

AMENDED - CVCHECK ARR GROWS TO EXCEED \$10M, COVID-19 STATUS, MARCH QUARTERLY

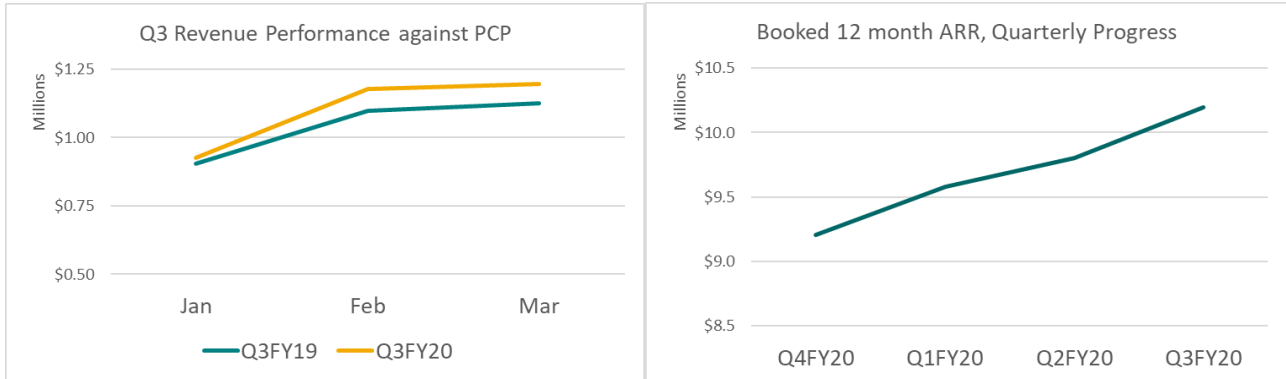
- \$3.3M revenue in Q3FY20 (6% higher than PCP), \$2.4M B2B and \$0.9M B2C
- Booked Annualised Recurring Revenue (ARR) increased to \$10.2M, exceeding \$10M for the first time
- Strong balance sheet with cash at bank \$4.9M as at end March and no debt
- First revenues booked from SoftwareONE, Big Sky Corporate and other large enterprises
- Named in the AFR Fast 100 for 2020 and Financial Times High Growth Companies – Asia Pacific 2020.
- COVID-19 status – worker safety prioritised, cash savings already made provide revenue buffer
- LinkedIn Talent Hub and Xref integrations live
- \$0.9M operating and investing cash burn as a result of product and marketing costs carried over from January quarter, higher staff costs due to recruitment fees from build out of C-Suite and restructuring
- Investor conference call to be held at 11AM AEDT (9AM AWST) Thursday 30 April 2020

Leading online integrated screening and verification company, CV Check Limited (“CV1” or “the Company”) (ASX:CV1) is pleased to release its March Quarter Appendix 4C and report solid revenue performance despite the events impacting Australia, New Zealand and globally in recent months.

CV1 Chief Executive Officer, Rod Sherwood, commented, “COVID-19 struck quickly during March. We have seen some impact on revenues but more than offset this through taking decisive action to reduce our cost base. We are pleased by the resilience of CV1 revenues since commencement of the shutdowns in Australia and New Zealand. Being named in the AFR Fast 100 and the Financial Times High Growth Companies Asia Pacific for 2020 is a testament to the value our clients derive from our software and services. Booked Annual Recurring Revenue exceeding \$10 million is a significant achievement, proving a business model well complemented by our HR Tech integration focus. CV1 will come out of this turbulent period in a stronger, leaner position well placed for growth when the recovery occurs.”

Continued revenue growth

CV1’s Q3FY20 revenue of \$3.3 million grew by 6% relative to the previous corresponding period (PCP) with B2B revenue growing to \$2.4 million of sales and B2C revenue of \$0.9 million.

