

ASX Announcement
31 October 2024

IODM Q1 FY25 Quarterly Activities Report and Appendix 4C

Q1 FY25 highlights:

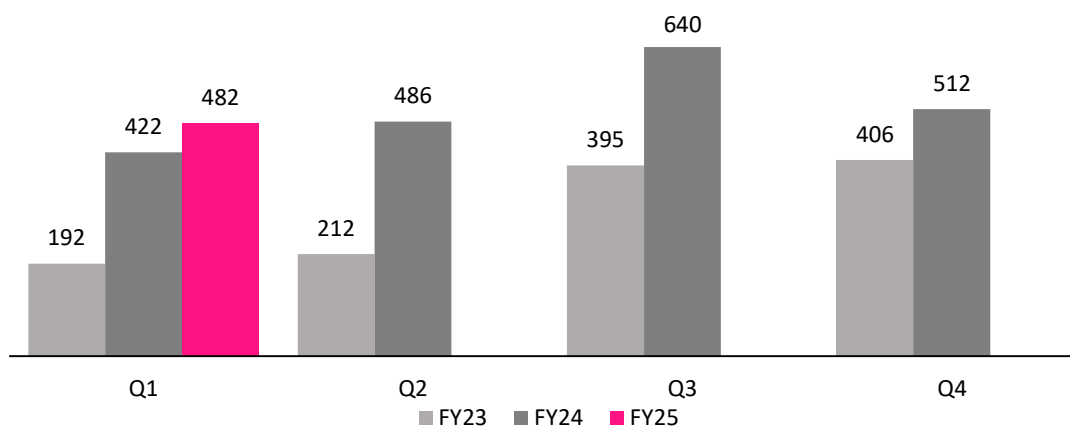
- Cash receipts of A\$482k, +14.2% versus previous corresponding period (“pcp”);
 - UK cash receipts +88% versus pcp to A\$292k, driven by new commercial agreement with Convera for UK education business;
- Four additional universities implemented in the UK, making a total of nine
- Increasing number of USA and Canadian universities requesting and receiving formal presentations of the IODM solution;
- Continued engagement in respect of international licencing of the IODM solution;
- Fortification of the Australian and New Zealand business with the appointment of a new Head of Sales and complemented by an increase in sales team personnel; and
- Completed a \$1.7m capital raising to institutional and sophisticated investors to enlarge sales teams both domestically and internationally.

IODM Limited (ASX: IOD) (“**IODM**” or “**the Company**”), is pleased to release its Quarterly Activities Report and Appendix 4C for the period ended 30 September 2024 (“**Q1 FY25**” or “**Quarter**”).

Quarterly cash receipts in Q1 FY25 of A\$482k represented an increase of 14.2% vs pcp. The revenue result accorded with Company budgeting for the Quarter given the seasonal decline in international revenues (as to which refer below).

Net cash operating outflows to \$1.062m, 30.9% over pcp, driven by an increase in the Company’s sales division and supported by the successful capital raising (\$1.7m).

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



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UK Education Business

A strong contributor to cash receipts during the Quarter was the UK with an 88% increase on pcp to \$292k. The result affirms that the re-negotiated UK educational licencing agreement (refer ASX Announcement 5 February 2024) procured an immediate positive impact on the Company in terms of revenue uplift as well as elevated recognition and speed of IODM solution rollout within the UK education sector.

At Quarter end the Company had a total of nine on-boarded universities with four implemented during the Quarter (refer 3 July 2024 ASX Announcement for further details).

Pleasingly, the IODM platform has been fully commissioned in all nine universities and the Company is primed to take advantage of the UK academic year billing cycle which commenced in September 2024. IODM's revenue from the university sector is primarily derived from the student deposit, tuition and accommodation payments. Of the new universities on-boarded during the Quarter, the largest (in terms of international students and potential revenue to IODM) is the University of Sunderland, however – due to timing of on-boarding – provided minimal (three days) contribution to the Quarter.

As already detailed, the cash receipts and revenue observed during 1Q FY25 were both consistent with budgeting given the seasonal “quiet” period for student payments leading up to the commencement of the new academic year. Notwithstanding the forgoing, the 88% increase in cash receipts over pcp (to \$282k) is a direct consequence of:

- The increased quantum of on-boarded universities; together with
- The renegotiated licencing arrangement with Convera which – amongst other advantages – includes a guaranteed minimum payment regime.

