CV Check Ltd
Half-year Report
2020

Appendix 4D – Half-year Report

(ASX Listing rule 4.2A)

Company Name:	CV Check Ltd ('CVCheck' or the 'Company')
ABN:	25 111 728 842
Reporting Period:	Half-year ended 31 December 2020
Prior Corresponding Period:	Half-year ended 31 December 2019

Results for Announcement to the

In accordance with ASX Listing Rule 4.2A, attached is the 2020 Half-year Report (incorporating Appendix 4D) which was approved by a resolution of the Board of Directors on 25 February 2021. This information should be read in conjunction with the CV Check Ltd Financial Report for the half-year ended 31 December 2020.

The results of CV Check Ltd for the half-year ended 31 December 2020 are as follows:

			31-Dec 2020 $	31-Dec 2019 $
Revenue from ordinary activities	Up	5%	6,956,295	6,615,802
Profit / (loss) after tax from ordinary activities attributable to owners	Up	101%	6,022	(874,017)
Net profit / (loss) for the period attributable to owners	Up	101%	6,022	(874,017)

Brief explanation of figures reported above

A review of the operations of the Company during the financial period is set out in the announcement attached to this Appendix 4D (Half-Year Report to the Australian Securities Exchange).

Dividends

No dividends have been paid or declared by the Company since the beginning of the current reporting period. No dividends were paid for the previous reporting period.

Net Tangible Assets

	31-Dec 2020	31-Dec 2019
Net Tangible Assets	$3,809,305	$3,841,968
Shares (No.)	292,197,676	292,197,676
Net Tangible Assets Per Share – (Cents)	1.30	1.31

Profit / (Loss) per Share

	31-Dec 2020	31-Dec 2019
Basic Profit / (Loss) per share (cents)	0.00	(0.30)
Diluted Profit / (Loss) per share (cents)	0.00	(0.30)

Control gained over entities

Not Applicable

Loss of control over entities

Not Applicable

Details of associates and joint venture entities

Not Applicable

Status of Review of Accounts

This Appendix 4D is based on accounts which have been reviewed. The independent auditor's review report is included within the financial report which accompanies this Appendix 4D.

Attachments forming Part of Appendix 4D

Half-year Financial Report

Independent Auditor's Review Report

Interim Financial Report for the Half-year ended 31 December 2020

This interim financial report does not include all the notes normally included in an annual financial report. This report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

Contents

Company Directory

AUSTRALIAN COMPANY NUMBER (ACN)

111 728 842
CV Check Ltd is a Public Company limited
by shares, domiciled in Australia.

DIRECTORS

Ivan Gustavino – Non-Executive Chairman
Rod Sherwood – Executive Director and CEO
George Cameron-Dow – Non-Executive Director
Oliver Stewart – Non-Executive Director

COMPANY SECRETARY

Jenny Cutri

WEBSITE

www.cvcheck.com

REGISTERED OFFICE

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Telephone: (+ 61) 8 9388 3000
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SHARE REGISTRY

Automic Registry Services Pty Ltd
Level 2, 267 St Georges Terrace
Perth, WA, 6000 Australia

AUDITORS

RSM Australia Partners
Level 32, 2 The Esplanade
Perth, WA, 6000 Australia

SOLICITORS

Steinepreis Paganin
Level 4, 16 Milligan St
The Read Buildings
Perth, WA, 6000 Australia

SECURITIES QUOTED

Australian Securities Exchange - Ordinary Fully Paid Shares (Code: CV1)

Directors' Report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of CV Check Ltd (referred to hereafter as the 'Company' or 'CVCheck') and the entities it controlled at the end of, or during the half-year ended 31 December 2020.

Directors

The following persons were Directors of the Company during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Ivan Gustavino – Non-Executive Chairman

Rod Sherwood – Executive Director and CEO

George Cameron-Dow – Non-Executive Director

Oliver Stewart – Non-Executive Director (Appointed 4 November 2020)

Principal Activity

The principal activities of the consolidated entity are the online provision of screening and verification products and services globally. The Company's primary customer market is Australia and New Zealand.

