

# LETTER OF ADVICE

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## RESTRUCTURE OF OWNERSHIP - VERIFYNOW PTY LTD

Prepared for:  
Directors of the above

Prepared By:  
Mark Peatey

P Squared Advisory Pty Limited  
L4 59 Wentworth Avenue  
KINGSTON ACT 2604

**Date : 15 June 2022**

**Private and confidential**

15 June 2022

Directors  
VerifyNow Pty Ltd  
PO Box 140  
FYSHWICK ACT 2609

Dear Directors,

**RE: BUSINESS RESTRUCTURE**

You have sought our advice regarding restructure of VerifyNow Pty Ltd shares from Cogent Business Solutions Pty Ltd to current shareholder of Cogent Business Solution Pty Ltd and subsequent share transfer from Practical Risk Solutions to Marianne Curnow.

We would like to thank you for your time through our meetings, correspondence, and telephone discussions, please find below our advice in relation to the specific matter.

**Scope:**

To advise Directors on:

1. Capital Gains Tax (CGT) consequence on restructure of 200 Ordinary shares of VerifyNow Pty Ltd from Cogent Business Solutions Pty Ltd to current shareholders of Cogent Business Solutions Pty Ltd
2. Share transfer between Practical Risk Solutions and Marianne Curnow.

**Executive Summary:**

Summary of the advice

**The validity of the advice:**

Please note that this advice is based on the relevant Income Taxation Laws, cases and rulings as we understand their application as at 15<sup>th</sup> of June 2022.

**Details of the advice:**

We have summarised below our opinion in relation to the matter outlined above. A detailed discussion of the various issues relating to our advice for your perusal.

**Appendix A** P Squared Valuation Report

**Appendix B** ASIC Statement

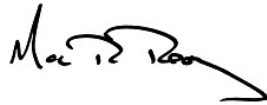
**Disclaimers:**

- This advice has been prepared based on the information provided to us and we have listed the Facts and Assumptions on Page 6 of this document. Kindly review all the information therein and if you disagree with any item, please let us know immediately.
- The advice relates to the year 2021/2022 financial year & is not to be used at any other times without a written request.
- The advice is based on current tax legislation as at the date of this advice.
- The letter of advice is non-binding to the Federal Commissioner of Taxation.
- This advice is intended for Directors and Shareholders of VerifyNow Pty Ltd ; it is not to be used by any other person/entity other than the addressees, regardless of their/your view of the relevancy.
- It is beyond the scope of this engagement to review the accuracy, correctness of the information prepared by your internal accounting team. We assume that the information prepared by you and delivered to us are accurate and correct.
- The scope of the advice only covers Federal Tax implications, therefore; state taxes are not covered in this piece of advice. Please let us know if we are to provide you with any other taxes' advice.

# P SQUARED

If you would like to discuss the tax issues with us or have a better understanding of the potential impact on you and your business, please do not hesitate to contact our team.

Kind Regards,



**Mark R. Peatey**  
Managing Director

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Appendix A PSQUARED Valuation Report

Appendix B ASIC Statement

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## 1. Executive Summary

This advice is commissioned to discuss the income tax implications relating to demerger of VerfiyNow Pty Ltd ownership from Cogent Business Solutions Pty Ltd to shareholders of Cogent Business Solutions Pty Ltd and subsequent shares transfer between Practical Risk Solutions t to Marianne Curnow. This can be achieved via 2 Steps.

Step 1 – Demerger of VerfiyNow Pty Ltd 200 Ordinary share. Tax implications:

- a. A CGT event occurred for Cogent Business Solutions Pty Ltd (CBS) upon transfer of shares from CBS to shareholders of CBS.
- b. The share transfers were off-market and between related parties, therefore the nominal price was ignored and the market value substitution rule would apply. Based on Market Valuation report dated May 2022, market valuation was \$1,450,000.
- c. CGT demerger rollover relief is available to CBS under Division 125. The effect of the roll-over is to defer the making of a capital gain or loss by CBS.
- d. The cost base of the owner's original interest is apportioned across the new interest acquired under the demerger.

Step 2 – Transfer of shares between Practical Risk Solutions t to Marianne Curnow

- e. A CGT event occurred for Practical Risks Solutions relating to shares transferred to Marieanne Curnow. Equivalent to 5% of share capital (10 Ordinary shares)
- f. The share transfers were off-market and between related parties, therefore the nominal price was ignored and the market value substitution rule would apply. Based on Market Valuation report dated May 2022, market valuation for VerfiyNow Pty Ltd is \$1,450,000, which is apportioned to 5% of shares transfers being \$72,7000
- g. Practical Risks Solutions will need to report this CGT event for 2022 income tax return. Practical Risk Solutions may be eligible for rollover and concessions (mainly Small Business CGT Concession). However we are not able to advice on eligibility for CGT rollover or concessions as we do not act as accountant for Practical Risks Solutions.

### Action Items Required

- a. Disclosure of the capital gains tax event in the 2022 Company Tax Return of Cogent Business Solutions Pty Ltd, elect demerger Roll-over Relief; ;
- b. Disclosure of the capital gains tax event in the 2022 of Practcial Risks Solutions.

----- End of executive summary -----

## 2. Facts & Assumptions

2.1 VerifyNow Pty Ltd (ACN 643 420 311) was first incorporated on 12<sup>th</sup> of August 2020 with 200 (two hundred) ordinary shares, fully paid to \$200, and beneficially held by the following shareholder:

- Cogent Business Solutions Pty Ltd 200 shares

2.2 Cogent Business Solutions Pty Ltd owned these shares on capital account.

2.3 Since the incorporation, Anthony David Blumer and Helen Hill are the directors of this company..

2.4 Based on the independent valuation report dated 17 May 2022 VerfiyNow Pty Ltd valuation is \$1,450,000.

2.5 The share ownership in Cogent Business Solution Pty Ltd as at 15<sup>th</sup> of June 2022 is as follows:

Shareholder	Class	Description	Number issued	Total amount paid	Beneficially held
Practical Risk Solutions Pty Ltd	ORD	Ordinary shares	70	\$70	No
Helen Hill	ORD	Ordinary shares	50	\$50	No
Peter Timothy Wheen	ORD	Ordinary shares	30	\$30	No
VK NGO Pty Ltd	ORD	Ordinary shares	30	\$30	No
Leonie Jayne Brosnahan	ORD	Ordinary shares	20	\$20	Yes

2.6 The share ownership of VerifyNow Pty Ltd immediately after the demerge in May 2022:

Shareholder	Class	Description	Number issued	Total amount paid	Beneficially held
Practical Risk Solutions Pty Ltd	ORD	Ordinary shares	70	\$70	No
Helen Hill	ORD	Ordinary shares	50	\$50	No
Peter Timothy Wheen	ORD	Ordinary shares	30	\$30	No
VK NGO Pty Ltd	ORD	Ordinary shares	30	\$30	No
Leonie Jayne Brosnahan	ORD	Ordinary shares	20	\$20	Yes

2.7 Share ownership, after share transfer between Practical Risk Solutions Pty Ltd and Marianne Curnow (10 Ordinary shares) are:

Shareholder	Class	Description	Number issued	Total amount paid	Beneficially held
Practical Risk Solutions Pty Ltd	ORD	Ordinary shares	60	\$70	No
Helen Hill	ORD	Ordinary shares	50	\$50	No
Peter Timothy Wheen	ORD	Ordinary shares	30	\$30	No
VK NGO Pty Ltd	ORD	Ordinary shares	30	\$30	No
Leonie Jayne Brosnahan	ORD	Ordinary shares	20	\$20	Yes
Marianne Curnow	ORD	Ordinary shares	10	\$10	Yes

## 3. Eligibility of demerger relief (Division 125)

- 3.1 Division 125 provides automatic "demerger" roll-over relief if the head entity (Cogent Business Solutions Pty Ltd) in a group undertakes restructuring in order to pass ownership of one or more of its subsidiary entities (VerifyNow Pty Ltd) to shareholders of the head entity
- 3.2 Eligibility. The key conditions (in Subdiv 125-B ) for the roll-over to apply are:
- a. at least 80% of the demerger group's ownership interest in the demerged entity must be acquired by the shareholders of the head entity. We understand this condition is satisfied;
  - b. each owner must receive the same proportion of new interests in the demerged entity as per their original interests in the head entity, just before the demerger. We understand this condition is satisfied; and
  - c. the total market value of each owner's interests in the demerger entity and the head entity must not be less than the total market value of the original interests in the head entity just before the demerger (disregarding the ownership interests specified in s 125-75 ). We believe this condition is satisfied.
- 3.3 Division 125 does not specify the method by which the demerger must occur. Rather, the measures provide for roll-over relief for any CGT event happening under the demerger. The most common methods for implementing a demerger will be by way of selective capital reduction of the shares held by the head entity, or by an issue of shares to the shareholders of the head entity followed by the cancellation of the shares held by the head entity in the demerger subsidiary (subject to stamp duty considerations).

## 4. Effects of the demerger roll-over

- 4.1 The effect of the roll-over is to defer the making of a capital gain or loss by the owners of the interest in the head entity for each of their affected interests: s 125-155.
- 4.2 The cost base of the owners' original interest is then apportioned across this interest and the new interest acquired under the demerger
- 4.3 Owners of pre-CGT interests in the head entity can treat their new interest in the demerged entity as pre-CGT interests also.

## 5. Summary of Shareholder(s) before and after the demerger relief and share transfer between shareholders

### - BEFORE

Shareholders	Share Class	Share description	Number issued	Total amount paid	Beneficially held
Cogent Business Solutions	ORD	Ordinary Shares	200	200	Yes

### - AFTER

Shareholders	Share Class	Share description	Number issued	Total amount paid	Beneficially held*
Peter Timothy Wheen	ORD	Ordinary shares	30	\$30	No
Helen Hill	ORD	Ordinary shares	50	\$50	No
Practical Risk Solutions Pty Ltd	ORD	Ordinary shares	60	\$60	No
VK NGO Pty Ltd	ORD	Ordinary shares	30	\$30	No
Marianne Curnow	ORD	Ordinary shares	10	\$10	Yes
Leonie Jayne Brosnahan	ORD	Ordinary shares	20	\$20	Yes

----- End of advice -----

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## Appendix A

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17 May 2022

Verifynow Pty Ltd  
c/- Helen Hill  
9 Lyell Street  
Fyshwick, ACT 2609

Dear Shareholders,

**Re: Verifynow Pty Limited Entity Valuation**

P<sup>2</sup> Corporate Strategy has been engaged to complete an indicative valuation of the market value of a minority interest in Verifynow Pty Limited. The valuation is for a reference in potential minority share transfers and succession planning.

The report proceeds on the basis that all information sought and obtained from various sources is true and correct. Our experience and judgement has determined the appropriate evidence to obtain and consider.

This report is not to be released nor are its contents to be revealed to any external party without the specific written instructions of P<sup>2</sup> Corporate Strategy. This report is intended for the use of the current and proposed VerifyNow shareholders. No other party should rely on this report. P<sup>2</sup> Corporate Strategy, its owners and employees specifically disclaim any liability to any party other than the current Owners who rely on this document.

**Report Structure**

- Annexure 1 – Valuation methodology
- Valuation calculations
  - Valuation summary and workings
  - Ongoing Valuation Methodology
  - Expert's qualifications and sources of information

Annexure 2 – Normalisation of financial results

Annexure 3 - Comparable market data.

**Summary of Opinion**

The estimated value of the business under the current structure for shareholders is based on Management's forecast and a long-term outlook in a moderate growth market.

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CHARTERED ACCOUNTANTS

We have considered a number of valuation methodologies in determining the value of the business including:

- Capitalisation of Future Maintainable Revenues (FME); and
- Discounted Cash Flows (DCF) method.

After applying the discounts for entity size, liquidity and key person risk, the indicative value of VerifyNow on a minority equity basis is \$1,450,000.

