

**CVCHECK APPENDIX 4C AND OPERATING UPDATE**

- **11% increase in customer cash receipts to \$2.8 million in Q2FY18 vs \$2.5 million Q2FY17**
- **More than 20% growth in corporate revenue in Q2FY18 vs Q2FY17**
- **Cash burn \$0.2 million in Q2FY18; cash at quarter end \$3.5 million**
- **Receipt of \$0.7 million R&D tax incentive**
- **Positioned for further revenue growth**
- **Partnered with three HR platform providers, accessing more top-tier corporate clients; first revenues expected Q3FY18**
- **Investor conference call scheduled for 31 January 2018**

Leading online integrated screening and verification company, CV Check Limited (ASX: CV1) is pleased to provide the Company's 4C Cash flow summary and operating update for the quarter ended 31 December 2017.

CVCheck provides police, credit, financial, reference and other checks for compliance, employment screening and licensing purposes to employers, industry associations and individuals through its proprietary online platforms in both Australia and New Zealand.

**Performance in line with expectations**

Overall business performance was consistent with expectations during the quarter in what is typically a seasonally slower employment environment. Growth in cash receipts was 11% when compared to the same quarter of FY17. Each month of H1FY18 experienced growth in orders compared to the same month in H1FY17 and CVCheck remains well positioned for continued growth in H2FY18.

The quarter on quarter drop of 8% in total cash receipts (Q1FY18 v Q2FY18) occurred as a result of the normal seasonal slow-down for the sector.

Q2FY18 operating and investing cash burn was \$0.2 million, representing:

- A 78% reduction from \$0.9m in Q2FY17.
- An 82% reduction from \$1.1m in Q1FY18.
- A 49% reduction of net operating cash burn to \$0.4 million for the quarter compared to Q1FY18.
- The decreased cash burn for Q2FY18 compared to Q1FY18 is largely due to an R&D tax incentive receipt of \$687k and the passing of seasonally high annual expenses incurred in Q1FY18.

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The 11% increase in cash receipts Q2FY18 versus Q2FY17 was attributed to continued strong growth in corporate accounts. Payments relating to corporate overhead and staff decreased 56% and 19% respectively from Q2FY17 due to ongoing cost management initiatives.

### **Partnerships secured first revenue expected Q3FY18**

During the quarter CVCheck entered into commercial partnerships with three HR platform providers, PageUp, Springboard and SnapHire. Each of these involved technology platform integrations that were completed within time and budget, and provide top-tier corporate clients in these markets with access to CVCheck's products and services. CVCheck has already secured new corporate contracts from two of these partnerships with related revenues expected to commence in Q3FY18.

### **Growth in corporate business**

Investment in the corporate business translated into more than 20% increase in revenue from corporate customers during Q2FY18 as compared to the same period last year. CVCheck's corporate customer business continues to grow in importance now about 59% of total revenue.

CVCheck contains limited client concentration risk with no single customer representing more than 2.5% of receipts. CVCheck corporate client retention remains high representing an opportunity for increased future product sales as these clients become increasingly accustomed to CVCheck's customer service standards and platform.

The performance of the corporate business endorses the successful repositioning of CVCheck as a preferred B2B provider. CVCheck has converted a number of large scale corporate clients, including in the ASX 200, from the telecommunications, financial, insurance, manufacturing, mining, retail, professional services, and utilities sectors. These client wins have arisen from investment in the Company's people and platform, providing tailored solutions to ensure HR departments can meet their workplace screening requirements.

### **Consumer business**

Consumers utilise CVCheck services to provide independently verified supporting documentation for professional licensing and compliance purposes to potential employers. Products frequently supplied by CVCheck to this customer category include police, visa, credit default, financial, regulatory and employment reference checks. As expected, individual cash receipts during the quarter were in the seasonal low period for the business and are anticipated to return to positive growth in Q3FY18 the traditional peak period for individual job search.

CVCheck Chief Executive Officer Rod Sherwood, said:

*"I'm very pleased with our progress throughout calendar year 2017. The Company now enjoys high level servicing ability across corporate, SME and individual customers. During the past quarter, CVCheck commercially partnered with three HR platform providers each servicing top-tier corporate clients. We have already won business as a result and are deepening these relationships."*

*"CVCheck will continue its development activities to enhance customer experience with the platform, to maximise customer retention and conversion at the corporate and individual level. Our world-class service is well positioned to capture growth in the Australian and New Zealand markets as the corporate market becomes more aware of the business, financial and reputational risk of not performing appropriate checks."*

*"We are excited by the addressable market opportunity given the more developed US background checking market now represents an estimated US\$1.8bn per annum."*

CVCheck is hosting an investor conference call Wednesday 31 January 2018 at 8:00 AM AWST / 11.00 AM AEDT.

**Call details:**

Australia Toll Free	1 800 558 698
Alternate Australia Toll Free	1 800 809 971
Australia Local Number	+612 9007 3187
Hong Kong	800 966 806
Malaysia	1800 816 294
New Zealand Toll Free	0800 453 055
NZ Local (Auckland)	09 929 1687
NZ Local (Wellington)	04 974 7738
NZ Local (Christchurch)	03 974 2632
Singapore	800 101 2785
United Kingdom	0800 051 8245
United States	855 8811 339

**Conference Identification: 878124**

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**About CV Check Limited:**

CVCheck is an expanding business with growing revenue streams through the provision of its check products to employers, industry associations and individuals via its proprietary online platform [www.cvcheck.com](http://www.cvcheck.com). CVCheck 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. CVCheck is a listed public company quoted under the ticker CV1 on the Australian Securities Exchange (ASX).

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