Whereas the Convera revenue share arrangement in respect of the UK education sector has assisted the Company in both revenue and speed of university penetration, the benefits of the joint enterprise is equally attractive to Convera as evidenced by the University of Sutherland, previously a key customer of a Convera competitor, converting to the Convera payment platforms as a direct result of the IODM pipeline via a joint proposal.

Domestic Business

As previously disclosed to the market, the company raised funds, in part, to execute upon growth opportunities and initiatives which includes expanding the sales force globally.

As a result, the company has appointed Ashley (“Ash”) Clayton as head of domestic sales. Ash has over 18 years' experience in software sales solutions and is a proven leader in his field. His experience includes enterprise software solution sales, presales and go to market across multiple regions. Mr Clayton has commenced expanding the sales desk with a recent key appointment.

As a result of the reinvigorated domestic sales team, the Company has witnessed an immediate increase in the number of enterprise companies seeking out the IODM solution and requesting presentations and contract proposals. The Company anticipates an elevated number and accelerated rate of domestic signings going forward.

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North American Business

During the quarter the company commenced the first of several presentations to educational institutions in both Canada and the USA. All meetings have been overwhelmingly positive and bears testimony to the pent up (and unsatisfied) demand for the IODM solution in North America. The Company looks forward to updating shareholders on the outcome of those opportunities in the near term.

Corporate and Additional Information

Payments to related parties and their associates during the Q1 FY25 which totalled \$17k were for directors' fees.

The Company raised \$1.7k during the quarter through a share issue at \$0.165 per share to sophisticated and institutional investors, to accelerate the Company's global education roll-out into North America, progress existing growth initiatives in the UK education sector and for general working capital purposes.

In addition, immediately post the quarter end, the company received the sum of \$504k, as a Research and Development tax rebate.

IODM CEO, Mark Reilly said:

"I am pleased to again report that IODM has had an extremely positive quarter across all sectors of its business. The UK business continues to grow as a direct result of the new agreement with Convera. This growth will only continue with the expected revenue from the newly onboarded Universities and those from our pipeline. The company continues its push in diversifying its revenue globally and with the presentations now in full swing across North America, I look forward to updating shareholders as we progress through the quarter."

This announcement is authorised by IODM's Board of Directors

– 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

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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 2024

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	482	482
1.2 Payments for		
(a) research and development	0	0
(b) product manufacturing and operating costs	0	0
(c) advertising and marketing	(9)	(9)
(d) leased assets	0	0
(e) staff costs	(891)	(891)
(f) administration and corporate costs	(647)	(647)
1.3 Dividends received (see note 3)	0	0
1.4 Interest received	3	3
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	0	0
1.8 Other (provide details if material)	0	0
1.9 Net cash from / (used in) operating activities	(1,062)	(1,062)

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)	0	0
2.6	Net cash from / (used in) investing activities	0	0

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,710	1,710
3.2	Proceeds from issue of convertible debt securities	0	0
3.3	Proceeds from exercise of options	0	0
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(94)	(94)
3.5	Proceeds from borrowings	150	150
3.6	Repayment of borrowings	(44)	(44)
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	1,722	1,722

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	282	282
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,062)	(1,062)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	0	0

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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)	1,722	1,722
4.5	Effect of movement in exchange rates on cash held	2	2
4.6	Cash and cash equivalents at end of period	944	944

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	944	282
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)	944	282

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	16.5
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>		

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7. Financing facilities <i>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.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	600	450
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		150
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.		
Unsecured loan from private party repayable in cash or equity at the lenders election by 31 December 2024 at 12% per annum.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,062)
8.2 Cash and cash equivalents at quarter end (item 4.6)	944
8.3 Unused finance facilities available at quarter end (item 7.5)	150
8.4 Total available funding (item 8.2 + item 8.3)	1,094
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.03
<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?	
<p>Answer:</p> <p>Yes but the company expects an increase in cash receipts and revenue following the onboarding an additional 4 universities in the UK. The company also received a research and development incentive offset of \$504K on 6 October 2024.</p>	

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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?

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.

31 OCTOBER 2024

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.

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