There were no significant changes to the principal activities of the consolidated entity during the reporting period.

Dividends

The Company did not pay any dividends during the period. The Directors do not recommend the payment of a dividend in respect of the half-year.

Review of Operations and Financial Results

CVCheck provides its market leading screening and verification services through several market channels. These include direct sales through its website cvcheck.com (Direct) to both businesses (B2B) and individuals (B2C), sales made through integrations with other HR Technology platforms (Integrations) and, launched in the second quarter of FY21, sales through an international wholesale channel for other background screening companies (Wholesale).

During the first half of FY21, CVCheck continued its focus on the delivery of sustainable growth, booking $7m of revenue, an improvement of 5% against the $6.6m of the prior comparative period ("PCP"). A surge in revenues occurred from September 2020 as the economic recovery gathered pace and resulted in all-time company records being achieved for a quarter, for a half-year and for a 12-month booked Annual Recurring Revenue ("ARR") for periods ending on 31 December 2020. This revenue surge was driven by new sales wins and a recovery in orders among our pre-existing business customers who were making new hires and catching up on rescreening their workforces to maintain compliance standards.

Key revenue highlights

- A record $7.0m of revenue was booked in the half (PCP $6.6m), an increase of 5%.
- ARR for the 12 months to 31 December 2020 increased to $10.2m (PCP $9.8m), an increase of 4%.
- Total B2B revenue for the half-year ended 31 December 2020 came to $5.3m (PCP $5.0m), an increase of 6%.
- Total B2C revenue for the half-year ended 31 December 2020 came to $1.7m (PCP $1.6m), an increase of 2%.
- Total Integrations revenue for the half-year ended 31 December 2020 came to $0.7m (PCP $0.3m), an increase of 115%.
- The newly launched Wholesale channel gained traction during the second quarter with the signing of Netforce Global LLC (US) and Vero Screening Ltd (UK); Netforce Global LLC entered the Company's top 30 clients by sales in the second quarter.

Review of Operations and Financial Results (continued…)

Record sales

Strong order growth from September 2020 onward drove sales to $7.0m (PCP $6.6m), a record for a half year, and the 12-month booked ARR to $10.2m (PCP $9.8m), also a record. B2B revenues for the half-year came to $5.3m (PCP $5.0m), on growth of 6%, representing 76% of all sales for the period, while B2C revenues for the half-year came to $1.7m (PCP $1.6m), on growth of 2%.

B2B - Direct sales

Direct organic B2B revenue remained in line with PCP at $4.6m. During the half year some Direct sales B2B clients have shifted to the Integrations sales channel.

B2B – Integrations sales

This channel is enjoying strong momentum with a focus on increasing addressable market through growing the number of available platforms through which customers can place orders. Revenues booked through this channel grew by 115% to reach $0.7m (PCP $0.3m). CVCheck currently has integrations available with JobAdder, LinkedIn, LiveHire, PageUp, PeopleScout, Realme, SmartRecruiters, Snaphire, SpringBoard, SuccessFactors, Workday and Xref; some customers also build integrations to their bespoke systems.

During the half-year CVCheck completed:

- An integration with Livehire (ASX: LVH), an AI enabled cloud-based platform allowing enterprises the ability to manage employee movements on demand.
- A successful new integration with RealMe®'s verified service offering Digital ID verification, a revolutionary technology, in use by the New Zealand government to allow individuals to interact with public institutions.
- A new integration with TechnologyOne (ASX: TNE), Australia's largest enterprise software company.

The impact of the focus on Integrations is evidenced by the high-quality revenue being delivered through ongoing growth of multi-check sales and booked ARR.

