

30 January 2020

December 2019 Quarterly Update

Nvoi Ltd (ASX:NVO) (**Nvoi** or **Company**) has released its Appendix 4C Quarterly Report for the three month period ending 31 December 2019 and is pleased to provide the following update on its activities.

EVENTS DURING THE QUARTER

During the December quarter the Board and Management team of the Company completed 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, announcing the development of a new strategy to drive growth including a strategic partnership with leading Australian jobs board CareerOne Pty Ltd (**CareerOne**).

The Company also conducted an equity capital raising and announced changes to its Board and Management team.

New strategic direction

As announced to ASX on 18 October 2019, Nvoi intends to expand its current footprint to full human resource management, rather than focusing purely on the niche contractor segment of the market, by way of leveraging the Nvoi platform's core functionality.

Ultimately Nvoi intends to allow employers to manage their workforce all within a single, cloud-based solution.

Career One Strategic Partnership

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 are using CareerOne.

The Company's strategic partnership with CareerOne announced to ASX on 18 October 2019 is intended to assist the further development of the Nvoi platform and drive the market rollout of an expanded offering with lead and sales generation.

Under the arrangement Nvoi is paying CareerOne a monthly development fee of \$15,000 (plus GST) for providing technical and development services. CareerOne is also incentivised to drive up to \$3 million in revenue for Nvoi over three years and have been granted a total of 100 million performance options to subscribe for Nvoi shares at an exercise price of \$0.01 each with 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, approved by shareholders at the Nvoi Annual General Meeting (AGM) on 29 November 2019.

The placement occurred over two tranches.

Tranche 1 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, occurred on 2 December 2019 after shareholder approval was given at the Company's 2019 AGM.

The funds raised are being 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.

On 2 December 2019 the Company issued to CareerOne the 100 million performance options to subscribe for Nvoi shares at an exercise price of \$0.01 each (see above) after shareholder approval given at the Company's 2019AGM.

Also on 2 December 2019, the Company issued to the Directors an aggregate of 45 million options to subscribe for Nvoi shares at an exercise price of \$0.0206 each after shareholder approval was given at the Company's 2019 AGM. 15 million options were granted to each of Philip Crutchfield, John Winters and Steven Papadopoulos.

The Company's cash balance as at 31 December 2019 was approximately \$5.4 million.

Board and Management

During the quarter, the Company announced changes to its Board and Management team.

On 18 October 2019, 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. Also on that date, Andrew Bursill resigned as Non-Executive Director and Joint Company Secretary and Sinead Teague assumed the role of sole Company Secretary.

On 6 November 2019, the Company announced the appointment of Raife Watson as the Company's new Chief Executive Officer to lead the Company in its new strategic direction, bringing together his deep industry experience and key employer networks to launch and grow its business. Mr Watson joins the Company from Adzuna Australia & New Zealand, a subsidiary of the global Adzuna jobs business, where as CEO he spearheaded its launch in Australia in 2014 as part of a joint venture with Fairfax Media, and in New Zealand in 2017.

EVENTS SUBSEQUENT TO THE END OF THE QUARTER

Subsequent to the end of the quarter, the Company announced on 13 January 2020 the commencement on that day of Raife Watson in his role as new CEO.

On 16 January 2020, the Company announced that it had entered into a conditional agreement to acquire WorkConex Holdings Pty Ltd (**WorkConex**), including its proprietary Applicant Tracking System (**ATS**) technology platform.

The WorkConex ATS platform is a web-based tool that automates all of the steps involved in the recruitment workflow, allowing users to simplify advertising new roles, track applications in real time, communicate with candidates, reference check, extend offer letters and on-board new hires directly into their business. It makes the recruitment process highly efficient in one collaborative platform. As part of the Company's go-to-market strategy, the partnership with CareerOne will promote the WorkConex suite of products and WorkConex will be included in CareerOne's small-to-medium business (SMB) database, driving immediate scale opportunities for WorkConex.

Under the terms of the agreement, Nvoi acquired 100% of the issued share capital of WorkConex for an initial consideration of \$10 plus earn-out consideration of up to \$300,000 in cash subject to WorkConex achieving at least 100 genuine paying subscribers (who have held such status for at least two consecutive months) within 12 months of completion. The earn-out amount is equal to \$857 for each such subscriber until capped out and is payable within 14 days of the end of that 12-month period. In addition, Nvoi has assumed a total of approximately \$300,000 in net debt owed by WorkConex, which was repaid at completion of the acquisition. Completion occurred on 22 January 2020, as announced to ASX on that date.

This announcement has been approved for release to ASX by the Board of Directors of the Company.

ASX RELEASE

Contact

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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")

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	-	30
1.2 Payments for		
(a) research and development	(41)	(68)
(b) product manufacturing and operating costs	(35)	(61)
(c) advertising and marketing	-	-
(d) leased assets		
(e) staff costs	(195)	(312)
(f) administration and corporate costs	(113)	(304)
1.3 Dividends received (see note 3)		
1.4 Interest received	6	8
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	(378)	(707)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(2)	(2)
(b) businesses (see item 10), net cash acquired from subsidiary		
(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		
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	(2)	(2)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	4,613	4,613
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	(100)	(101)
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	4,513	4,512

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	1,226	1,556
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(378)	(707)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(2)	(2)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	4,513	4,512

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		-
4.6	Cash and cash equivalents at end of quarter	5,359	5,359

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	5,359	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)	5,359	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
224
-

Includes: \$66k gross bonus (including superannuation) paid to John Winters following capital raising; rent \$15k to a company associated with John Winters; legal fees \$19k to a company associated with Steven Papadopoulos; development fee \$36k paid to CareerOne, a company associated with John Winters.

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
-
-

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	42
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	47
9.4 Leased assets	-
9.5 Staff costs	310
9.6 Administration and corporate costs	286
9.7 Other (provide details if material) – <i>WorkConex debt repayment on completion of acquisition</i>	300
9.8 Total estimated cash outflows	985

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:30 January 2020

Executive Director

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.