ASX RELEASE **30 April 2021**
ASX: CV1

CVCHECK – Q3FY21 QUARTERLY ACTIVITIES REPORT

- **A record $4.2m revenue booked in Q3FY21 (26% up on PCP), $3.2m from B2B (32% up on PCP) and $1.0m B2C (13% up on PCP)**
- **A record $11.1m ARR booked for the 12 months ended 31 March 2021**
- **A record month of $1.65m revenue booked in March, following on from record revenue for February monthly sales**
- **Integrations revenue of $0.5m, 231% up on PCP**
- **Operating cash flow positive quarter, continues from Q1 and Q2**
- **$10.5m placement to new institutional investors at $0.165**
- **Strong balance sheet, cash at bank $14.8m as at end March and no external financing**
- **Acquisition of Bright People Technologies completed in April**

Leading online integrated screening and verification company, CV Check Limited ("CV1" or "the Company") (ASX:CV1) is pleased to provide an operating update and report on its cashflow performance for Q3FY21.

Record revenues

CV1 Group revenue for the quarter was 26% higher than the PCP, with growing sales momentum as the quarter progressed. The Company set new revenue records for a month in March ($1.65m), a quarter in Q3 ($4.2m) and for a 12-month booked ARR period ($11.1m to 31 March). This followed record monthly sales for the month of February with sales of $1.46m. Refer to ASX announcement dated 26 March for additional details.

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In Q3FY21, B2B revenue reached a record $3.2m.

Notable new customers

First orders were booked during the quarter from new customers including Rabobank ANZ, carsales.com (ASX:CAR), Dye and Durham Australia, Direct Control Ltd, Australian Financial Complaints Authority, Eagers Automotive (ASX:APE), Vision Australia and other well-known brands.

These client wins were aided by the CV1 platform offering a comprehensive range of screening and verification products, the broad number of integrations now in place with other key HR technology platforms, and the strong performance of our customer engagement teams.

B2B – Integrations revenue

Platform integrations with HR information systems and applicant tracking systems continue to underpin CV1's growth strategy, with revenue from these channels continuing to rise strongly - Q3FY21 revenue of $0.5m exceeding PCP by 231%.

B2B – International wholesale sales

CV1 previously announced progress on its strategic objective to white label its screening and verification services, particularly to recognised international wholesalers within the industry. CV1 is now pleased to report that ramp up has progressed well despite worldwide disruption from the COVID pandemic; international screening company Vero Screening Ltd features amongst our top 40 clients for the quarter.

Cash positive quarter, strong balance sheet

Driven by strengthening sales performance, customer receipts rose to $3.6m in Q3FY21 to be 11% higher than the $3.3m received in the PCP. Customer receipts were $0.6m lower than revenues largely as a result of strong B2B sales, and timing differences in cash collections for the quarter.

Total net cash from operating activities in the quarter was $0.1m positive. In comparison, total net cash from operating activities in Q3 FY2020 was negative $0.6m.

CV1 has also been cash flow positive from operations in Q1 and Q2 FY21 ($0.49m and $0.23m, respectively).

The cash balance as at 31 March 2021 was $14.8m. CV1 has no external financing.

In April 2021, as part of the completion of the acquisition of BPT, $1.3m was paid to redeem the external debts of BPT.

Acquisition of BPT

On 10 February 2021 CV1 announced that, through its wholly owned subsidiary (Credentials Management Information Systems Pty Ltd), it has entered into a binding Share Purchase Agreement ("SPA") with the shareholders of CI6 Pty Ltd to acquire 100% of the issued capital of CI6 Pty Ltd, an entity that owns 100% of Bright People Technologies Pty Ltd (BPT) and associated group entities. BPT is a SaaS cloud-based provider of workforce credentials and compliance software through the Enable and Cited brands.

The combination of CV1 and BPT will create a credentials-based workforce management capability built on Bright's workforce compliance strength and CV1 platform's highly automated verification workflows and HRIS integrations.

On 31 March CV1 shareholders overwhelming approved the acquisition of BPT at a general meeting.

Pursuant to the SPA and shareholder approval:

- 72,992,701 fully paid ordinary shares in CV1 (Consideration Shares) were to be issued (deemed issue price of $0.137 per share) to the vendors of BPT; and
- CV1 is to pay BPT's net debts up to $3.25m.

The acquisition of BPT was completed post Q3FY21 with the Consideration Shares issued in early April and are subject to voluntary escrow until 31 December 2022.

As part of the acquisition of BPT, its largest shareholder Mr Jon Birman is to be appointed to the Board of CV1 as a Non-Executive Director (expected to occur in early May 2021). In addition, BPT's Executives, Petra Nelson and Declan Hoare, joined CV1's Executive Management Team.

Placement

On 10 February 2021, CV1 successfully completed a $10.5m (before costs) share placement (Placement), which was strongly supported by institutional and sophisticated investors. The Placement resulted in the issue of 63,636,364 fully paid ordinary shares (New Shares) in CV1 at an issue price of $0.165 per New Share. The Placement included the issue, approved by shareholders at the general meeting held on 31 March, of 606,061 New Shares to the nominee of non-executive director Mr George Cameron-Dow, who subscribed for $100k pursuant to the Placement. The New Shares issued to Mr Cameron-Dow's nominee were issued in April.

Shaw & Partners Limited and Ashanti Capital Pty Ltd acted as Joint Lead Managers to the Placement and received a fee of 5% (excluding GST) of the total funds raised pursuant to the Placement. In addition, the Joint Lead Managers received a total of 4,500,000 unlisted options (Options) exercisable at 37.1 cents per Option on or before 18 February 2024.

The New Shares and options issued to the Joint Lead Managers were issued using the Company's placement capacity under ASX Listing Rules 7.1 and 7.1A.

General Meeting of Shareholders

On 31 March 2021, CV1 held a shareholder meeting to approve the acquisition of BPT, issue of shares to a related party pursuant to the Placement and to refresh the Company's placement capacity under ASX Listing Rules 7.1 and 7.1A. Refer to notice of general meeting and results of meeting announced on 31 March for additional information.

Related party payments (listing rule 4.7C.1)

$195k of related-party payments were made during Q3FY21, being director fees, salary for the executive director and other remuneration.

CV1 Executive Chair, Ivan Gustavino, commented, "The Quarter under review marked a significant transformation for CV1 following completion of a $10.5m (before costs) placement to new institutional investors, the acquisition of Bright People Technologies (BPT) coupled with all-time record revenues for a month, a quarter and for the booked 12-month ARR. All channels performed strongly: direct sales revenue, revenues booked through integration partners and revenue from the international wholesale sales channel."

"On 31 March 2021 shareholders overwhelming approved the acquisition of BPT at a general meeting. The Board welcomed this vote as a resounding endorsement of the Company's chosen growth strategy. The transaction was completed in early April, and integration of CV1 and BPT teams is underway."

-ENDS-

Announcement released with authority of CV1's Board of Directors.

For further information, please contact:
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About CV Check Limited: a listed public company quoted under the ticker CV1 on the Australian Securities Exchange (ASX), CV1 is an expanding business that has grown organically through the provision of its credential verification products to employers, industry associations and individuals via its world class proprietary online platform CVCheck.com. Following the recent acquisition of Bright People Technologies, CV1 also provides SaaS-based workforce management and compliance technology systems through the brand Cited. The combined businesses offer credentials-based workforce management and compliance solutions to enterprises globally.