B2B - Wholesale sales

During the second quarter, CVCheck executed contracts with 2 new international wholesale screening customers in a second phase of its strategic white label rollout, Netforce Global LLC (US) and Vero Screening Ltd (UK). Netforce Global LLC was the first client and featured among the top 30 customers by revenue during Q2 FY21.

B2C - Direct sales

Direct sales to individuals continue to be an important source of revenue and B2B leads. Encouragingly, sales of $1.7m saw growth of 2% achieved for the half-year (PCP $1.6m).

Underlying Margins and Net Profit

The consolidated entity achieved a net profit of $6,022 (PCP a loss of $0.9m), its maiden net profit. However, contributing were receipts from Federal and State government COVID-19 related assistance packages for the half-year 31 December 2020 that amounted to $0.5m (31 December 2019: NIL). Gross profit margin for the half-year was 56% (unchanged on the PCP).

Directors' Report (continued...)

Review of Operations and Financial Results (continued...)

Cash

Cash at bank at 31 December 2020 rose to $5.2m (30 June 2020: $4.6m) driven by strong underlying sales across the half-year. Customer receipts rose to $7.0m (PCP $6.4m), an increase of 9%, with a positive operating and investing cashflow outcome for the half-year amounting to $0.7m (PCP $0.0m).

During the half-year ended 31 December 2020, a total of $0.5m (PCP $0.6m) was received under the Australian Government's R&D Tax Incentive program. The company also received $0.7m (PCP Nil) from various Federal and State government COVID-19 assistance packages.

The Company has no external financing.

Equity

To part compensate Executives and Senior Managers who had accepted reduced salaries during the initial outbreak of COVID-19, CVCheck issued 524,491 unlisted options exercisable at $0.00 each (Employee ZEPOs) on or before 27 August 2022. These options are subject to vesting conditions.

Pursuant to the CVCheck Employee Incentive Option Plan, approved by shareholders on 30 January 2019, the Company also issued the following unlisted Employee ZEPOs to senior executives and management:

- 5,899,444 on 28 October 2020, exercisable at $0 each on or before 28 October 2022; and
- 557,143 on 11 November 2020, exercisable at $0 each on or before 11 November 2022.

These options are subject to vesting conditions and performance criteria.

The Company also issued a total of 3,120,000 unlisted options to a nominee of Executive Director, Rod Sherwood, on 11 November 2020, comprising of (Executive Director Options).

- 1,365,000 zero exercise options exercisable at $0 on or before 11 November 2022; and
- 1,755,000 premium exercise options with an exercise price of $0.22165 each on or before 11 May 2023.

These options are subject to vesting conditions and performance criteria.

Events occurring after the balance sheet date

On 10 February 2021, it was announced that CVCheck is to acquire Bright People Technologies, a cloud-based workforce credentials and compliance software company, operating under a Software as a Service ("SaaS") business model.

The acquisition enterprise value is calculated at $15.3m, being assumed debt and $12.0m* in scrip issued at completion to be held in voluntary escrow until 31 December 2022 (*being a fixed number of ordinary shares at an assumed price of 16.5c per share).

The acquisition is subject to shareholder approval.

Associated with the proposed acquisition, on 18 February 2021 the Company completed a share placement of 63,636,364 ordinary shares at 16.5c per share to institutional, sophisticated, and professional investors raising $10,500,000 before costs. Of the share placement, 606,061 shares, equivalent to $100,000 at the issue price, were applied for by a director and their issuance is subject to shareholder approval. The Company also issued 4,500,000 unlisted options exercisable at 37.1c per option expiring 3 years from date of issue as part of the placement to the Joint Lead Managers.

Directors' Report (continued…)

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' Report.

Declaration

This Report is made in accordance with a resolution of Directors, pursuant to Section 306(3) of the *Corporations Act 2001*.

Ivan Gustavino
Non-Executive Chairman
Dated: 25 February 2021

Rod Sherwood
Chief Executive Officer
Dated: 25 February 2021

Auditor's Independence Declaration

RSM

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of CV Check Ltd for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) The auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) Any applicable code of professional conduct in relation to the review.

