

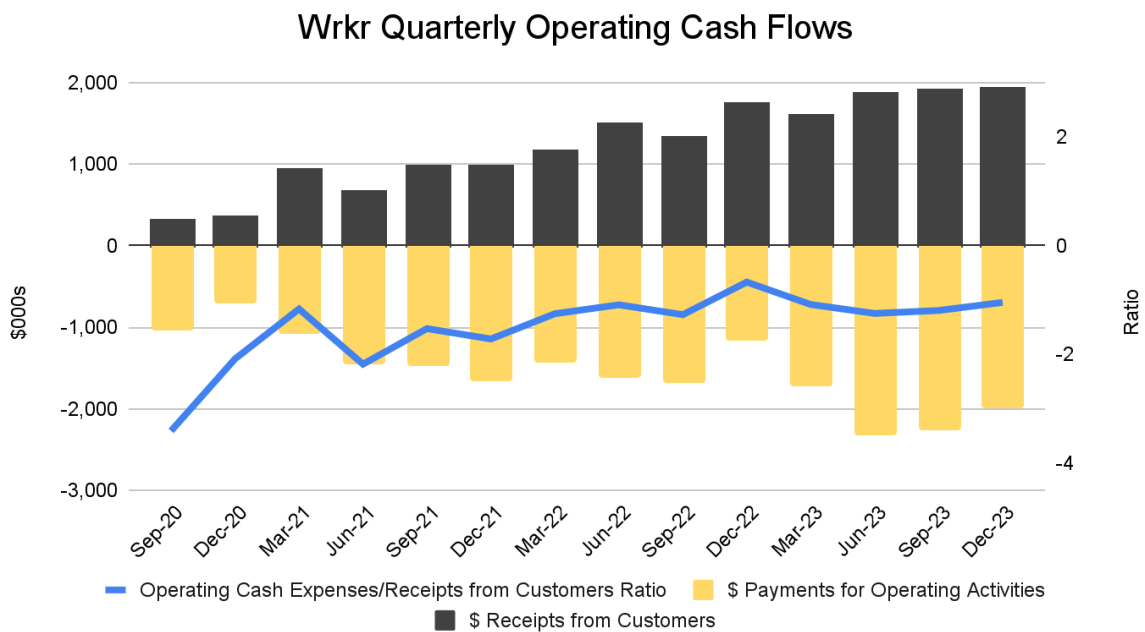
Quarterly Activity Report - December 2023

Wednesday 24 January 2024

Wrkr Ltd (ASX: WRK, Wrkr or Company), is pleased to announce its Quarterly Activity Report and Appendix 4C (Quarterly Cash Flow report) for the quarter ending 31 December 2023.

Wrkr's Chief Executive Officer (Trent Lund) and Chief Financial Officer (Karen Gilmour) will host an investor webinar to discuss the quarterly reports at 10am (AEDT) Thursday 1 February. To register for the webinar, please see the details at the end of this document.

Q2 FY24 FINANCIAL HIGHLIGHTS



- H1 FY24 cash receipts from customers +24% on pcp (\$1.91m H1FY24; \$1.75m H1FY23).** Notably, a material payment of \$770k (incl GST) that was due from a customer on 29 December was not received. This resulted in a lower closing cash balance than was forecasted for 31 December 2023. The amount was paid in January and will be reflected in the Q3 results.



- H1 FY24 unaudited **revenue +44% on pcp** (\$3.88m H1 FY24; \$2.69m H1 FY23)
 - \$425k revenue recognised for work performed for detailed planning and commencement of development work for the Link Group;
 - Increase in our platform as a service (PaaS) development fees, annual licence and monthly support & maintenance fees for work performed by the team with the Australian Retirement Trust's Beam platform to provide additional customer led, innovative features;
 - Increase in interest rates resulting in an increase in float income on super contribution and other disbursement payments processed;
 - Continued performance of the SMSF Hub with revenues +48% on pcp (\$0.39m H1 FY24; \$0.26m H1 FY23)

- Wrkr has made considerable inroads to improving the cost to income ratio over the past 2 years by strategically balancing the investment required for growth and cost efficiencies. Q2 FY24 saw a slight increase of 3.5% in the 12mth rolling cost to income ratio due to the investment in:
 - resources for the Link Group build and Wrkr Platform; and
 - engagement of Transmit Security to embed increased identity management, verification and authentication into the Wrkr Platform.