P<sup>2</sup> Corporate Strategy believe a FME method valuation is the most reliable valuation methodology available given:

- The lack of reliable forecast information for the next five years of trading; and
- Accounting for sensitivity to industry risk factors.

Considering the following factors:

- The level of competition in the industry;
- The size of the entity; and
- Key client risk.

P<sup>2</sup> Corporate Strategy believe it is reasonable to take the midpoint of the valuation range given using the FME valuation.

We note that a less accurate assessment of value using the DCF model has resulted in a similar midpoint valuation. We have also considered other market comparables which show the potential of the business with scale and a larger market presence.

We therefore give the business an enterprise value, on a cash and debt free basis, at \$1,450,000 which is at the midpoint of our valuation range.

We note a minority interest equity value of \$1,450,000 equates to a Goodwill value of \$741,336 and net assets restated at \$ 708,664. The goodwill is circa 2 years current restated profits and appears reasonable as a crosscheck.

Yours sincerely



Mark Peatey  
Managing Director  
enc.



## Valuation Methodology

There are three valuation methods readily accepted when valuing an entity where liquidation is not anticipated and where there is not an open market for the business. A summary of these three methods is detailed below:

1. Discounted Cash Flows: A widely utilised method of valuing businesses, operations or ventures. It accounts for the time value of money, forecast revenues, earnings, working capital and required rates of return to determine the present value of future cash flows which implies a business's value.
  - The timing of cash flows is accounted for through discounting to present values which aims to value as at today monies received in the future. For example, \$1 earned today is worth more than \$1 earned in later years. Discounting involves selecting an appropriate risk and inflation considered discount rate which reflects an entity's time value of money.
  - Cash flows are accounted for in the valuation, rather than one year's forecast earnings or revenue as used in other methods. Another benefit of DCF valuation is accounting for both the revenues and expenditures of an activity as and when they occur.
2. Capitalisation of future maintainable earnings/revenue: This conventionally accepted method capitalises the earnings or revenue of an entity by an adequate investment rate of return based upon market expectations, after considering all conditions generally prevalent in that industry at the time of preparing the valuation.
  - Under the capitalisation of future maintainable earnings methodology, the capitalisation multiple is normally applied to net profit after taxation. A variation of this methodology is the earnings before interest and tax methodology ('EBITDA'), where the capitalisation multiple is applied to earnings before interest, tax, depreciation and amortisation. The use of EBITDA multiples is commonly used in valuing businesses for acquisition purposes as it eliminates the effect of gearing which is ultimately in the control of the acquirer. Capitalising the future maintainable earnings before interest, tax, depreciation and amortisation (EBITDA) eliminates the potentially distorting effects of unusually high/low or non-business-related debt in entities which operate the business.
3. Net asset backing basis: Under this method, the enterprise would be valued on the net realisable value of its assets after making due allowance for expenses of realisation, as appropriate.
  - The net asset backing method should be used when the enterprise is merely an investor and does not carry-on trading operations and the shares (in the case of a company) confer on the holder thereof control over the company. It may also be appropriate to use this method where trading operations are carried on, but these fail to generate sufficient income, or indeed if the business incurs losses but is still expected to continue trading. In such cases where liquidation is anticipated, the net assets approach should be employed (with allowances made for liquidation and realisation costs and taxes on liquidation).

In valuing Verifynow, we have compared the DCF and Capitalisation of Future Maintainable Earnings methodologies to determine an indicative value of the company. We have relied on the Capitalisation of



Future Maintainable Earnings valuation as we believe it is more appropriate in this case as outlined above. The attached Appendices detail the valuation methodology applied in arriving at our valuation opinion.

## Valuation Calculations

### Overview

P<sup>2</sup> Corporate Strategy have been engaged to assess the value of VerifyNow based on Management's forecasts for the business.

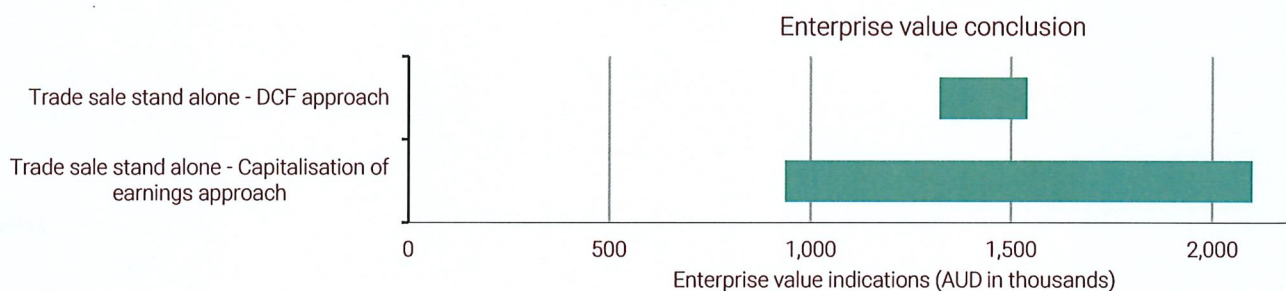
We have estimated the value to continue the business under the new structure for shareholders based on Management's forecasts and the long-term outlook for the business in a moderate growth market.

We have assessed the midpoint of a number of valuation methodologies all based on the forward outlook for the industry and VerifyNow. We believe the midpoint of \$1,450,000 is an appropriate value for the business.

The Capitalisation of future maintainable earnings method of valuation is the most accurate valuation methodology available given the available information for valuing VerifyNow, and that it values the historical trading of the business under the current structure.

### Summary of implied EV conclusions

AUD in thousands	Low	Midpoint	High
Total trade sale enterprise value - DCF	1,320	1,420	1,540
Total trade sale enterprise value - Multiples	936	1,469	2,100



## Valuation Methodologies

We have considered valuation approaches that are commonly applied to determine the fair value of going concern businesses which include the following:

- Discounted Cash Flow (DCF) approach; and
- Capitalisation of earnings approach.

### Discounted cashflow approach

Value has been determined by applying DCF to VerifyNow's forecast trading performance and the EBITDA generated.

The EBITDA values have been pegged against a 28% WACC and a moderate terminal growth rate after performing an analysis on VerifyNow's earnings, cash flow and asset levels from the actual and forecast periods.

The resultant DCF valuation is as follows:

AUD in thousands	Low	Midpoint	High
Discount rate (WACC)	30.0%	28.0%	26.0%
Implied Enterprise Value (EV)	1,320.0	1,420.0	1,540.0

### Capitalisation of earnings approach

We have elected to apply a forward Enterprise Value (EV)/EBITDA multiple to the future maintainable earnings of VerifyNow as a basis for comparison to the DCF approach.

Under this methodology, we have selected multiples from companies in the same industry, where valuation information has become publicly available. Our analysis has estimated the following values for the business:

[illegible]



## Background to Risk Assessment and selection of discount rates and multiples.

In assessing the capitalisation rate and earnings multiple applicable to the company, we note the following key issues surrounding the business and its operating environment.

The Verifynow business is a start-up digital services business offering a technology-based employment screening platform designed to help organisations recruit with more confidence and a greater success factor. The business commenced trading in its current corporate entity in the year ended 30 June 2021 but commenced trading in approximately July 2019 as a division of its Sister entity Cogent Business Solutions Pty Limited (Cogent). Screening jobs typically vary in cost to the user from \$53 to \$200,

The business trades in parallel with Cogent that has a focus on services specific to security vetting for the Federal Government as part of a specialised panel contract. The combined businesses have a strong pedigree in the employment service support space for recruitment. Notwithstanding the parallel trading, the staff and overheads are separately managed.

VerifyNow has had a longstanding overseas client that currently underpins the business and represents circa 93% of revenue. This client is on an annual contract and volumes are constantly increasing and the relationship is strong. Obviously key for the future of the business is to diversify the client base to a broader number of clients across different industries. Ideally, mid to large Government enterprises seeking improved governance around the recruitment process are obvious targets.

The business has a limited capital base, and generally business development initiatives are historically constrained by the available working capital of the business. A chief technology officer is joining the Board of the company and there are currently plans to employ new business development and marketing resources and new clients are constantly being sought. The company may consider using a wholesale approach to build volumes via referral sources. We believe a capital raise should be considered by the Company to provide capital to drive the company into a larger revenue base and fast track systemisation of manual processes currently affecting the efficiency of each client job.

The business has created a substantial amount of intellectual property in the nature of systems and the methodology in which jobs are systemised by the screening and links to verification sources. The company currently has 15 staff.

The company has a number of key staff as shareholders. There are 200 shares on issues and they include;

Peter Wheen, CTO 30 Shares 15%  
Leonie Broshnahan 20 Shares 10%  
Helen Hill 50 Shares 25%  
Ant Blumer 60 Shares 30%  
Marieanne Curnow 10 Shares 5%  
Khai Ngo (CEO) 30 Shares 15%.

There have been up to 3 developers engaged in the build of intellectual property and proprietary systems to increase the efficiency of the business and increase systemised throughput. The business has a second version of its systems being released in June 2022, driven by new application programming interfaces. The services are looking to be offered in New Zealand later this year as well.

The business does not have accurate time cost systems to record efficiency of productive and unproductive time, however it is justifiable to assume an average of two senior people have been fully engaged in the systems and IP development of the business as assessed on the attached Annexure 1 normalisation adjustments. The company has pursued a tax driven approach to the profit and loss account, writing off all expenses incurred in the business without careful consideration of the capital costs of building the business intellectual property and systems. The business has identified a large number of these costs that have been written off as expenses and not capitalised in the balance sheet of the business. These costs and the normalisation to the accounts is shown at Annexure 2. This has resulted in a material restatement of the company accounts.

The business has strong systems and procedures and there are creating moderate barriers to entry in terms of reputation and the team of staff.

Whilst it can be argued that the business can only be valued on a discounted cash flow basis for the future forecasts where the business has multiple clients and a diversified client base, we believe it is more than likely that the business will secure multiple new clients as it grows and capitalises on business development opportunities.

Taking into account the normalisations to current FY2022 earnings, we have applied modest earnings growth over the ensuing years of 12 to 15% p.a. For conservatism we have assumed maintainable earnings cap out at \$500 k per annum from 2025 onwards. As this 'terminal value' is 5 years from now, then discounted for 28% for inflation and risk, the value assessed is heavily discounted in current day dollars.

The DCF method calculates the value of the business at a midpoint of \$1.42m.

We have then compared the Discounted Cashflow method with a simple assessment of maintainable earnings. Looking at comparable sales evidence and using 3.3 times multiple of assessed Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of \$445 k this method results in a midpoint assessment of \$ 1.468 m.

The business was approached by a Canadian company, Certn, Holdings

The offer was valuing the business at over \$3 m but the approach was withdrawn due to consolidation of the company.

We also reference at Annexure 3 the financial data on the most publicly available data on a comparable business, CV Check. This business is substantially more mature than VerifyNow and trades on a multiple of 1.4 X Sales. This would value VerifyNow at circa \$4.2 m for a controlling interest.

CV Check is not a direct comparable and its valuation is skewed by its move to more of a SAAS model that attracts higher revenue multiples. This comparable value show the potential of the business with scale and a larger market presence.

For VerifyNow to attract a higher valuation, the following initiatives and outcomes need to occur;

- 1) A capital raise to allow substantial business development.
- 2) Capital and intellectual property applied to moving the business model to more of a SAAS base.
- 3) Diversification of the client base.



