

31 October 2019

September 2019 Quarterly Update

Nvoi Limited (ASX:NVO) (**Nvoi** or **Company**) has released its Appendix 4C Quarterly Report for the three month period ending 30 September 2019 and is pleased to provide the following update on its activities.

EVENTS DURING THE QUARTER

During the September quarter the Board and Management team of the Company continued its strategic review of the Company's operations and the Nvoi platform, including exploring opportunities for enhancement of the technical capabilities of the Nvoi platform and potential commercial arrangements.

This review followed a capital raising and changes to the Board and Management team during the June quarter as reported in the Company's June 2019 quarterly update to ASX of 31 July 2019.

EVENTS SUBSEQUENT TO THE END OF THE QUARTER

Subsequent to the end of the quarter, the Company completed its strategic review and announced the implementation of its new strategy to drive growth, a strategic partnership, a capital raising, and changes to its Board and Management team.

New strategy

As announced to ASX on 18 October 2019, Nvoi's new strategy will see the Company look to expand its current footprint to full human resource management, rather than focusing purely on the niche contractor segment of the market.

The Company intends to leverage the Nvoi platform's core functionality to handle employee onboarding, including ID and resume verification and contract management, time sheeting, rostering, payroll, superannuation and employee engagement and employee benefits regardless of the role in an organisation.

It is proposed that the enhanced Nvoi platform will allow employers to recruit and manage their workforce all within a single, cloud-based solution. The Company plans to optimise its core technology and scale its business.

Career One Strategic Partnership

The Company also announced to ASX on 18 October 2019 a strategic partnership with leading Australian jobs board, CareerOne, to assist in the market rollout of the expanded offering and enhancements to the Nvoi platform.

CareerOne provides a digital offering for candidate sourcing, talent management, and employer branding. It has a database of approximately 1.5 million active candidates, 70,000 jobs, 65,000 SMB clients and more than 500 recruitment agencies using CareerOne.

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The arrangement will see CareerOne provide technical and sales support as well as incentives to drive up to \$3 million in revenue for Nvoi over the next three years. CareerOne will provide Nvoi with lead and sales generation, technical sales support and technical and development support.

CareerOne will develop the enhancements to the Nvoi platform for seamless integration with CareerOne's solution initially targeting the health and SME sectors, which will be aimed for completion by the June quarter 2020.

In addition, CareerOne will offer the Nvoi solution to over 65,000 SMB and enterprise employers in Australia as a value-add when they advertise jobs on CareerOne's platform. Nvoi will also be given access to CareerOne's database of candidates and jobs to serve Nvoi's clients with a unique HR talent management and acquisition solution.

CareerOne will provide access to its clients and database for the purposes of promoting the Nvoi platform, lead generation, sales support and technical sales support for the Nvoi platform, and technical resources and expertise, including scoping, strategy, product roadmap and development resources under agreed SLAs.

Nvoi will pay CareerOne a monthly development fee of \$15,000 (plus GST) for providing technical and development services. In addition, to incentivise CareerOne, Nvoi will grant to CareerOne a total of 100 million performance options to subscribe for Nvoi shares at an exercise price of \$0.01 each, subject to shareholder approval, which will be sought at the Company's upcoming annual general meeting. The performance options will be subject to vesting conditions linked to milestones for revenue generated for Nvoi by CareerOne.

The terms of the performance options are:

Revenue Milestone	Milestone Date	No. Performance Options Vesting
Milestone 1 - \$500,000	31 December 2020	33,333,333
Milestone 2 - \$1,500,000	31 December 2021	33,333,333
Milestone 3 - \$3,000,000	31 December 2022	33,333,334
Total		100,000,000

Performance options that do not vest by the relevant milestone date will lapse. Once vested, the relevant performance options will remain exercisable for a period of 12 months from the date of vesting and if not exercised in that time will lapse.

