

IODM H1 FY24 Results

H1 FY24 highlights:

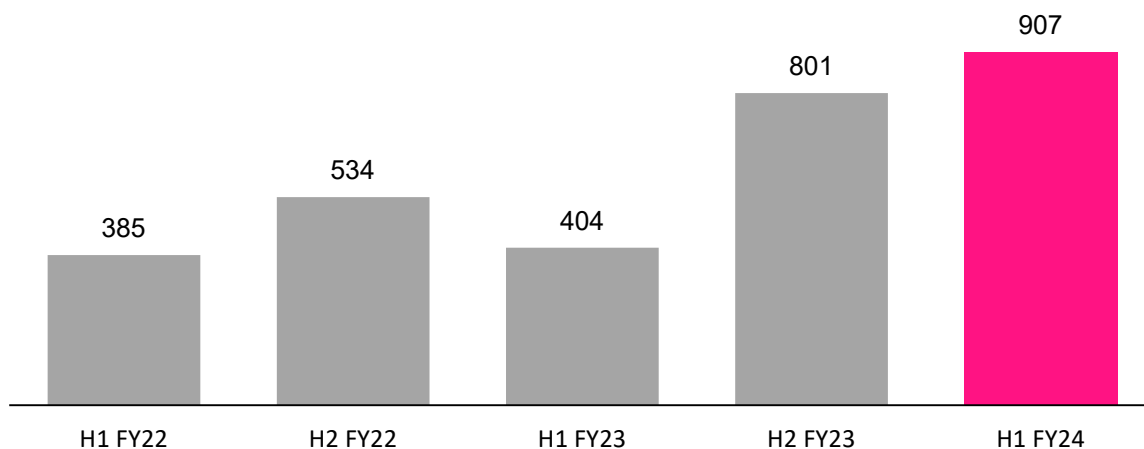
- Receipts from customers of A\$907k, +18% half on half and +125% versus previous corresponding period (“pcp”)
 - UK cash receipts of A\$388k, +28% half on half (+895% versus pcp)
 - Domestic cash receipts of A\$520k, +6% half on half (+44% versus pcp)
- Revenue of \$838k, +31% half on half (+69% versus pcp)
- The Company continues to onboard Universities and allied educational organisations in the UK, with revenue to be calculated under new agreement with Convera
 - 5 universities live in the UK, with another 15 in onboarding stage
- First prospect meetings held in North America with first signing expected in early Q3 FY24
- First direct sales hire made in United States to enhance business development efforts, role commenced mid November 2023
- Results webinar to be held at 11:00am AEDT, Wednesday 6 March 2024 ([register](#))

IODM Limited (ASX:IOD) (“IODM” or “the Company”), a cloud-based software platform delivering a complete working capital communications solution, is pleased to release its half year results for period ended 31 December 2023 (“H1 FY24”).

H1 FY24 Financial Performance

First half FY24 cash receipts totalled A\$906k, reflecting an increase of 18% half on half and 125% vs the prior corresponding period.

Figure 1: IODM Half Yearly Cash Receipts (A\$'000)



UK Education Business

As announced in the Company's December quarter update, IODM has commenced its second financial year of its offering to Universities in conjunction with Convera, a leading global payments company specialising in cross border payments for international students.

The UK Education business continued to drive increased cash receipts during H1 FY24 as the Northern Hemisphere entered the start of the new academic year collection cycle during the December quarter. Entering the new academic year, the number of automated reminder communications sent by the Company during the December quarter increased significantly. The rate of communications sent is expected to continue to increase as universities focus on their respective collection cycles. The total value outstanding of invoices continues to grow, underpinning the 'work-in-progress' revenue yet to be collected by IODM.

During H1 FY24, a number of the Universities went live with the payment plan feature developed by IODM, allowing students to pay tuition and accommodation fees in instalments. This feature has been well received by both students and Universities and is expected to be a prevalent feature of the combined IODM/Convera offering to Universities going forward.

The IODM UK team successfully continued to grow the pipeline in terms of both Universities and, as previous anticipated, organisations allied to the education sector, namely private student accommodation providers. One such accommodation provider in the UK has 28,000 students utilising its accommodation services throughout the UK and have engaged IODM to manage the collection of fees and management of payment plans which is expected to commence in March 2024.

At the end of the period, the Company had five universities live in the UK with another fifteen in various stages of onboarding.

In light of the significant progress made in this sector through its relationship with Convera, the Company and Convera have now reached a new commercial agreement which it is expected to result in significantly improved financial terms for IODM. As announced to the market on 5 February 2024, this multi-year agreement became effective retrospectively from 1 January 2024. The terms of the new agreement will result in both increased revenue for IODM as well as a minimum monthly payment that will insulate IODM against the seasonality of the Universities' payments cycle. The Company looks forward to updating the market with respect to early progress at the upcoming Q3 FY24 results, late April.

Domestic Business

H1 FY24 domestic cash receipts totalled A\$520k, a modest increase half on half, albeit up 44% versus prior corresponding period. During the half, the Company was successful in executing new client signings including companies operating in the pharmaceutical and professional services sectors under IODM's Enterprise offering for the December 2024 quarter with cash receipts to be received from the March quarter FY24.

The Company continues to see an increasing number of Enterprise companies seeking out IODM's solution and requesting presentations and contract proposals. The Company expects to see the domestic signings continue at an elevated rate in the coming quarters.

USA Business

As previously announced the first senior sales executive in North America commenced mid November 2023. During H1 FY24, the first initial sales meetings have been held with prospect clients. Meetings were held with companies ranging from family-owned businesses to large enterprise Fortune 500 companies. As announced in the December 23 quarterly update, the Company confirm that first signing has occurred during February 2024.

Results webinar

The Company will host a webinar with Chief Executive Officer, Mark Reilly – to discuss the results – on Wednesday, 6 March 2024, at 11:00am AEDT. Investors and interested parties can register for the webinar via the following link.

https://us02web.zoom.us/webinar/register/WN_GOyWqBvdRGmJmRi1ufT4Uw

Investors can submit questions prior to the webinar to sam@nwrcommunications.com.au or do so during the webinar via the Q&A function on Zoom.

IODM CEO, Mark Reilly said:

"I am pleased with the progress the Company has made across all aspects of its business during the first half of the financial year. The growth of the University pipeline and the addition of allied revenue streams from accommodation providers is very positive and bodes well for revenue growth in future quarters. The new commercial agreement with Convera announced in February 2024 will also see revenue growth in the UK education sector accelerate – we look forward to updating shareholders as to the progress under this new agreement in subsequent releases. In addition, the response to the launch of the Company's cash allocation tool from the commercial enterprise market in Australia – and now the United States – should result in improved financial performance moving forward."

This announcement is authorised by IODM's Board of Directors

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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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