## Valuation summary and workings

### Application of market comparable multiples

AUD in thousands	Subject company parameter	Multiples selected		Implied Enterprise Value (EV)	
		Low	High	Low	High
EBITDA (FY20 - FY22)	390	6.0x	7.0x	2,340.0	2,730.0
EBITDA (FY22 - FY25)	500	6.0x	7.0x	3,000.0	3,500.0
EBITDA Multiple Range			6		7
Less; discount for key client risk	25%		1.5		1.75
Less Discount for business size	20%		1.2		1.4
Less Discount for minority interest	15%		0.9		1.05
Mid-Point		2.4X	4.2X		
			3.3X		
Assessment of enterprise value		Low	Mid	High	
Normalised FY2022 EBITA and Forecast FY2023 onwards potential earnings		-5%	0%	5%	
		390	445	500	
		Enterprise Value		Mid	High
Assessed minority interest EV/EBITDA multiple - low	2.4x	936	1,068	1,200	
Assessed minority interest EV/EBITDA multiple - mid	3.300x	1,287	1,469	1,650	
Assessed minority interest EV/EBITDA multiple - high	4.20x	1,638	1,869	2,100	
Enterprise value			1,468.5		

## Discounted Cash Flow (DCF) Analysis

AUD in thousands									
For the fiscal year ended June	2019	2020	2021	2022	2023	2024	2025	Terminal year	
Total turnover									
Growth			N/A	N/A	10.0%	12.5%	15.0%	0.00%	
EBITDA (normalised)	0	(53)	241	390	445	475	500	550	
Less: Depreciation & amortisation	0	0	0	0	0	0	0	0	
EBIT	0	(53)	241	390	445	475	500	550	
Less: Effective taxes	0	14	(63)	(101)	(116)	(124)	(130)	(143)	
Debt-free net income	0	(39)	178	289	329	352	370	407	
Depreciation	0	0	0	0	0	0	0	0	
Capital expenditure	0	0	0	0	0	0	0	0	
Investment in net working capital	0	0	0	0	0	0	0	0	
Debt-free cash flow	0	(39)	178	289	329	352	370	407	
							Capitalised value (3)		1,454
							Implied EBITDA exit multiple		2.6
First period adjustment factor				0.2					

Periods (months)		2.1	14.1	26.1	38.1	50.1
Present value factor	28.0%	0.958	0.749	0.585	0.457	0.357
Present value of future cashflows		276.6	246.5	205.6	169.1	518.9

Sum of present value of cashflows and TY	1,416.7
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Implied Enterprise Value (controlling interest - rounded)	1,420.0
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WACC

AUD in thousands	Low	Midpoint	High
Discount rate (WACC)	30.0%	28.0%	26.0%
Implied Enterprise Value (EV)	1,320.0	1,420.0	1,540.0

	Terminal year growth		
	-1.0%	0.0%	1.0%
26.00%	1,490.0	1,520.0	1,540.0
27.00%	1,440.0	1,460.0	1,490.0
28.00%	1,400.0	1,420.0	1,440.0
29.00%	1,360.0	1,370.0	1,390.0
30.00%	1,320.0	1,330.0	1,350.0

Valuation

Date

28/04/2022

Next EOFY

30/06/2022



## Expert's qualifications and sources of information

Qualifications of appointed expert, Mark Peatey:

- Bachelor of Economics, Australian National University.
- Chartered Accountant.
- Registered Tax Agent; and
- Registered Company Auditor.

In preparing our report and arriving at our opinions, we have relied on the following facts and information:

- The unaudited financial accounts for VerifyNow for the year ended 30 June 2021.
- The management accounts for VerifyNow the period ended 31 March 2022: and
- Budget and forecast for the 2022 Financial Year provided by VerifyNow management.
- Market research on comparable sales data and research into comparable publicly available performance data.

## Annexure 2

### VerifyNow - Normalisation Of Financial Accounts

	31/03/2022	30/06/2021	30/06/2020
<b>Profit and Loss</b>			
Revenue	\$ 2,239,965	\$ 1,666,921	\$ 192,475
Direct Cost of sales	\$ 2,103,436	\$ 1,269,409	\$ 344,151
Gross Profit	\$ 136,530	\$ 397,512	
Overhead	\$ 150,401	\$ 343,414	\$ 148,701
Net Profit	<u><u>-\$ 13,872</u></u>	<u><u>\$ 54,098</u></u>	<u><u>-\$ 300,377</u></u>
<b>Adjustments</b>			
1) External software development	\$ 27,706	\$ 9,754	\$ 12,000
2) Internal software dev and system dev wages	\$ 199,000	\$ 57,000	\$ -
3) Business Development and Systems Overview - Mgmt	\$ 80,000	\$ 120,000	\$ 80,000
	<u>\$ 306,706</u>	<u>\$ 186,754</u>	<u>\$ 92,000</u>
Annualisation of 9 month results to 12	\$ 130,148		
Adjusted Net Profit Before Tax	<u>\$ 390,445</u>	<u>\$ 240,852</u>	<u>-\$ 53,959</u>
<b>Balance Sheet</b>			
Net Tangible Equity	-\$ 31,414	\$ 200	\$ 154,418
Cogent Incurred Development to be transferred	\$ 306,706	\$ 186,754	\$ 92,000
Capitalised Expenses - per above	<u>\$ 708,664</u>	<u>\$ 433,372</u>	<u>\$ 246,418</u>
Net Assets incl Intangibles			

#### Adjustment Notes

- 1) Outsourced costs to external providers to build the systems for the business operations
- 2) Internal wages on systems enhancements and documentation.
- 3) CEO costs in business development and Systems.





# CV Check (CV1)

Rating: Buy | Risk: High | Price Target: \$0.18

## Comfortably Cashflow Positive with Further SaaS Wins Imminent

### Key Information

Current Price (\$ps)	0.12
12m Target Price (\$ps)	0.18
52 Week Range (\$ps)	0.11 - 0.19
Target Price Upside (%)	50.0%
TSR (%)	50.0%
Reporting Currency	AUD
Market Cap (\$m)	52.1
Sector	Consumer Discretionary
Avg Daily Volume (m)	0.1
ASX 200 Weight (%)	0%

### Fundamentals

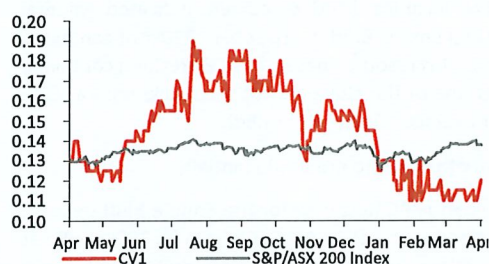
YE 30 Jun (AUD)	FY21A	FY22E	FY23E	FY24E
Sales (\$m)	17.5	26.6	32.0	36.9
NPAT (\$m)	(1.0)	(1.0)	1.3	3.6
EPS (cps)	0.0	(0.1)	0.3	0.8
EPS Growth (%)	n/a	n/a	421.3%	178.8%
DPS (cps) (AUD)	0.0	0.0	0.0	0.0
Franking (%)	100%	100%	100%	100%

### Ratios

YE 30 Jun	FY21A	FY22E	FY23E	FY24E
P/E (x)	nm	nm	40.2	14.4
EV/EBITDA (x)	134.3	25.0	10.1	5.5
Div Yield (%)	0.0%	0.0%	0.0%	0.0%
Payout Ratio (%)	nm	0.0%	0.0%	0.0%

### Price Performance

YE 30 Jun	1 Mth	2 Mth	3 Mth	1 Yr
Relative (%)	8.2%	(2.5%)	(11.3%)	(13.8%)
Absolute (%)	9.1%	4.3%	(4.0%)	(7.7%)
Benchmark (%)	0.9%	6.8%	7.3%	6.1%



### Major Shareholders

CAROLAN BEVERLEY	10.9%
Australian Ethical Investments Ltd. (Inv)	10.3%
Nicdam Pty Ltd	5.1%
HOARE DECLAN STEPHEN	3.4%
NELSON PETRA JANE	3.4%

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### Event

CV Check (CV1) has released its 4C (3Q22), following a flash quarterly update to market at the start of April.

### Highlights

- Result in line at revenues, ahead on cashflows** – CV1 has released strong 3Q22 revenue of \$6.9m in line with Shaw expectations and +64% YoY. The result is inclusive of Cited product SaaS revenue of \$0.6m also in line with Shaw expectations. This is a strong result given material execution in a seasonally quieter quarter (lower hiring/jobs activity in January), which was broadly Covid impacted across the majority of Australia. Further, operating cashflow was \$0.9m (vs \$0.1m in pc), with YTD cashflows of \$2.1m, which was well ahead of Shaw expectations of \$0.6m and represents the 7th consecutive cashflow positive quarter for the group. Additionally, strong receipts from customers of \$7.3m (+102% YoY) converted at 106% of revenues. Gross margins of 64% (vs 56% in pc) were in line with the prior quarter and Shaw expectations; and we see the potential for these to comfortably reach 70%+ in the medium term.

- Additional wins expected** – The group flagged additional Cited wins to be announced in the coming months as negotiations complete. CV1 during 3Q22 landed a material SaaS contract with Hireup which the group expects to add >\$350k in SaaS revenues. First revenues are expected from April 2022 (4Q22). We estimate Cited currently doing ~\$2.4m in SaaS revenues, with the addition of Hireup seeing 15%+ to the group. Our analysis suggests Cited has a \$3m - \$9m annual SaaS opportunity based on 5% - 10% penetration on cross-sell with CV1's core customer base.

In addition to Hireup and further expected wins, CV1 extended its contract with Atlas Iron for 12 months, including full monitored compliance which will see further growth in SaaS income (not quantified). This is incrementally positive for product validation, given a large customer has renewed and extended its product adoption.

- Cash balance brings optionality** – Cash balance ended 3Q22 at \$12.3m vs \$12.2m at 2Q22 (+\$0.1m net cashflow QoQ), in line with our estimates. This sees CV1 with a healthy cash balance and positive net cashflows to continue to execute upon further organic and potentially inorganic growth opportunities. Given international ambitions and further inorganic opportunities flagged, we expect CV1 to remain catalyst rich on these fronts over the coming quarters.

- Product expansion to feature in 4Q22** – The company remains on target to deliver its mobile credential passport in 4Q22 and has commenced its process for Trusted Digital Identify Framework (TDIF) accreditation for its identity process which it expects to deliver in CY22. We see these products bolstering the network of data and employees on the broader CV1 platform to harness further potential revenue opportunities.

- New hire to push international opportunity** – A new hire in Geoff Hoffman as Global Sales Director was announced during the quarter. Geoff was previously the CEO of Adstream North America, overseeing and operating an international sales team. We expect Geoff will apply his experience to assist CV1's push into international markets as it executes on its second strategic pillar of growth.

- Key changes** – Following the quarterly update, we have incorporated the results into our forecasts. Given the result was broadly in line with our expectations, our estimates remain materially unchanged. Our FY22e – FY24e estimates include revenue of \$17m, \$21m and \$25m and EBITDA of \$1.6m, \$3.7m and \$6.0m respectively. Our valuation and Price Target remain unchanged.

### Recommendation

Trading on ~1.4x sales (FY22) which is a ~75% discount to peers, we expect CV1 to deliver outperformance throughout the remainder FY22e and FY23e driven by increased penetration in its SaaS compliance monitoring products. Additionally, we expect further outperformance in GMs (64% in 1H22) and operating leverage with EBITDA margin expansion across the year. Reiterate Buy recommendation.



### Key risks

As a small mining company with exposure to a single commodity and two assets we consider an investment in Coda Minerals to be high risk. The key risks include;

- Coda Minerals is predominantly an exploration company and therefore carries significant exploration risk. There is no guarantee that future exploration results will be positive.
- The Elizabeth Creek Copper-Cobalt Project and Cameron River Copper-Gold Project are not yet producing and there is a risk that Coda Minerals is unable to bring the operations in to production. The projects may cost more than expected to build and may not operate as expected.
- Smaller companies carry more significant 'key personnel' risk than larger organisations. If senior management depart the company then it could delay projects or exacerbate operational risks.
- The copper price is currently trading well above cost curve support and there are risks that if demand for copper does not meet expectations then the copper price could revert to historical averages.