David Wall
Partner
RSM Australia Partners

Perth, WA
Dated: 25 February 2021

Interim Financial Statements

For the half-year ended 31 December 2020

Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2020

	Note	Consolidated 31-Dec 2020 $	Consolidated 31-Dec 2019 $
Revenue	4	6,956,295	6,615,802
Other income		24,510	14,127
Interest Income		15,810	16,106
Government assistance, grants and incentives		630,720	214,047
Expenses			
Cost of sales		(3,075,867)	(2,941,725)
Director and employee benefits		(2,672,365)	(2,700,845)
Depreciation and amortisation expense		(573,536)	(644,621)
Finance costs		(12,173)	(24,200)
Marketing expenses		(450,977)	(535,829)
Share based payment expenses		(18,578)	(18,559)
Other expenses		(817,817)	(868,320)
Profit / (Loss) before income tax		**6,022**	**(874,017)**
Income tax benefit		-	-
Profit / (Loss) for the period		6,022	(874,017)
Other comprehensive (loss) net of income tax			
Items that may be classified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		(7,577)	(58,401)
Other comprehensive (loss) for the period net of tax		(7,577)	(58,401)
Total comprehensive (loss) for the period attributable to owners of the parent entity		(1,555)	(932,418)
Basic Profit / (Loss) per Share (Cents per Share)		0.00	(0.30)
Diluted Profit / (Loss) per Share (Cents per Share)		0.00	(0.30)

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 31 December 2020

	Note	Consolidated 31-Dec 2020 $	Consolidated 30-Jun 2020 $
CURRENT ASSETS			
Cash and cash equivalents		5,193,626	4,627,716
Trade and other receivables		942,603	883,725
Other		469,033	465,689
Total Current Assets		**6,605,262**	**5,977,130**
NON-CURRENT ASSETS			
Plant and equipment		239,829	388,547
Intangibles		2,604,144	2,879,416
Total Non-Current Assets		**2,843,973**	**3,267,963**
TOTAL ASSETS		**9,449,235**	**9,245,093**
CURRENT LIABILITIES			
Trade and other payables		2,171,602	2,183,657
Employee benefits		380,480	267,486
Contract liabilities		377,922	272,717
Total Current Liabilities		**2,930,004**	**2,723,860**
NON-CURRENT LIABILITIES			
Trade and other payables		-	25,654
Employee benefits		105,782	99,153
Total Non-Current Liabilities		**105,782**	**124,807**
TOTAL LIABILITIES		**3,035,786**	**2,848,667**
NET ASSETS		**6,413,449**	**6,396,426**
EQUITY			
Issued capital	5	27,323,910	27,323,910
Reserves		184,499	173,498
Accumulated losses		(21,094,960)	(21,100,982)
TOTAL EQUITY		**6,413,449**	**6,396,426**

The accompanying notes form part of these financial statements.

Statement of Changes to Equity

For the half-year ended 31 December 2020

	Issued Capital $	Share Payments Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total $
Balance at 1 July 2019	**24,450,872**	**237,374**	**22,993**	**(19,847,946)**	**4,863,293**
Loss for the period	-	-	-	(874,017)	(874,017))
Exchange differences arising on translation of foreign operations	-	-	(58,401)	-	(58,401)
Total comprehensive loss for the period	-	-	(58,401)	(874,017)	(932,418)
Transactions with owners in their capacity as owners					
Shares issued net of issue costs	2,859,038	-	-	-	2,859,038
Share-based payments	14,000	18,559	-	-	32,559
Balance at 31 December 2019	**27,323,910**	**255,933**	**(35,408)**	**(20,721,963)**	**6,822,472**
Balance at 1 July 2020	**27,323,910**	**255,933**	**(82,435)**	**(21,100,982)**	**6,396,426**
Profit for the period	-	-	-	6,022	6,022
Exchange differences arising on translation of foreign operations	-	-	(7,577)	-	(7,577)
Total comprehensive profit for the period	-	-	(7,577)	6,022	(1,555)
Transactions with owners in their capacity as owners					
Share-based payments	-	18,578	-	-	18,578
Balance at 31 December 2020	**27,323,910**	**274,511**	**(90,012)**	**(21,094,960)**	**6,413,449**