Corporate

In October, the Company announced a \$4.6 million capital raising placed to institutional and sophisticated investors. The placement was supported by existing shareholders and new investors and includes a \$175,000 investment from Nvoi Directors, subject to shareholder approval.

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The placement is over two tranches.

The first occurred on 24 October 2019, pursuant to which the Company issued 155,471,481 shares at 0.098 cents per share under the Company's Listing Rule 7.1 capacity and 103,647,654 shares at 1.03 cents under its Listing Rule 7.1A capacity, for an average issue price of \$0.01 per share for all investors.

Tranche 2, for the issue of 184,630,865 shares to non-related party investors and 17,500,000 shares to Directors, all at 1 cent per share, will take place after the Company's upcoming annual general meeting, subject to shareholder approval being obtained at that meeting for those issues.

The funds raised will be used for further technical development of the Nvoi platform, the buildout of Nvoi's own internal development and sales teams, promotional, advertising and marketing activities and for general working capital.

The Company's cash balance as at 31 October 2019 is approximately \$5.6 million.

Board and Management

As part of its new strategic direction, the Company announced changes to its Board and Management structure.

Philip Crutchfield was appointed to the Nvoi Board of Directors as Non-Executive Chairman effective immediately, while Steven Papadopoulos relinquished the role of Chairman, remaining on the Board as Non-Executive Director.

Andrew Bursill resigned as Non-Executive Director and Joint Company Secretary and Sinead Teague assumed the role of sole Company Secretary.

Contact

John Winters
Interim CEO
john.winters@nvoi.com.au

About Nvoi

Nvoi is Australia's only open market workforce-as-a-service platform that directly connects employers and skilled professionals, eliminating the friction points in contract workforce management. Our platform ensures low predictable costs, is performance based, easy to use, available 24/7, and provides freedom from administration. Unlike the traditional contract workforce management systems, Nvoi is the employer of record, providing instant engagement between hiring managers and rated skilled professionals, and automated back office processing at an affordable price. Nvoi's dual purpose provides value to Employers while giving Employees the job satisfaction they crave.

For Businesses: Nvoi gives employers a way to quickly fill vacancies with qualified, verified and rated professionals, at a fraction of the time, cost and hassle of existing processes.

For Individuals: Nvoi empowers individuals to control their careers, monetise their skills, work flexibly and create fulfilling careers all within our easy-to-use 24/7 platform.

Website: www.nvoi.com.au

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

Nvoi Limited

ABN

29 107 371 497

Quarter ended ("current quarter")

30 September 2019

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	30	30
1.2 Payments for		
(a) research and development	(27)	(27)
(b) product manufacturing and operating costs	(26)	(26)
(c) advertising and marketing	-	-
(d) leased assets		
(e) staff costs	(117)	(117)
(f) administration and corporate costs	(191)	(191)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(329)	(329)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) businesses (see item 10), net cash acquired from subsidiary		
(c) investments		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(d) intellectual property		
(e) other non-current assets		
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 (provide details if material)		
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
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	(1)	(1)
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	(1)	(1)

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	1,556	1,556
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(329)	(329)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(1)	(1)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		-
4.6	Cash and cash equivalents at end of quarter	1,226	1,226

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	1,226
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)	1,226

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

Current quarter \$A'000
61
-

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7. Payments to related entities of the entity and their associates

- 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

Current quarter \$A'000
20
-

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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	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.		

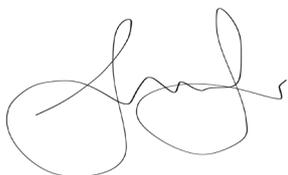
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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	27
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	50
9.4 Leased assets	-
9.5 Staff costs	217
9.6 Administration and corporate costs	116
9.7 Other (provide details if material) – <i>share placement costs including GST</i>	84
9.8 Total estimated cash outflows	494

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:

Date:31 October 2019

Chief Executive Officer

Print name: John Winters

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.