### Core drivers and catalyst

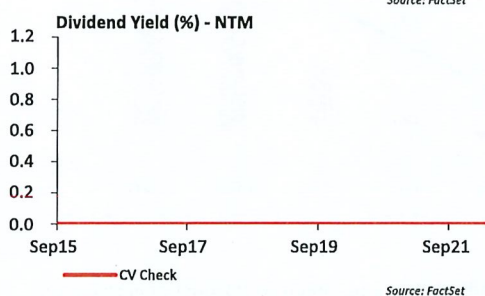
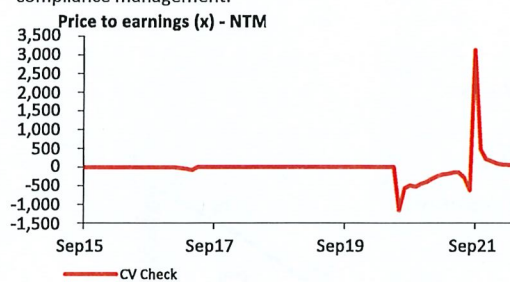
- Coda Minerals is focussed on the discovery and development of copper, cobalt, gold and other base metal assets in stable, tier-1 jurisdictions such as Australia.
- The company's highly prospective Elizabeth Creek Copper Project (COD 70%) is located in the heart of the Olympic Copper Province, Australia's most productive copper belt. Although highly prospective, the area can be challenging to explore with deposits generally occurring deep under cover. Over the past year Coda has refined and calibrated its exploration techniques, and this has resulted in drill-backed success.
- The Elizabeth Creek Copper Project is centred 100km south of BHP's Olympic Dam mine, 15km from BHP's Oak Dam West Project, and 50 km west of OZ Minerals' Carrapateena copper-gold project.
- Coda recently announced it has made an off-market all-scrip takeover offer to acquire Torrens Mining (ASX: TRN). Torrens is Coda's 30% joint venture partner in Elizabeth Creek. We expect the deal to complete in April/May, now that the 90% acceptance condition has been satisfied.
- The Elizabeth Creek Copper Project includes JORC compliant Indicated Mineral Resources at the Windabout, MG14 and Emmie Bluff deposits for ~720kt of contained copper and ~27kt of contained cobalt. This resource base of ~1,080kt CuEq contained copper at 1.7% CuEq places Coda as one of the cheapest copper stocks with a JORC Resource on the ASX (~\$60/t vs peer average ~\$235 EV/ t CuEq).
- We expect the resource base at Elizabeth Creek to grow substantially.
  - Coda recently announced a Maiden JORC Resource for the Emmie Bluff deposit, an increase of 800kt CuEq contained metal at 1.84% CuEq from its 280kt CuEq at 1.4% CuEq base (100% basis). COD is considering additional drilling within and beyond the bounds of the Mineral Resource. (1) Infill drilling to improve the confidence in Inferred areas of the resource. (2) Drilling to attempt to extend the Mineral Resource to the north-west of the basin (currently excluded from the Resource due to low drill density and limited mineralisation) as well as to the east (based on geophysics).
  - Recent drilling results at Emmie Bluff IOCG are analogous to major producing IOCG mines in the region. Drilling is ongoing at the Emmie Bluff IOCG. Additional IOCG exploration targets have been identified on the tenements (i.e. Elaine).
- Coda is also acquiring up to 80% ownership of the Cameron River Copper-Gold Project in the heart of copper-gold exploration country near Mt Isa in North Queensland. The farm-in was initiated by COD in Mar-21 and the ownership earn-in will be triggered by spending up to \$2m on exploration in stages over a three-year period.
  - Over 700 rock chips confirmed the tenor of the surface expression of the copper prospects, and identified new areas of prospectivity. Several assay samples are strongly anomalous for copper (>20% Cu), gold (>2g/t), and silver (>150g/t).
  - Approximately 50 RC holes are being planned as follow-up, the bulk of these holes are intended to test the Copper Weed/Rebound trend, with the remainder testing other identified prospect areas. We expect RC drilling to commence in Jun22q.

CV Check  
Consumer Discretionary  
Consumer Services  
FactSet: CV1-AU / Bloomberg: CV1 AU

Key Items	Data
Recommendation	BUY
Risk	HIGH
Price (\$ps)	0.12
Target Price (\$ps)	0.18
52 Week Range (\$ps)	0.11 - 0.19
Shares on Issue (m)	433.8
Market Cap (\$m)	52.1
Enterprise Value (\$m)	39.4
TSR (%)	50.0%

#### Company Description

CV Check is a leader in the provision of workforce compliance management and reporting technology. Its cloud-based product suite is used internationally for dedicated pre-employment screening and daily workforce compliance management.



#### Financial Year End: 30 June

Investment Summary (AUD)	FY20A	FY21A	FY22E	FY23E	FY24E
EPS (Reported) (cps)	4.3	6.5	(0.2)	0.3	0.8
EPS (Underlying) (cps)	0.0	0.0	(0.1)	0.3	0.8
EPS (Underlying) Growth (%)	n/a	n/a	n/a	421.3%	178.8%
PE (Underlying) (x)	nm	nm	nm	40.2	14.4
EV / EBIT (x)	(33.3)	(38.3)	(40.2)	28.9	9.1
EV / EBITDA (x)	(138.2)	134.3	25.0	10.1	5.5
DPS (cps) (AUD)	0.0	0.0	0.0	0.0	0.0
Dividend Yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%
Franking (%)	100%	100%	100%	100%	100%
Payout Ratio (%)	nm	nm	0.0%	0.0%	0.0%
Free Cash Flow Yield (%)	(5.4%)	(2.8%)	(0.0%)	3.6%	8.5%
Profit and Loss (AUD) (m)	FY20A	FY21A	FY22E	FY23E	FY24E
Sales	12.4	17.5	26.6	32.0	36.9
Sales Growth (%)	0.0%	41.3%	52.5%	20.0%	15.5%
Other Operating Income	0.5	0.6	0.1	0.2	0.2
EBITDA	(0.3)	0.3	1.6	3.7	6.0
EBITDA Margin (%)	(2.8%)	1.7%	5.9%	11.7%	16.2%
Depreciation & Amortisation	(1.1)	(1.3)	(2.6)	(2.4)	(2.4)
EBIT	(1.4)	(1.0)	(1.0)	1.3	3.6
EBIT Margin (%)	(11.5%)	(5.8%)	(3.7%)	4.1%	9.8%
Net Interest	0.0	0.0	0.0	0.0	0.0
Pretax Profit	(1.5)	(1.0)	(1.0)	1.3	3.6
Tax	0.2	0.0	0.0	0.0	0.0
Tax Rate (%)	(14.6%)	(3.5%)	4.1%	0.0%	0.0%
NPAT Underlying	(1.3)	(1.0)	(1.0)	1.3	3.6
Significant Items	0.0	0.0	0.0	0.0	0.0
NPAT Reported	(1.3)	(1.0)	(1.0)	1.3	3.6
Cashflow (AUD) (m)	FY20A	FY21A	FY22E	FY23E	FY24E
EBIT	(1.4)	(1.0)	(1.0)	1.3	3.6
Tax Paid	0.2	0.0	0.0	0.0	0.0
Net Interest	0.0	0.0	0.0	0.0	0.0
Change in Working Capital	(0.4)	1.4	0.0	0.4	0.8
Depreciation & Amortisation	1.1	1.3	2.6	2.4	2.4
Other	(1.0)	(3.3)	0.0	0.0	0.0
Operating Cashflow	(0.5)	1.0	2.8	4.1	6.8
Capex	(1.0)	(0.9)	(2.2)	(2.2)	(2.2)
Acquisitions and Investments	0.0	(1.8)	(0.5)	0.0	0.0
Disposal of Fixed Assets/Investments	0.0	0.0	0.0	0.0	0.0
Other	0.4	0.3	0.0	0.0	0.0
Investing Cashflow	(0.6)	(2.5)	(2.8)	(2.2)	(2.2)
Free Cashflow	(1.1)	(1.4)	0.0	1.9	4.6
Equity Raised / Bought Back	3.1	10.5	0.1	0.0	0.0
Dividends Paid	0.0	0.0	0.0	0.0	0.0
Change in Debt	0.0	0.0	(0.1)	0.0	0.0
Other	(0.5)	(0.9)	(0.2)	0.0	0.0
Financing Cashflow	2.6	9.6	(0.3)	0.0	0.0
Exchange Rate Effect	0.0	0.0	0.0	0.0	0.0
Net Change in Cash	1.5	8.2	(0.3)	1.9	4.6
Balance Sheet (AUD) (m)	FY20A	FY21A	FY22E	FY23E	FY24E
Cash	4.6	12.9	12.6	14.6	19.1
Accounts Receivable	0.9	3.0	3.3	4.2	4.6
Inventory	0.0	0.0	0.0	0.0	0.0
Other Current Assets	0.5	0.4	0.7	0.7	0.7
PPE	0.4	0.3	0.2	0.2	0.2
Goodwill & Intangibles	2.9	15.9	15.7	15.5	15.3
Other Non Current Assets	0.0	0.0	0.0	0.0	0.0
Total Assets	9.2	32.5	32.6	35.1	39.9
Accounts Payable	1.9	3.8	5.0	6.0	6.9
Short Term Debt	0.0	0.0	0.0	0.0	0.0
Long Term Debt	0.0	0.0	0.0	0.0	0.0
Income Taxes Payable	0.0	0.1	0.0	0.0	0.0
Other	1.0	2.4	2.0	2.2	2.5
Total Liabilities	2.8	6.3	6.9	8.2	9.4
Total Shareholder Equity	6.4	26.2	25.6	26.9	30.5
Ratios	FY20A	FY21A	FY22E	FY23E	FY24E
ROE (%)	(22.3%)	(6.2%)	(4.0%)	4.9%	12.6%
Gearing (%)	(261.6%)	(97.0%)	(97.4%)	(117.8%)	(168.0%)
Net Debt / EBITDA (x)	13.5	(44.3)	(8.0)	(3.9)	(3.2)



## EXECUTIVE SUMMARY

## Company overview

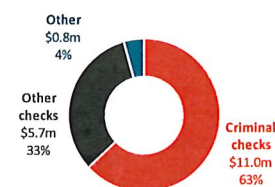
CV1 provides credential verification and workforce management services delivered via its CVCheck platform, adopting both a direct sales and indirect channel partner approach.

Products are delivered globally across >500 blue chip customers and >5k returning SME customers, with services across the group including:

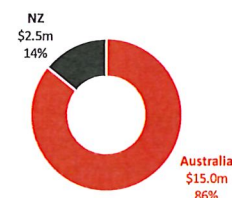
- Background screening (police, credit, licence, medical checks)
- Onboarding and induction (training, compliance)
- Deployment (logistics, rostering)
- Recurring compliance (training reporting)
- Future employment

## Group revenue breakdowns

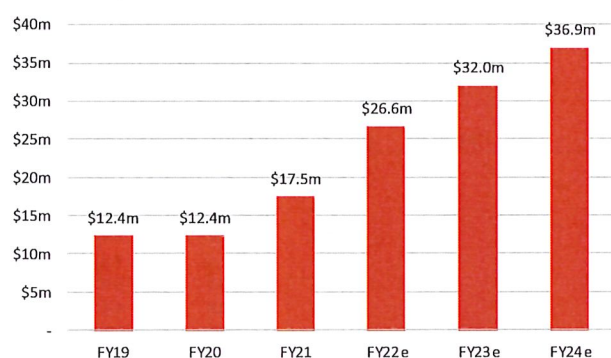
Revenue by segment (FY21)



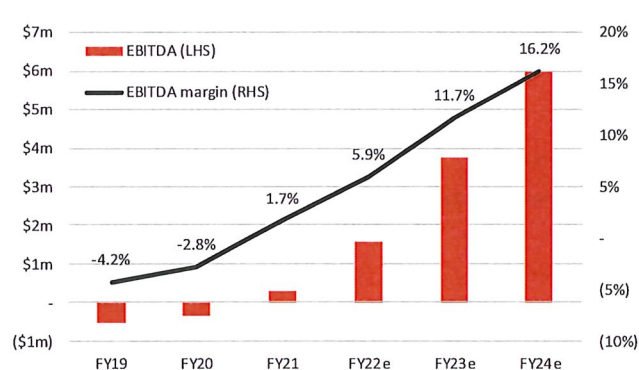
Revenue by geography (FY21)



## Historical and forecast sales revenue



## EBITDA and EBITDA margins



## Upcoming / potential catalysts

- **Shift towards SaaS model:** The Bright acquisition adds recurring SaaS revenues which typically attract a premium to transactional revenues. We note early signs of material contracts wins in this space, with the possibility of a further build into future periods.
- **Cross sell and expanded offering:** With a push into the onboarding and deployment market, we expect additional revenue streams and accelerated growth over time.
- **M&A potential:** Potential for further acquisitive upside into further products and markets. CV1 may also attract inbound acquisitive interest given its relatively conservative valuation.
- **Emerging profitability and leverage:** With robust unit economics and sales growth, we expect operating leverage to continue being delivered over time as profitability for the group emerges.
- **Continued sector tailwinds:** Given broadening and complicated regulatory requirements, we expect CV1 to be a net beneficiary of a greater focus on screening, onboarding and workforce compliance.