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the half-year ended 31 December 2020

	Consolidated 31-Dec 2020 $	Consolidated 31-Dec 2019 $
Cash flows from operating activities		
Receipts from customers	7,004,849	6,433,469
Payments to suppliers and employees	(6,966,505)	(6,548,247)
Finance costs paid	(7,651)	(1,376)
Interest received	15,679	16,225
Other working capital	-	2,660
Receipt of government grant	825,181	214,047
Net cash flows from operating activities	**871,553**	**116,778**
Cash flows from investing activities		
Payments for purchases of plant and equipment	(13,874)	(12,136)
Payments for intangible assets	(436,084)	(512,941)
Receipt of government grant	302,279	415,504
Net cash flows used in investing activities	**(147,679)**	**(109,573)**
Cash flows from financing activities		
Payments of lease liabilities	(144,698)	(160,461)
Proceeds from issue of shares	-	3,059,190
Share issue transaction costs	-	(200,152)
Net cash flows (used in)/from financing activities	**(144,698)**	**2,698,577**
Net increase in cash and cash equivalents	579,176	2,705,782
Cash and cash equivalents at the beginning of the period	4,627,717	3,122,354
Effects of exchange rate changes on the balance of cash held in foreign currencies	(13,267)	(42,957)
Cash and cash equivalents at the end of the period	**5,193,626**	**5,785,179**

The accompanying notes form part of these financial statements.

CV CHECK

Notes to the Financial Statements
31 December 2020

Note 1. Summary of Significant Accounting Policies

These financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Notes to the Financial Statements

31 December 2020 (continued...)

Note 2. Segment Information

The consolidated entity is organised into two operating segments based on geographical locations consisting of Australia and New Zealand. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors who are identified as the Chief Operating Decision Makers ('CODM') in assessing performance and in determining the allocation of resources.

Performance is measured based on segment operating profit. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information is reported to the CODM monthly.

	Australia A$	New Zealand A$	Elimination	Total A$
Consolidated - 31 Dec 2020				
Income				
Sales revenue	5,845,111	1,111,184	-	6,956,295
Other income	174,510	-	(150,000)	24,510
Interest income	15,797	13	-	15,810
Government grants	630,720	-	-	630,720
Total income	6,666,138	1,111,197	(150,000)	7,627,335
EBITDA	390,777	185,144	-	575,921
Depreciation and amortisation	(540,563)	(32,973)	-	(573,536)
Interest income	15,797	13	-	15,810
Interest expense	(9,310)	(2,863)	-	(12,173)
Profit / (Loss) before income tax	(143,299)	149,321	-	6,022
Income tax benefit	-	-	-	-
Profit / (Loss) after income tax	(143,299)	149,321	-	6,022
Assets				
Segment assets	8,998,418	2,040,910	(1,590,093)	9,449,235
Total assets	8,998,418	2,040,910	(1,590,093)	9,449,235
Liabilities				
Segment liabilities	(2,724,886)	(1,855,633)	1,544,733	(3,035,786)
Total liabilities	(2,724,886)	(1,855,633)	1,544,733	(3,035,786)

Notes to the Financial Statements

31 December 2020 (continued...)

Note 2. Segment Information (continued)