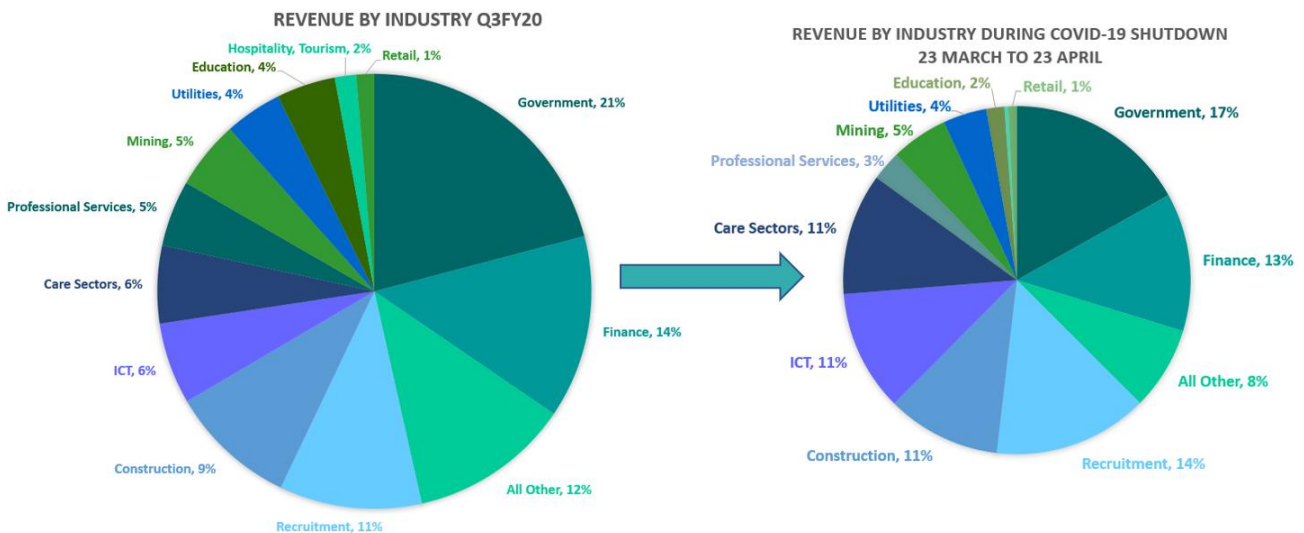


Booked Annual Recurring Revenue (ARR) increased to \$10.2 million for the 12 months ended 31 March from \$9.8 million reported last quarter. Increases occurred for both the number of B2B accounts and Average Revenue Per Account (ARPA) whilst retention remained high.

First orders were booked from new customers such as SoftwareONE, Assembly Payments, Big Sky Corporate, Autism Camp Australia and Absolute Caring Professionals. Recent tender wins have already produced first orders for the June quarter.

Covid-19 Impact, Adopted measures buffer revenue by 35%

Extensive cash conservation measures have been undertaken that buffer CV1 against a potential revenue fall of over 35% across the coming quarter. CV1’s April 20 revenue has been resilient amidst this turbulence with Group revenue to date tracking 23% lower as compared to April 19. Importantly, the Company remains well positioned for the recovery when it does occur.



The shutdown of Australia’s non-essential services such as hospitality, tourism, gaming and retail coupled with New Zealand’s more comprehensive shutdown triggered differing effects on the mix of overall revenue. CV1 has low exposure to the most affected industry sectors whilst benefitting from contract wins in the care sector and a surge in screening orders amidst the mass talent acquisition activity that has been outsourced to labour hire and recruitment firms.

CV1 holds a strong market position and has diligently monitored its cash position for years while continuing to invest in growth, its people and technology. Its response to COVID-19 induced turbulence aims to ensure

CVCheck endures with balance sheet strength and then thrives because of the measures being taken to retain the strength of our core teams. Tender wins and resultant orders achieved since the 23rd of March point to such an outcome. CV1 will come out of this in a stronger, leaner position well positioned for growth.

Platform Integrations

Part of CV1's strategy is to deliver growth through its reach via platform integrations with providers of human resource information systems (HRIS) and applicant tracking systems (ATS).

In March, CV1 co-announced with LinkedIn Talent Hub their integration to streamline the hiring process workflow from sourcing candidates to employment background checks. LinkedIn Talent Hub is an applicant tracking system (ATS) platform allowing companies to source, manage and hire candidates in one place. CV1 is the first background screening company in the APAC region to integrate with LinkedIn Talent Hub. The integration showcases enhancements added to CVCheck's platform that enable the automated 'self-serve' onboarding of small businesses from LinkedIn Talent Hub.

During the quarter, CV1 announced the launch of its phase 1 integration with Xref whereby CVCheck was made available exclusively inside the Xref platform across Australia and New Zealand. Conjoined business development activities resulted in a number of clients onboarding for both companies and the booking of first revenues during the quarter. This week CV1 will release its phase 2 integration whereby Xref reference checks are made available from inside the CVCheck platform; a formal client launch is underway.

Q3FY20 Cash Burn

Despite near record receipts from customers of \$3.3 million, CV1 cash burn amounted to \$0.9 million across Q3FY20. Operating and investing cash outflows were inflated by:

- \$510k of product and marketing costs for carried over invoices from the prior quarter
- \$256k of staff costs due to recruitment fees arising from the build out of our C-Suite and business development teams, the additional cost of those team members and restructuring costs taken late in the quarter
- \$60k of administration and property costs arising from the shift to working from home arrangements made late in the quarter as the business prioritized the safety of its workforce

A late March temporary dip in upfront customer receipts also contributed to the cash burn outcome of Q3FY20. COVID-19 induced industry shutdowns across Australia and New Zealand from 23 March saw CV1 upfront cash receipts from customers dip below 50% in late March. That shift has proved temporary with the average rising to 56% across April and this will benefit cashflow in Q4FY20.

Creditors were reduced markedly during the quarter, debtors remained steady.

The cash balance at quarter end was \$4.9 million and no debt.

Investor Conference Call

As previously advised on 24 April, CV1 will hold an investor conference call at 11am AEDT (9am AWDT) on Thursday 30 April 2020. To register for the call at the link below:

https://zoom.us/webinar/register/WN_PPkPy-5iTPGvtvn7q3Z-LQ

-ENDS-

Announcement released with authority of CV1's Board.

For further information, please contact:

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About CV Check Limited: CV1 is an expanding business with growing revenue streams through the provision of its check products to employers, industry associations and individuals via the CVCheck brand on its proprietary online platform CVCheck.com. The Company has been operating for more than 10 years and in the process has developed a world-class online platform providing a comprehensive range of checks across the globe. CV Check Limited is a listed public company quoted under the ticker CV1 on the Australian Securities Exchange (ASX).