## Key financials and valuation

	FY21	1H22	2H22e	FY22e	1H23e	2H23e	FY23e	1H24e	2H24e	FY24e	Valuation methodology	Output	Weight	Contribution
Financial performance											Target revenue multiple	\$0.14	50%	\$0.07
Sales revenue	\$17.5m	\$12.8m	\$13.8m	\$26.6m	\$15.4m	\$16.6m	\$32.0m	\$17.7m	\$19.2m	\$36.9m	DCF	\$0.22	50%	\$0.11
Cost of sales	(\$7.2m)	(\$4.7m)	(\$5.0m)	(\$9.6m)	(\$5.4m)	(\$5.6m)	(\$11.0m)	(\$5.9m)	(\$6.1m)	(\$12.0m)	Valuation (per share)			\$0.18
Gross profit	\$10.3m	\$8.2m	\$8.9m	\$17.0m	\$10.0m	\$11.0m	\$20.9m	\$11.9m	\$13.0m	\$24.9m				
Other income	\$0.6m	\$0.0m	\$0.1m	\$0.1m	\$0.1m	\$0.1m	\$0.2m	\$0.1m	\$0.1m	\$0.2m				
Operating expenses	(\$10.5m)	(\$7.4m)	(\$8.1m)	(\$15.5m)	(\$8.3m)	(\$9.1m)	(\$17.4m)	(\$9.2m)	(\$10.0m)	(\$19.2m)				
EBITDA	\$0.3m	\$0.7m	\$0.9m	\$1.6m	\$1.7m	\$2.0m	\$3.7m	\$2.8m	\$3.2m	\$6.0m				
Underlying NPAT	(\$0.0m)	\$0.5m	\$0.7m	\$1.2m	\$1.6m	\$1.9m	\$3.5m	\$2.7m	\$3.1m	\$5.8m				
Operating cashflow	\$1.0m	\$1.2m	\$1.6m	\$2.8m	\$1.7m	\$2.4m	\$4.1m	\$2.7m	\$4.1m	\$6.8m				
Growth rates (YoY)														
Sales revenue	41.3%	84.1%	31.5%	52.5%	19.9%	20.0%	20.0%	15.5%	15.4%	15.5%				
EBITDA	na	22.0%	na	441.5%	141.5%	132.2%	136.4%	61.3%	59.1%	60.1%				

Source (page 3): Company data, Shaw and Partners analysis

## KEY ASSUMPTIONS AND FINANCIALS TABLE

Figure 1: Key assumptions and forecasts

Financials	1H20 Dec-19	2H20 Jun-20	FY20 Jun-20	1H21 Dec-20	2H21 Jun-21	FY21 Jun-21	1H22 Dec-21	2H22e Jun-22	FY22e Jun-22	1H23e Dec-22	2H23e Jun-23	FY23e Jun-23	1H24e Dec-23	2H24e Jun-24	FY24e Jun-24
<b>P&amp;L</b>															
Sales revenue	\$6.6m	\$5.8m	\$12.4m	\$7.0m	\$10.5m	\$17.5m	\$12.8m	\$13.8m	\$26.6m	\$15.4m	\$16.6m	\$32.0m	\$17.7m	\$19.2m	\$36.9m
Cost of sales	(\$2.9m)	(\$2.7m)	(\$5.6m)	(\$3.9m)	\$6.4m	(\$7.2m)	(\$4.7m)	(\$5.0m)	(\$9.6m)	(\$5.4m)	(\$5.6m)	(\$11.0m)	(\$5.9m)	(\$6.1m)	(\$12.0m)
Gross profit	\$3.7m	\$3.1m	\$6.7m	\$3.1m	\$6.4m	\$10.3m	\$8.2m	\$8.9m	\$17.0m	\$10.0m	\$11.0m	\$20.9m	\$11.9m	\$13.0m	\$24.9m
Gross profit margin	55.5%	53.4%	54.6%	55.8%	60.7%	58.8%	63.7%	64.0%	63.8%	65.0%	66.0%	65.5%	67.0%	68.0%	67.5%
Other income	\$0.2m	\$0.3m	\$0.5m	\$0.7m	(\$0.1m)	\$0.6m	\$0.0m	\$0.1m	\$0.1m	\$0.1m	\$0.1m	\$0.2m	\$0.1m	\$0.1m	\$0.2m
Operating expenses	(\$4.1m)	(\$3.5m)	(\$7.6m)	(\$4.0m)	(\$6.6m)	(\$10.5m)	(\$7.4m)	(\$8.1m)	(\$15.5m)	(\$8.3m)	(\$9.1m)	(\$17.4m)	(\$9.2m)	(\$10.0m)	(\$19.2m)
EBITDA	(\$0.2m)	(\$0.1m)	(\$0.3m)	\$0.6m	(\$0.3m)	\$0.3m	\$0.7m	\$0.9m	\$1.6m	\$1.7m	\$2.0m	\$3.7m	\$2.8m	\$3.2m	\$6.0m
EBITDA margin	(3.1%)	(2.4%)	(2.8%)	8.5%	(2.9%)	1.7%	5.6%	6.2%	5.9%	11.4%	12.0%	11.7%	15.9%	16.5%	16.2%
D&A	(\$0.6m)	(\$0.4m)	(\$1.1m)	(\$0.6m)	(\$0.7m)	(\$1.3m)	(\$1.3m)	(\$1.3m)	(\$2.6m)	(\$1.2m)	(\$1.2m)	(\$2.4m)	(\$1.2m)	(\$1.2m)	(\$2.4m)
Net interest	(\$0.0m)	(\$0.0m)	(\$0.0m)	(\$0.0m)	(\$0.0m)	(\$0.0m)	(\$0.0m)	-	(\$0.0m)	-	-	-	-	-	-
Income tax expense	-	\$0.2m	\$0.2m	-	\$0.0m	\$0.0m	(\$0.0m)	-	(\$0.0m)	-	-	-	-	-	-
Underlying NPAT	(\$0.9m)	(\$0.4m)	(\$1.3m)	\$0.0m	(\$1.0m)	(\$1.0m)	(\$0.6m)	(\$0.4m)	(\$1.0m)	\$0.5m	\$0.8m	\$1.3m	\$1.6m	\$2.0m	\$3.6m
Underlying NPAT margin	(13.2%)	(6.6%)	(10.1%)	0.1%	(9.6%)	(5.8%)	(4.9%)	(2.9%)	(3.9%)	3.3%	4.8%	4.1%	9.2%	10.4%	9.8%
Add back amortisation	\$0.4m	\$0.3m	\$0.8m	\$0.4m	\$0.6m	\$1.0m	\$1.1m	\$1.1m	\$2.2m	\$1.1m	\$1.1m	\$2.2m	\$1.1m	\$1.1m	\$2.2m
Underlying NPATA	(\$0.4m)	(\$0.1m)	(\$0.5m)	\$0.4m	(\$0.5m)	(\$0.0m)	\$0.5m	\$0.7m	\$1.2m	\$1.6m	\$1.9m	\$3.5m	\$2.7m	\$3.1m	\$5.8m
Underlying NPAT margin	(6.4%)	(1.3%)	(4.0%)	6.2%	(4.4%)	(0.2%)	3.7%	5.2%	4.5%	10.5%	11.4%	11.0%	15.3%	16.0%	15.7%
<b>Cashflow</b>															
Operating cashflow	\$0.1m	(\$0.6m)	(\$0.5m)	\$0.9m	\$0.2m	\$1.0m	\$1.2m	\$1.6m	\$2.8m	\$1.7m	\$2.4m	\$4.1m	\$2.7m	\$4.1m	\$6.8m
Free cashflow	\$0.0m	(\$1.1m)	(\$1.1m)	\$0.7m	(\$2.1m)	(\$1.4m)	(\$0.5m)	\$0.5m	(\$0.0m)	\$0.6m	\$1.3m	\$1.9m	\$1.6m	\$3.0m	\$4.6m
<b>Balance sheet</b>															
Cash balance	\$5.8m	\$4.6m	\$4.6m	\$5.2m	\$12.9m	\$12.9m	\$12.2m	\$12.6m	\$12.6m	\$13.2m	\$14.6m	\$14.6m	\$16.2m	\$19.1m	\$19.1m
Contributed equity	\$27.3m	\$27.3m	\$27.3m	\$27.3m	\$47.2m	\$47.2m	\$48.0m	\$48.0m	\$48.0m	\$48.0m	\$48.0m	\$48.0m	\$48.0m	\$48.0m	\$48.0m
<b>Financial ratios</b>															
<b>Margins</b>															
Gross profit margin	55.5%	53.4%	54.6%	55.8%	60.7%	58.8%	63.7%	64.0%	63.8%	65.0%	66.0%	65.5%	67.0%	68.0%	67.5%
EBITDA margin	(3.1%)	(2.4%)	(2.8%)	8.5%	(2.9%)	1.7%	5.6%	6.2%	5.9%	11.4%	12.0%	11.7%	15.9%	16.5%	16.2%
Underlying NPAT margin	(13.2%)	(6.6%)	(10.1%)	0.1%	(9.6%)	(5.8%)	(4.9%)	(2.9%)	(3.9%)	3.3%	4.8%	4.1%	9.2%	10.4%	9.8%
<b>Growth rates (YoY)</b>															
Sales revenue growth	8.6%	(8.3%)	0.0%	5.1%	82.9%	41.3%	84.1%	31.5%	52.5%	19.9%	20.0%	20.0%	15.5%	15.4%	15.5%
EBITDA growth	59.5%	(768.5%)	34.3%	na	(117.5%)	na	22.0%	na	441.5%	141.5%	132.2%	136.4%	61.3%	59.1%	60.1%
Underlying NPAT growth	(15.0%)	(13.2%)	(14.5%)	na	(167.6%)	19.5%	na	60.2%	(2.1%)	na	na	na	225.0%	149.9%	178.8%

Source: Company data, Shaw and Partners analysis



## **CORE DRIVERS AND CATALYSTS**

Our investment thesis is driven by the following:

### **Product competitive advantages**

CV1's flagship product has significant competitive advantages over other providers, including its integrated nature, track record, scalability and reliability. We believe these competitive advantages are likely to lead to continued strong performance and acceleration in adoption across the broader market.

### **Expanded product offering**

Through its recent acquisition, CV1 has gained access to broader, complementary product offerings. These opportunities could present further avenues to growth through both new and existing customers. Our view is that upside risk remains as to adoption and performance of these new products.

### **Greater profitability likely to emerge**

With CV1 growing revenues considerably and with robust unit economics and gross margins, we expect operating leverage to continue being delivered over time. The majority of CV1's cost base sits across employees, which we believe will be subject to significant leverage as the business grows. We expect overall expenses to decline as a percentage of revenue over time as CV1's customer base and revenues accelerates.