	Australia A$	New Zealand A$	Elimination	Total A$
Consolidated - 31 Dec 2019				
Income				
Sales revenue	5,470,657	1,145,145	-	6,615,802
Other income	169,500	-	(155,373)	14,127
Interest income	16,012	94	-	16,106
Government Grants	214,047	-	-	214,047
Total income	5,870,216	1,145,239	(155,373)	6,860,082
EBITDA	(427,283)	181,781	-	(245,502)
Depreciation and amortisation	(607,695)	(36,926)	-	(644,621)
Interest income	16,012	94	-	16,106
Interest expense	-	-	-	-
Profit / (Loss) before income tax	(1,018,966)	144,949	-	(874,017)
Income tax expense	-	-	-	-
Profit / (Loss) after income tax	(1,018,966)	144,949	-	(874,017)
Assets				
Segment assets	10,371,778	2,181,183	(1,641,696)	10,911,265
Total assets	10,371,778	2,181,183	(1,641,696)	10,911,265
Liabilities				
Segment liabilities	(3,704,787)	(2,031,288)	1,647,282	(4,088,793)
Total liabilities	(3,704,787)	(2,031,288)	1,647,282	(4,088,793)

Notes to the Financial Statements

31 December 2020 (continued…)

Note 3. Options

Lapse of options

During the half-year ended 31 December 2020, the following employee options lapsed in accordance with their terms of issuance under the CVCheck (Employee) Incentive Option Plan:

- 1,250,080 options exercisable at $0 (subject to vesting and performance criteria) expiry date 29 October 2021; and
- 1,154,520 options exercisable at $0.20 (subject to vesting and performance criteria) expiry date 29 April 2022.

Issue of options

During the half-year ended 31 December 2020, to part compensate Executives and Senior Managers who had accepted reduced salaries during the initial outbreak of COVID-19, CVCheck issued 524,491 unlisted options exercisable at $0.00 each on or before 27 August 2022. These options are subject to vesting conditions. A share-based payment expense of $18,578 was recognised in the profit or loss for the half-year ended 31 December 2020.

Pursuant to CVCheck Employee Incentive Option Plan, which was approved by shareholders on 30 January 2019, the Company issued a total of 6,456,587 unlisted options to senior executives and management. These options are subject to vesting conditions and performance criteria.

The Company also issued 3,120,000 unlisted options to a nominee of Executive Director, Rod Sherwood, on 11 November 2020. These options are subject to vesting conditions and performance criteria.

Issue of Share Options	Date of Issue	Number of Options	Vesting Conditions
Executive and Senior Managers – Employee ZEPOs	27/08/2020	524,491	Unlisted options exercisable at $0 each on or before 27 August 2022. Options are subject to vesting conditions being continued tenure as an employee for a period of 12 months from date of issue of the options.
Employee Incentive Option Plan – Employee ZEPOs	28/10/2020	5,899,444	Unlisted options exercisable at $0 each on or before 28 October 2022. Options are subject to vesting conditions and performance criteria being revenue, EBITDA and continued tenure as an employee for a period of 12 months from date of issue of the options.
Employee Incentive Option Plan – Employee ZEPOs	11/11/2020	557,143	Unlisted options exercisable at $0 each on or before 11 November 2022. Options are subject to vesting conditions and performance criteria being revenue, EBITDA and continued tenure as an employee for a period of 12 months from date of issue of the options.
Employee Incentive Option Plan - ZEPO Executive Director Options	11/11/2020	1,365,000	Unlisted options exercisable at $0 each on or before 11 November 2022. Options are subject to vesting conditions and performance criteria being revenue, EBITDA, share price, acquisition or mergers by the Company and continued tenure as an employee for a period of 12 months from date of issue of the options.
Employee Incentive Option Plan - PEPO Executive Director Options	11/11/2020	1,755,000	Unlisted options exercisable at $0.22165 each on or before 11 May 2023. Options are subject to vesting conditions and performance criteria being revenue, EBITDA, share price, acquisition or mergers by the Company and continued tenure as an employee for a period of 12 months from date of issue of the options.

