brand on its proprietary online platform CV Check.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).

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

CV Check Ltd

ABN	**Quarter ended ("current quarter")**
25 111 728 842	31 December 2019

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	3,284	6,433
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(1,252)	(2,658)
	(c) advertising and marketing	(204)	(483)
	(d) leased assets	-	-
	(e) staff costs	(1,176)	(2,371)
	(f) administration and corporate costs	(400)	(1,033)
	(g) other working capital	(119)	(174)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	10	16
1.5	Interest and other costs of finance paid	-	(4)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	43	214
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**186**	**(58)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(6)	(12)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
	(d) intellectual property	-	-
	(e) other non-current assets	(258)	(513)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Tax incentive research and development)	84	416
2.6	**Net cash from / (used in) investing activities**	**(180)**	**(109)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	14	3,073
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(5)	(200)
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**	**9**	**2,873**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of quarter/year to date	5,783	3,122
4.2	Net cash from / (used in) operating activities (item 1.9 above)	186	(58)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(180)	(109)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	9	2,873

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	(13)	(43)
4.6	**Cash and cash equivalents at end of quarter/year**	**5,785**	**5,785**

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	5,785	5,783
5.2	Call deposits		
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)**	**5,785**	**5,783**

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	61
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

7.	**Payments to related entities of the entity and their associates**	**Current quarter $A'000**
7.1	Aggregate amount of payments to these parties included in item 1.2	
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities		
8.2	Credit standby arrangements		
8.3	Other (please specify)		

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

9.	**Estimated cash outflows for next quarter***	**$A'000**
9.1	Research and development	255
9.2	Product manufacturing and operating costs	1,806
9.3	Advertising and marketing	162
9.4	Leased assets	-
9.5	Staff costs	1,242
9.6	Administration and corporate costs	300
9.7	Other (CAPEX)	5
9.8	**Total estimated cash outflows**	**3,770**

* Cash outflows only, no cash inflow included as per ASX requirements

10.	**Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)**	**Acquisitions**	**Disposals**
10.1	Name of entity		
10.2	Place of incorporation or registration		
10.3	Consideration for acquisition or disposal		
10.4	Total net assets		
10.5	Nature of business		

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.

Sign here: (Director) Date: 30 January 2020

Print name: Rod Sherwood

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.