### **Favourable industry thematic and tailwinds**

Today's workforce is driven by an increasing focus on regulatory requirements across a variety of industries. Workforces are also growing at a faster pace, with dynamic personnel requirements and varying sets of rules across industries and geographies. On this basis, CV1 is likely to be a beneficiary of such a tailwind given its focus on the end-to-end screening, onboarding, logistics and compliance of the workforce lifecycle.

### **Potential M&A and inbound interest**

Given CV1's significant traction in the broader background checking market and subsequent push into further adjacencies, we see the potential for further acquisitive upside. Additionally, given its significant growth profile and increasing global exposure and relatively conservative valuation, CV1 may also attract acquisitive interest from larger competitors or financial sponsors.

## KEY RISKS

Risks to our investment thesis include although are not limited to:

### Technological change

We see CV1's platform as purpose built and technologically competitive with other platforms in market. However, this may not always be the case due to technological changes. These changes may lead to a requirement for CV1 to redevelop its products in order to meet dynamic user requirements.

### Competition

Whilst CV1's platform is highly competitive and exhibits significant market share, new competition or intensified competition from existing operators may result in a reduction in repeat usage or new customers using the platform.

### Growth aspirations and capital requirements

CV1 has significant ambitions and has attained a level of penetration amongst users in its key geographies. The company has ambitions to continue to grow materially and deliver a step change in growth. Such growth may require further access to capital. There is no guarantee that CV1 has the team in place or skills to navigate its growth aspirations.

### M&A integration

Having completed an acquisition recently, there is a risk that full integration is not as effective as intended. Moreover, there is a risk that the company does not perform to the standard or level perceived during due diligence. Poor integration may lead to performance that is beneath company or market expectations and could lead to adverse consequences.

### International operations

The company offers products and services via an online platform, but services these operations through sales and support across multiple countries and several geographic regions. As such CV1 is subject to an elevated level of currency, execution and cost risk.

### Churn, stickiness and LTV

CV1 is still at the inception of growth in terms of the total addressable market opportunity across a variety of its products. There is no guarantee that end users will continue utilising CV1's services or subscribe to new product offerings. Higher churn may in turn decrease the total lifetime value (LTV) of CV1's user base, adversely impacting valuation.

### Intellectual property protection

The products and software of CV1 require the identification and protection of the requisite intellectual property upon which they are built and developed. An inability to successfully protect their intellectual property rights may result in a loss of competitive edge, or even costly legal and administrative proceedings.

### Data breach

CV1 is responsible for processing large volumes of highly sensitive data. We note CV1 may experience hacking or stolen information that could adversely affect the operations and reputation of the group.

### Small cap illiquidity and volatility

As a small cap company, CV1 exhibits higher levels of volatility and lower liquidity than the broader market in general. This beta is magnified during periods of market upheaval.

### Key board / management risk

CV1's key management have a deep knowledge of the company's product and markets. Failure to retain and grow executive talent may adversely impact the group's growth. Moreover, this risk is elevated for businesses experiencing material growth over a short time horizon.

CONFIDENTIAL



ASIC

Australian Securities & Investments Commission

# Current & Historical Company Extract

**Name:** VERIFYNOW PTY LTD

**ACN:** 643 420 311

Date/Time: 14 June 2022 AEST 03:45:14 PM

This extract contains information derived from the Australian Securities and Investments Commission's (ASIC) database under section 1274A of the Corporations Act 2001.

Please advise ASIC of any error or omission which you may identify.

EXTRACT

Organisation Details	Document Number
<b>Current Organisation Details</b>	
Name: VERIFYNOW PTY LTD	1EPD88478
ACN: 643 420 311	
ABN: 79643420311	
Registered in: Australian Capital Territory	
Registration date: 12/08/2020	
Next review date: 12/08/2022	
Name start date: 12/08/2020	
Status: Registered	
Company type: Australian Proprietary Company	
Class: Limited By Shares	
Subclass: Proprietary Company	

Address Details	Document Number
<b>Current</b>	
Registered address: P SQUARED ADVISORY PTY LIMITED, Level 3, 59 Wentworth Avenue, KINGSTON ACT 2604	2ENO58709
Start date: 27/09/2021	
Principal Place Of Business address: Unit 2, 9 Lyell Street, FYSHWICK ACT 2609	1EPD88478
Start date: 12/08/2020	
<b>Historical</b>	
Registered address: P SQUARED ADVISORY PTY LIMITED, Level 3, 59 Wentworth Avenue, KINGSTON ACT 2604	1EPF63213
Start date: 21/08/2020	
Cease date: 26/09/2021	
Registered address: Level 3, 59 Wentworth Avenue, KINGSTON ACT 2604	1EPD88478
Start date: 12/08/2020	
Cease date: 20/08/2020	

Contact Address
Section 146A of the Corporations Act 2001 states 'A contact address is the address to which communications and notices are sent from ASIC to the company'.
<b>Historical</b>
Address: PO BOX 4926, KINGSTON ACT 2604
Start date: 25/11/2021
Cease date: 14/04/2022
Address: Level 2, 121 Marcus Clarke Street, CANBERRA ACT 2601
Start date: 14/04/2022
Cease date: 14/04/2022
Address: Level 3, 59 Wentworth Avenue, KINGSTON ACT 2604
Start date: 20/09/2021
Cease date: 25/11/2021
Address: Level 3, 59 Wentworth Avenue, KINGSTON ACT 2604

Start date:	14/08/2020
Cease date:	01/09/2020
Address:	Level 2, 121 Marcus Clarke Street, CANBERRA ACT 2601
Start date:	01/09/2020
Cease date:	01/09/2020

Officeholders and Other Roles	Document Number
<b>Director</b>	
Name: ANTHONY DAVID BLUMER	1EPD88478
Address: 34-36 Dalry Avenue, PARK ORCHARDS VIC 3114	
Born: 13/03/1962, MANLY, NSW	
Appointment date: 12/08/2020	
Name: HELEN HILL	2EOE68486
Address: 41 Nunan Crescent, OXLEY ACT 2903	
Born: 05/02/1968, CANBERRA, ACT	
Appointment date: 12/08/2020	
<b>Secretary</b>	
Name: HELEN HILL	2EOE68486
Address: 41 Nunan Crescent, OXLEY ACT 2903	
Born: 05/02/1968, CANBERRA, ACT	
Appointment date: 12/08/2020	

Share Information

Share Structure

Class	Description	Number issued	Total amount paid	Total amount unpaid	Document number
ORD	ORDINARY	200	200.00	0.00	1EPD88478

Members

Note: For each class of shares issued by a proprietary company, ASIC records the details of the top twenty members of the class (based on shareholdings). The details of any other members holding the same number of shares as the twentieth ranked member will also be recorded by ASIC on the database. Where available, historical records show that a member has ceased to be ranked amongst the top twenty members. This may, but does not necessarily mean, that they have ceased to be a member of the company.

Name: PETER TIMOTHY WHEEN

Address: 16 Yambina Crescent, WARAMANGA ACT 2611

Class	Number held	Beneficially held	Paid	Document number
ORD	30	no	FULLY	7EBA03107

Name: HELEN HILL

Address: 41 Nunan Crescent, OXLEY ACT 2903



Class	Number held	Beneficially held	Paid	Document number
ORD	50	no	FULLY	2EOE68486

Name: PRACTICAL RISK SOLUTIONS PTY LTD  
 ACN: 088 141 557  
 Address: 34-36 Dalry Avenue, PARK ORCHARDS VIC 3114

Class	Number held	Beneficially held	Paid	Document number
ORD	60	no	FULLY	2EOE68486

Name: VK NGO PTY LTD  
 ACN: 657 838 367  
 Address: 74 Colechin Street, YAGOONA NSW 2199

Class	Number held	Beneficially held	Paid	Document number
ORD	30	no	FULLY	7EBR60738

Name: MARIEANNE CURNOW  
 Address: Unit 2, 380 Toorak Road, SOUTH YARRA VIC 3141

Class	Number held	Beneficially held	Paid	Document number
ORD	10	yes	FULLY	7EBS51520

Name: LEONIE JAYNE BROSNAHAN  
 Address: 27 Mundang Crescent, NGUNNAWAL ACT 2913

Class	Number held	Beneficially held	Paid	Document number
ORD	20	yes	FULLY	7EBT23688

#### Previous Members

Name: VAN KHAI NGO  
 Address: 74 Colechin Street, YAGOONA NSW 2199

Class	Number held	Beneficially held	Paid	Document number
ORD	30	no	FULLY	7EBA03107

Name: COGENT BUSINESS SOLUTIONS PTY. LTD.  
 ACN: 076 633 200  
 Address: Level 3, 59 Wentworth Avenue, KINGSTON ACT 2604

Class	Number held	Beneficially held	Paid	Document number
ORD	200	yes	FULLY	1EPD88478

#### Documents

Note: Where no Date Processed is shown, the document in question has not been processed. In these instances care should be taken in using information that may be updated by the document when it is processed. Where the Date Processed is shown but there is a zero under No Pages, the document has been processed but a copy is not yet available.

Date received	Form type	Date processed	Number of pages	Effective date	Document number
12/08/2020	201C Application For Registration As A Proprietary Company	12/08/2020	3	12/08/2020	1EPD88478
14/08/2020	484B Change To Company Details Change Of Registered Address	14/08/2020	2	14/08/2020	1EPF63213
01/09/2020	484N Change To Company Details Changes To (Members) Share Holdings	01/09/2020	4	01/09/2020	7EBA03107
20/09/2021	484B Change To Company Details Change Of Registered Address	20/09/2021	2	20/09/2021	2ENO58709
01/10/2021	484 Change To Company Details 484A1 Change Officeholder Name Or Address 484A2 Change Member Name Or Address	01/10/2021	3	01/10/2021	2EOE68486
14/04/2022	484N Change To Company Details Changes To (Members) Share Holdings	14/04/2022	2	14/04/2022	7EBR60738
19/05/2022	484A2 Change To Company Details Change Member Name Or Address	19/05/2022	2	19/05/2022	7EBS51520
10/06/2022	484A2 Change To Company Details Change Member Name Or Address	10/06/2022	2	10/06/2022	7EBT23688

\*\*\*End of Extract of 4 Pages\*\*\*





ASIC

Australian Securities & Investments Commission

# Current & Historical Company Extract

**Name:** COGENT BUSINESS SOLUTIONS PTY. LTD.

**ACN:** 076 633 200

Date/Time: 15 June 2022 AEST 08:59:37 AM

This extract contains information derived from the Australian Securities and Investments Commission's (ASIC) database under section 1274A of the Corporations Act 2001.

Please advise ASIC of any error or omission which you may identify.