Notes to the Financial Statements

31 December 2020 (continued)

Note 4. Revenue

	Consolidated	
	31-Dec-20	31-Dec-19
	$	$
Revenue		
Rendering of services	6,956,295	6,615,802
Other Income		
Other	24,510	14,127
Interest income	15,810	16,106
Government assistance, grants and incentives	630,720	214,047
Total Other Income	**671,040**	**244,280**
Total Revenue and Other Income	**7,627,335**	**6,860,082**

Notes to the Financial Statements

31 December 2020 (continued)

Note 4. Revenue (continued)

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	31-Dec-20 $	31-Dec-19 $
Major product lines		
Police checks	5,278,396	5,074,678
Non-police checks	1,677,899	1,541,124
	6,956,295	6,615,802
Geographical regions		
Australia	5,845,111	5,470,657
New Zealand	1,111,184	1,145,145
	6,956,295	6,615,802
Timing of revenue recognition		
Services transferred at a point in time	6,956,295	6,615,802

Notes to the Financial Statements

31 December 2020 (continued)

Note 5. Issued capital

	Consolidated			
	31-Dec-20		31-Dec-19	
	No.	$	No.	$
Fully Paid Ordinary Shares				
Balance at beginning of period	**292,197,676**	**27,323,910**	**272,977,736**	**24,450,872**
Shares issued during the period				
Shares issued on 23 August 2019	-	-	19,119,940	3,059,190
Shares issued in lieu of professional fees	-	-	100,000	14,000
Shares Issued	**-**	**-**	**19,219,940**	**3,073,190**
Transaction costs relating to share issues (Cash-based)	-	-	-	(200,152)
Transaction Costs	-	-	-	(200,152)
Total Fully Paid Ordinary Shares	**292,197,676**	**27,323,910**	**292,197,676**	**27,323,910**
Total Issued Capital	**292,197,676**	**27,323,910**	**292,197,676**	**27,323,910**

Note 6. Contingent Liabilities

There are no contingent liabilities as at 31 December 2020 (30 June 2020: Nil).

Note 7. Commitments

There are no commitments as at 31 December 2020 (30 June 2020: Nil).

Note 8. Events after the Reporting Date

On 10 February 2021, it was announced that CVCheck is to acquire Bright People Technologies, a cloud-based workforce credentials and compliance software company, operating under a Software as a Service (“SaaS”) business model.

The acquisition enterprise value is calculated at $15.3m, being assumed debt and $12.0m* in scrip issued at completion to be held in voluntary escrow until 31 December 2022 (*being a fixed number of ordinary shares at an assumed price of 16.5c per share).

The acquisition is subject to shareholder approval.

Associated with the proposed acquisition, on 18 February 2021 the Company completed a share placement of 63,636,364 ordinary shares at 16.5c per share to institutional, sophisticated, and professional investors raising $10,500,000 before costs. Of the share placement, 606,061 shares, equivalent to $100,000 at the issue price, were applied for by a director and their issuance is subject to shareholder approval. The Company also issued 4,500,000 unlisted options exercisable at 37.1c per option expiring 3 years from date of issue as part of the placement to the Joint Lead Managers.

Directors' Declaration

In the opinion of the Directors:

1. the financial statements and notes of the Company are in accordance with the Corporations Act 2001 including:
    a. Giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
    b. Complying with Australian Accounting Standard AASB 134, and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

Ivan Gustavino
Non-Executive Chairman

Rod Sherwood
Chief Executive Officer

Dated: 25 February 2021

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INDEPENDENT AUDITOR'S REVIEW REPORT
To the Members of CV Check Ltd

We have reviewed the accompanying half-year financial report of CV Check Ltd, which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of CV Check Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independent Auditor's Review Report (continued...)

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations act 2001*, which has been given to the directors of CV Check Ltd, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of CV Check Ltd is not in accordance with the *Corporations Act 2001* including:

(a) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and

(b) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

David Wall
Partner
RSM Australia Partners

Perth, WA
Dated: 25 February 2021