EXTRACT

Organisation Details		Document Number
<b>Current Organisation Details</b>		
Name:	COGENT BUSINESS SOLUTIONS PTY. LTD.	009851983
ACN:	076 633 200	
ABN:	44076633200	
Registered in:	Australian Capital Territory	
Registration date:	03/12/1996	
Next review date:	03/12/2022	
Name start date:	03/12/1996	
Status:	Registered	
Company type:	Australian Proprietary Company	
Class:	Limited By Shares	
Subclass:	Proprietary Company	

Address Details		Document Number
<b>Current</b>		
Registered address:	P SQUARED ADVISORY PTY LIMITED, Level 3, 59 Wentworth Avenue, KINGSTON ACT 2604	7E8458971
Start date:	31/10/2016	
Principal Place Of Business address:	Unit 2, 9 Lyell Street, FYSHWICK ACT 2609	7E7457558
Start date:	10/11/2015	
<b>Historical</b>		
Registered address:	MAXIM CHARTERED ACCOUNTANTS, Level 2, 59 Wentworth Avenue, KINGSTON ACT 2604	027359978
Start date:	27/12/2010	
Cease date:	30/10/2016	
Registered address:	MAXIM SERVICES PTY LIMITED, 6 Oxley Street, GRIFFITH ACT 2603	1E0522185
Start date:	21/12/2004	
Cease date:	26/12/2010	
Registered address:	MPB SERVICES (ACT) PTY LTD, 6 Oxley Street, GRIFFITH ACT 2603	0E9049269
Start date:	22/08/2003	
Cease date:	20/12/2004	
Registered address:	MPB SERVICES (ACT) PTY LIMITED, Suite 5, 32 Thesiger Court, DEAKIN ACT 2600	0E4789512
Start date:	03/03/1998	
Cease date:	21/08/2003	
Registered address:	O'CONNOR MCNAMARA, Unit 5, 32 Thesiger Court, DEAKIN ACT 2600	0E2701854
Start date:	03/03/1998	
Cease date:	03/09/2000	
Registered address:	Suite 5, 32 Thesiger Court, DEAKIN ACT 2600	0E1936667
Start date:	03/03/1998	
Cease date:	07/01/1999	

Registered address:	Suite 1 Level 2, 17 Barry Drive, CANBERRA ACT 2600	009856706
Start date:	11/12/1996	
Cease date:	02/03/1998	
Registered address:	DELLAVEDOVA HOLLANDS BEARD &, Co Services P/L Suite 1 2nd Fl, 17 Barry Drive, CANBERRA ACT 2601	008660522
Start date:	11/12/1996	
Cease date:	17/02/1997	
Registered address:	12 Kirwan Circuit, STIRLING ACT 2611	009851983
Start date:	03/12/1996	
Cease date:	10/12/1996	
Principal Place Of Business address:	'Cps Building' Level 1, 105 Mawson Drive, MAWSON ACT 2607	7E3345799
Start date:	18/11/2010	
Cease date:	09/11/2015	
Principal Place Of Business address:	Unit 2, 10-12 Dundas Court, PHILLIP ACT 2606	1E6164652
Start date:	07/12/2009	
Cease date:	17/11/2010	
Principal Place Of Business address:	Unit 2, 10-12 Dundas Court, PHILLIP ACT 2606	7E1965379
Start date:	01/12/2008	
Cease date:	06/12/2009	
Principal Place Of Business address:	9 Lewin Street, LYNEHAM ACT 2602	1E2007119
Start date:	13/04/2006	
Cease date:	30/11/2008	
Principal Place Of Business address:	9 Lewin Street, LYNEHAM ACT 2602	7E0605739
Start date:	03/02/2006	
Cease date:	12/04/2006	
Principal Place Of Business address:	5 Salkauskas Crescent, LYNEHAM ACT 2602	009856706
Start date:	15/02/1997	
Cease date:	02/02/2006	

**Contact Address**

Section 146A of the Corporations Act 2001 states 'A contact address is the address to which communications and notices are sent from ASIC to the company'.

**Historical**

Address:	PO BOX 4926, KINGSTON ACT 2604
Start date:	25/11/2021
Cease date:	14/04/2022
Address:	Level 2, 121 Marcus Clarke Street, CANBERRA ACT 2601
Start date:	14/04/2022
Cease date:	14/04/2022
Address:	Level 2, 121 Marcus Clarke Street, CANBERRA ACT 2601
Start date:	01/09/2020

Cease date:	01/09/2020
Address:	Level 3, 59 Wentworth Avenue, KINGSTON ACT 2604
Start date:	24/10/2016
Cease date:	28/05/2020
Address:	Level 2, 121 Marcus Clarke Street, CANBERRA ACT 2601
Start date:	28/05/2020
Cease date:	28/05/2020
Address:	PO BOX 4259, MANUKA ACT 2603
Start date:	28/06/2003
Cease date:	24/10/2016

Officeholders and Other Roles	Document Number
<b>Director</b>	
Name: ANTHONY DAVID BLUMER	020595468
Address: 34-36 Dalry Avenue, PARK ORCHARDS VIC 3114	
Born: 13/03/1962, MANLY, NSW	
Appointment date: 01/07/2004	
Name: HELEN HILL	7E6242456
Address: 41 Nunan Crescent, OXLEY ACT 2903	
Born: 05/02/1968, CANBERRA, ACT	
Appointment date: 01/07/2014	
<b>Secretary</b>	
Name: HELEN HILL	7E4612758
Address: 41 Nunan Crescent, OXLEY ACT 2903	
Born: 05/02/1968, CANBERRA, ACT	
Appointment date: 01/07/2012	
<b>Previous Director</b>	
Name: MANDY FRANCES NEARHOS	7E7622074
Address: 12 Tallwood Avenue, NARRAWALLEE NSW 2539	
Born: 17/04/1959, DALBY, QLD	
Appointment date: 01/09/2009	
Cease date: 01/07/2018	
Name: PAUL JAMES DYER	017296229
Address: 90 Hawkesbury Crescent, FARRER ACT 2607	
Born: 18/09/1954, SYDNEY, NSW	
Appointment date: 13/07/2001	
Cease date: 31/03/2017	
Name: JAMES EDWARD LONGWORTH	1E2893460
Address: 9 Lewin Street, LYNEHAM ACT 2602	
Born: 06/03/1948, MELBOURNE, VIC	
Appointment date: 09/01/2007	
Cease date: 30/06/2014	
Name: JAMES EDWARD LONGWORTH	1E2007119
Address: 9 Lewin Street, LYNEHAM ACT 2602	
Born: 06/03/1948, MELBOURNE, VIC	
Appointment date: 04/12/1996	
Cease date: 31/12/2006	
Name: ANTHONY DAVID BLUMER	0E8277887
Address: 34-36 Dalry Avenue, PARK ORCHARDS VIC 3114	
Born: 13/03/1962, SYDNEY, NSW	

Appointment date:	08/01/2003	
Cease date:	31/01/2003	
Name:	JONATHON DOUGLAS MOULDS	0E3270710
Address:	31 Bertram Street, FADDEN ACT 2904	
Born:	14/06/1962, ADELAIDE, SA	
Appointment date:	04/12/1996	
Cease date:	03/02/2000	
Name:	TREVOR RAYMOND TAYLFORTH	008660521
Address:	12 Kirwan Circuit, STIRLING ACT 2611	
Born:	08/04/1952, MOOROOPNA, VIC	
Appointment date:	03/12/1996	
Cease date:	04/12/1996	
<b>Previous Secretary</b>		
Name:	PAUL JAMES DYER	1E2856294
Address:	90 Hawkesbury Crescent, FARRER ACT 2607	
Born:	18/09/1954, SYDNEY, NSW	
Appointment date:	01/01/2007	
Cease date:	01/07/2012	
Name:	JAMES EDWARD LONGWORTH	1E2007119
Address:	9 Lewin Street, LYNEHAM ACT 2602	
Born:	06/03/1948, MELBOURNE, VIC	
Appointment date:	03/12/1996	
Cease date:	31/12/2006	
Name:	JONATHON DOUGLAS MOULDS	0E3270710
Address:	31 Bertram Street, FADDEN ACT 2904	
Born:	14/06/1962, ADELAIDE, SA	
Appointment date:	03/12/1996	
Cease date:	31/08/2000	
Name:	TREVOR RAYMOND TAYLFORTH	008660521
Address:	12 Kirwan Circuit, STIRLING ACT 2611	
Born:	08/04/1952, MOOROOPNA, VIC	
Appointment date:	03/12/1996	
Cease date:	04/12/1996	

**Share Information****Share Structure**

Class	Description	Number issued	Total amount paid	Total amount unpaid	Document number
ORD	ORDINARY SHARES	200	200.00	0.00	0E8573471

**Members**

Note: For each class of shares issued by a proprietary company, ASIC records the details of the top twenty members of the class (based on shareholdings). The details of any other members holding the same number of shares as the twentieth ranked member will also be recorded by ASIC on the database. Where available, historical records show that a member has ceased to be ranked amongst the top twenty members. This may, but does not necessarily mean, that they have ceased to be a member of the company.

Name: PRACTICAL RISK SOLUTIONS PTY LTD

ACN: 088 141 557  
Address: 34-36 Dalry Avenue, PARK ORCHARDS VIC 3114

Class	Number held	Beneficially held	Paid	Document number
ORD	70	no	FULLY	7E8933139

Name: HELEN HILL  
Address: 41 Nunan Crescent, OXLEY ACT 2903

Class	Number held	Beneficially held	Paid	Document number
ORD	50	no	FULLY	7E8933139

Name: PETER TIMOTHY WHEEN  
Address: 16 Yambina Crescent, WARAMANGA ACT 2611

Class	Number held	Beneficially held	Paid	Document number
ORD	30	no	FULLY	7E8933139

Name: VK NGO PTY LTD  
ACN: 657 838 367  
Address: 74 Colechin Street, YAGOONA NSW 2199

Class	Number held	Beneficially held	Paid	Document number
ORD	30	no	FULLY	7EBR60732

Name: LEONIE JAYNE BROSNAHAN  
Address: 27 Mundang Crescent, NGUNNAWAL ACT 2913

Class	Number held	Beneficially held	Paid	Document number
ORD	20	yes	FULLY	7EBT23673

#### Previous Members

Name: VAN KHAI NGO  
Address: 74 Colechin Street, YAGOONA NSW 2199

Class	Number held	Beneficially held	Paid	Document number
ORD	30	no	FULLY	7EAZ84471

Name: LBF CONSULTING PTY LTD  
 ACN: 133 198 160  
 Address: 'Kamper Chartered Accountants' Level 3, 8-10 King Street, ROCKDALE NSW 2216

Class	Number held	Beneficially held	Paid	Document number
ORD	20	no	FULLY	7E9496657

Name: MANDY FRANCES NEARHOS  
 Address: 12 Tallwood Avenue, NARRAWALLEE NSW 2539

Class	Number held	Beneficially held	Paid	Document number
ORD	10	yes	FULLY	7EAC04150

Name: PAUL DYER & ASSOCIATES PTY LIMITED  
 ACN: 091 177 374  
 Address: 90 Hawkesbury Crescent, FARRER ACT 2607

Class	Number held	Beneficially held	Paid	Document number
ORD	85	no	FULLY	7E8680994

Name: ANTHONY DAVID BLUMER  
 Address: 34-36 Dalry Avenue, PARK ORCHARDS VIC 3114

Class	Number held	Beneficially held	Paid	Document number
ORD	49	yes	FULLY	7E6245100

Name: JAMES EDWARD LONGWORTH  
 Address: 9 Lewin Street, LYNEHAM ACT 2602

Class	Number held	Beneficially held	Paid	Document number
ORD	40	yes	FULLY	025074076

Name: CHRISTINE CHERYL LONGWORTH  
 Address: 9 Lewin Street, LYNEHAM ACT 2602



Class	Number held	Beneficially held	Paid	Document number
ORD	20	yes	FULLY	7E3051073

Name: HELEN HILL  
Address: ATF HILL FAMILY TRUST, 41 Nunan Crescent, OXLEY ACT 2903

Class	Number held	Beneficially held	Paid	Document number
ORD	10	yes	FULLY	7E3051073

Name: PAUL JAMES DYER  
Address: 90 Hawkesbury Crescent, FARRER ACT 2607

Class	Number held	Beneficially held	Paid	Document number
ORD	70	yes	FULLY	1F0049553

Name: PAUL JAMES DYER  
Address: 90 Hawkesbury Crescent, FARRER ACT 2607

Class	Number held	Beneficially held	Paid	Document number
ORD	30	yes	FULLY	0E6675711

Name: CHRISTINE CHERYL LONGWORTH  
Address: 5 Salkauskas Crescent, LYNEHAM ACT 2602

Class	Number held	Beneficially held	Paid	Document number
ORD	35	yes	FULLY	0E6675711

Name: JAMES EDWARD LONGWORTH  
Address: 5 Salkauskas Crescent, LYNEHAM ACT 2602

Class	Number held	Beneficially held	Paid	Document number
ORD	35	yes	FULLY	0E6675711

Name: CHRISTINE CHERYL LONGWORTH  
Address: 5 Salkauskas Crescent, LYNEHAM ACT 2602

Class	Number held	Beneficially held	Paid	Document number
ORD	2	yes	FULLY	0E4789512

Name: JAMES EDWARD LONGWORTH

Address: 5 Salkauskas Crescent, LYNEHAM ACT 2602

Class	Number held	Beneficially held	Paid	Document number
ORD	2	yes	FULLY	0E4789512

Name: JAMES EDWARD LONGWORTH  
Address: 5 Salkauskas Crescent, LYNEHAM ACT 2602

Class	Number held	Beneficially held	Paid	Document number
ORD	1	yes	FULLY	009856706

Name: CHRISTINE CHERYL LONGWORTH  
Address: 5 Salkauskas Crescent, LYNEHAM ACT 2602

Class	Number held	Beneficially held	Paid	Document number
ORD	1	yes	FULLY	009856706

Name: JONATHON DOUGLAS MOULDS  
Address: 31 Bertram Street, FADDEN ACT 2904

Class	Number held	Beneficially held	Paid	Document number
ORD	1	yes	FULLY	0E3270710

Name: JUDITH MOULDS  
Address: 31 Bertram Street, FADDEN ACT 2904

Class	Number held	Beneficially held	Paid	Document number
ORD	1	yes	FULLY	0E3270710

### Charges Summary

Note : A charge is some form of security given over the property/assets of the company. In order to obtain details of the 'amount secured by a charge', 'the property charged', the property released from a charge or the documents relating to a satisfaction, assignment or change in details, it is necessary to obtain a 'CHARGES EXTRACT'.

This extract may not contain all charges for corporations registered prior to 1991 and it may be advisable to also search the State or Territory records held by ASIC.

### ASIC Charge 603407

Status: SATISFIED  
Date and time registered: 07/08/1997 10:36  
Fixed/floating: BOTH  
Date created: 23/07/1997

Chargee/trustee: COMMONWEALTH BANK OF AUSTRALIA

Form type	Description	Date lodged	Processed	Number of pages	Document number
312	Notification Of Discharge	31/12/1998	yes	1	013335705

**ASIC Charge 651634**

Status: SATISFIED

Date and time registered: 08/07/1998 14:28

Fixed/floating: BOTH

Date created: 30/06/1998

Chargee/trustee: NATIONAL AUSTRALIA BANK LIMITED

Form type	Description	Date lodged	Processed	Number of pages	Document number
312	Notification Of Discharge	13/09/2006	yes	1	022906346

**Documents**

Note: Where no Date Processed is shown, the document in question has not been processed. In these instances care should be taken in using information that may be updated by the document when it is processed. Where the Date Processed is shown but there is a zero under No Pages, the document has been processed but a copy is not yet available.

Date received	Form type	Date processed	Number of pages	Effective date	Document number
03/12/1996	201C Application For Registration As A Proprietary Company	03/12/1996	2	03/12/1996	009851983
03/12/1996	204 Certificate Of Registration Division 1 Pt 2.2	03/12/1996	1	03/12/1996	009851988
04/12/1996	215 Notification Of Initial Appointment Of Officeholders	10/12/1996	1	03/12/1996	008660521
04/12/1996	203A Notification Of Change Of Address	10/12/1996	1	04/12/1996	008660522
04/12/1996	209 Notice Of Redemption Of Redeemable Preference Shares	05/12/1996	1	04/12/1996	008660523
04/12/1996	370 Notice Of Retirement Or Resignation By Director Or Secretary	10/12/1996	2	04/12/1996	008660524
18/12/1996	207 Notification Of Allotment Of Shares	18/12/1996	3	04/12/1996	009860329
18/12/1996	304A Notification Of Change To Officeholders Of Australian Company	30/12/1996	2	04/12/1996	009860330
18/02/1997	316L (AR 1996) Annual Return Annual Return - Proprietary Company	26/02/1997	4	15/02/1997	009856706

07/08/1997	309A Notification Of Details Of A Charge	07/08/1997	20	23/07/1997	009870152
20/02/1998	316L (AR 1997) Annual Return Annual Return - Proprietary Company	31/03/1998	4	31/01/1998	0E1934116
24/02/1998	203A Notification Of Change Of Address	31/03/1998	1	24/02/1998	0E1936667
25/02/1998	902 Supplementary Document	31/03/1998	1	31/01/1998	0E1940043
08/07/1998	309A Notification Of Details Of A Charge	08/07/1998	41	30/06/1998	013322700
31/12/1998	312A Notification Of Discharge	31/12/1998	1	31/12/1998	013335705
08/01/1999	316L (AR 1998) Annual Return Annual Return - Proprietary Company	13/01/1999	4	15/12/1998	0E2701854
21/07/1999	316L (AR 1999) Annual Return Annual Return - Proprietary Company	21/07/1999	3	09/07/1999	0E3270710
10/02/2000	304A Notification Of Change To Officeholders Of Australian Company	11/02/2000	2	03/02/2000	015969306
31/08/2000	304A Notification Of Change To Officeholders Of Australian Company	31/08/2000	1	31/08/2000	0E4778962
04/09/2000	316L (AR 2000) Annual Return Annual Return - Proprietary Company	09/10/2000	3	31/08/2000	0E4789512
18/07/2001	304A Notification Of Change To Officeholders Of Australian Company	07/08/2001	2	13/07/2001	017296229
18/07/2001	2205B Notification Of Resolution Relating To Shares Convert Shares Into Larger Or Smaller Number	30/07/2001	1	13/07/2001	017213164
21/12/2001	316L (AR 2001) Annual Return Annual Return - Proprietary Company	21/12/2001	3	13/12/2001	0E6675711
13/01/2003	304A Notification Of Change To Officeholders Of Australian Company	13/01/2003	1	08/01/2003	0E8277887
13/01/2003	207 Notification Of Share Issue	13/01/2003	1	08/01/2003	0E8277886
05/02/2003	316 (AR 2002) Annual Return 316C Change To Officeholders 316L Annual Return - Proprietary Company	06/02/2003	3	31/01/2003	0E8573471

15/08/2003	203A Notification Of Change Of Address	15/08/2003	1	31/07/2003	0E9049269
25/08/2004	484E Change To Company Details Appointment Or Cessation Of A Company Officeholder	25/08/2004	3	25/08/2004	020595468
14/12/2004	484B Change To Company Details Change Of Registered Address	14/12/2004	2	08/12/2004	1E0522185
03/02/2006	484 Change To Company Details 484C Change Of Principal Place Of Business (Address) 484A1 Change Officeholder Name Or Address 484A2 Change Member Name Or Address	03/02/2006	2	03/02/2006	7E0605739
18/04/2006	484 Change To Company Details 484C Change Of Principal Place Of Business (Address) 484A1 Change Officeholder Name Or Address 484A2 Change Member Name Or Address	18/04/2006	2	13/04/2006	1E2007119
13/09/2006	312A Notification Of Discharge	13/09/2006	1	13/09/2006	022906346
13/09/2006	309A Notification Of Details Of A Charge	13/09/2006	42	07/09/2006	022906364
24/01/2007	484E Change To Company Details Appointment Or Cessation Of A Company Officeholder	24/01/2007	2	09/01/2007	1E2856294
06/02/2007	484E Change To Company Details Appointment Or Cessation Of A Company Officeholder	06/02/2007	2	06/02/2007	1E2893460
20/12/2007	484N Change To Company Details Changes To (Members) Share Holdings	20/12/2007	6	20/12/2007	1F0049553
18/04/2008	484N Change To Company Details Changes To (Members) Share Holdings	18/04/2008	5	18/04/2008	024634826
29/07/2008	484N Change To Company Details Changes To (Members) Share Holdings	29/07/2008	6	29/07/2008	024965079

05/09/2008	484N Change To Company Details Changes To (Members) Share Holdings	08/09/2008	4	08/09/2008	025074076
02/12/2008	484N Change To Company Details Changes To (Members) Share Holdings	02/12/2008	2	02/12/2008	7E1928033
23/12/2008	484C Change To Company Details Change Of Principal Place Of Business (Address)	23/12/2008	2	23/12/2008	7E1965379
22/08/2009	484N Change To Company Details Changes To (Members) Share Holdings	22/08/2009	3	22/08/2009	7E2355524
09/09/2009	484E Change To Company Details Appointment Or Cessation Of A Company Officeholder	09/09/2009	2	09/09/2009	7E2417041
21/01/2010	484C Change To Company Details Change Of Principal Place Of Business (Address)	21/01/2010	2	07/12/2009	1E6164652
29/07/2010	484N Change To Company Details Changes To (Members) Share Holdings	29/07/2010	3	29/07/2010	7E3051073
07/12/2010	484C Change To Company Details Change Of Principal Place Of Business (Address)	07/12/2010	2	07/12/2010	7E3345799
20/12/2010	484B Change To Company Details Change Of Registered Address	21/12/2010	3	21/12/2010	027359978
25/07/2012	484E Change To Company Details Appointment Or Cessation Of A Company Officeholder	25/07/2012	2	25/07/2012	7E4612758
25/07/2014	484E Change To Company Details Appointment Or Cessation Of A Company Officeholder	25/07/2014	2	25/07/2014	7E6242456
28/07/2014	484N Change To Company Details Changes To (Members) Share Holdings	28/07/2014	2	28/07/2014	7E6243837
28/07/2014	484N Change To Company Details Changes To (Members) Share Holdings	28/07/2014	4	28/07/2014	7E6245100
21/11/2014	484A2 Change To Company Details Change Member Name Or Address	21/11/2014	2	21/11/2014	7E6538163
10/11/2015	484C Change To Company Details Change Of Principal Place Of Business (Address)	10/11/2015	2	10/11/2015	7E7457558
18/01/2016	484A1 Change To Company Details Change Officeholder Name Or Address	18/01/2016	2	18/01/2016	7E7622074

21/03/2016	484A2 Change To Company Details Change Member Name Or Address	21/03/2016	2	21/03/2016	7E7804278
29/09/2016	902 Supplementary Document	07/10/2016	2	31/01/2003	029756460
24/10/2016	484B Change To Company Details Change Of Registered Address	24/10/2016	2	24/10/2016	7E8458971
13/01/2017	484A2 Change To Company Details Change Member Name Or Address	13/01/2017	2	13/01/2017	7E8680994
03/04/2017	484 Change To Company Details 484E Appointment Or Cessation Of A Company Officeholder 484N Changes To (Members) Share Holdings	03/04/2017	4	03/04/2017	7E8933139
29/09/2017	484N Change To Company Details Changes To (Members) Share Holdings	29/09/2017	2	29/09/2017	7E9496657
11/07/2018	484 Change To Company Details 484E Appointment Or Cessation Of A Company Officeholder 484N Changes To (Members) Share Holdings	11/07/2018	3	11/07/2018	7EAC04150
19/07/2019	484N Change To Company Details Changes To (Members) Share Holdings	19/07/2019	2	19/07/2019	7EAN57098
28/05/2020	484N Change To Company Details Changes To (Members) Share Holdings	28/05/2020	3	28/05/2020	7EAW96265
26/08/2020	484A2 Change To Company Details Change Member Name Or Address	26/08/2020	2	26/08/2020	7EAZ84471
14/04/2022	484N Change To Company Details Changes To (Members) Share Holdings	14/04/2022	2	14/04/2022	7EBR60732
10/06/2022	484A2 Change To Company Details Change Member Name Or Address	10/06/2022	2	10/06/2022	7EBT23673

## Annual Return Document List



Year	Return due date	Extended due date	AGM due date	Extended AGM due date	AGM held date	Outstanding
1996	31/01/1997	30/04/1997				no
1997	31/01/1998					no
1998	31/01/1999					no
1999	31/01/2000					no
2000	31/01/2001					no
2001	31/01/2002					no
2002	31/01/2003					no

\*\*\*End of Extract of 14 Pages\*\*\*