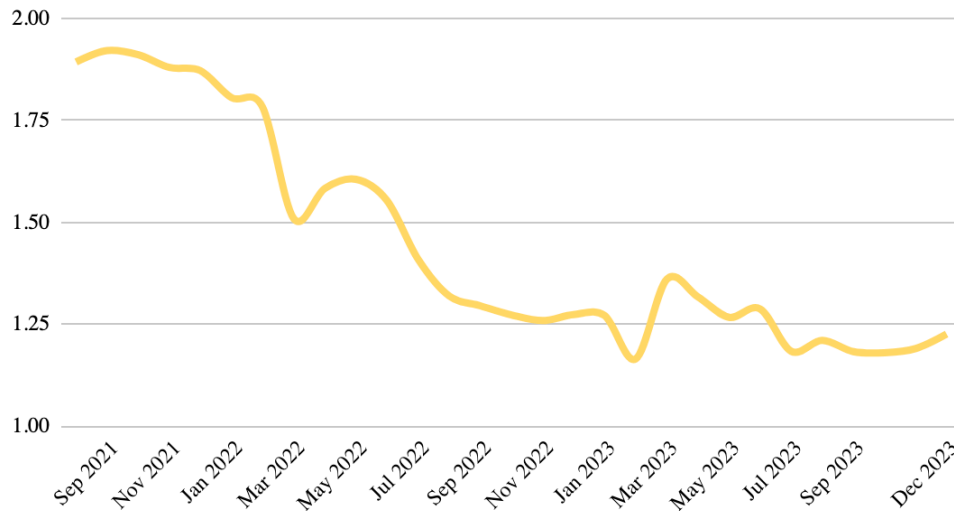
For personal use only





For personal use only

Cost to Income Ratio (12mth rolling)



*Based on unaudited figures. Excludes interest, depreciation & amortisation, cost of employee share schemes, costs relating to changes in share capital, impairment of patents, convertible notes costs, and the fair value movement of the convertible notes embedded derivative.

Business Strength

FY2024 remains strong with increased activity in revenue generating activity. The core engineering team is now actively engaged in deploying new clients on the Wrkr Platform. This work is a precursor to transaction and user licence revenue. With the Rest Super deployment and Hong Kong implementations on track, we expect to move from set-up and pilots into full production in Q1 FY25. Our product team is supporting the sales and awareness activity across the Link Group customer base alongside direct activity with Super Funds. Our early investment in pilot integrations for Payroll and HRM providers is showing positive results, particularly with an advanced funnel of Workday HRM opportunities.

In addition to Wrkr's market collaboration progress, we have seen an increase in inbound enquiries across Wrkr's SMSF Hub, PAY and READY (Onboarding) products. We expect this trend to continue as marketing awareness increases and Australian businesses take action on compliance changes.





For personal use only

Q3 FY24 Focus

- Conclude designs for product improvements to deliver an integrated Pay, Super, and Single Touch Payroll reporting for PayDay Super reforms expected in 2026.
- Continue deployment of the Link Group build of the Wrkr Platform.
- Deliver the Rest solution on the Wrkr Platform and set up the branded pilot for Q4 of FY24 delivery.
- Deliver the Hong Kong instance of the Link Group build of the Wrkr Platform and all modifications for the Hong Kong ORSO requirements.
- Set up the HSBC ORSO Client.
- Support KPMG's forecast client implementations of Workday with new API for Bank, Tax, and Super onboarding.

Other

The cash expenditure incurred on the activities of the business in the quarter are summarised as follows:

- \$1,055k Staff costs
- \$520k Administration and corporate costs
- \$321k Operating costs
- \$90k Finance Costs
- \$25k Advertising and marketing

As required to be disclosed under ASX Listing Rules, payments to related parties in the current quarter amounted to \$76k. This amount is shown in Appendix 4C under Section 6. Payments to related parties of the entity and their associates relate to directors' fees (\$64k), and interest paid on convertible notes held by an associated entity of related parties (\$12k).





This Quarterly Activity Report and the attached Appendix 4C (Quarterly Cash Flow report) have been authorised by the Board of Wrkr.

For further information, please contact:

Emma Dobson
Chair
E: emma.dobson@wrkr.com.au

Webinar Details:

Topic: Wrkr Q2 FY2024 Quarterly Update

When: Feb 1, 2024 10:00 AM Canberra, Melbourne, Sydney

Please click the link below to join the webinar:

https://us06web.zoom.us/j/84291426160?pwd=CBY-UpZL65t_z9-FRullpK3Vlxon4Q.R4D9NjxKwXYGrwRQ

Passcode: 011878

For personal use only





About Wrkr Ltd.

Wrkr Ltd (Wrkr) (ASX: WRK) is an Australian financial technology company founded and listed on the ASX in 2016.

Wrkr provides compliance and payment software solutions to create efficiencies for Superfunds, payroll service providers and both large and small Australian employers.

The company has three core offerings:

- **Wrkr PLATFORM**, a modern cloud-based compliance platform for handling messaging with ATO (SuperStream, STP 2.0, PEPPOL, SBR and State authorities) and orchestrating payment processing for worker pay and super contributions for Fund Administrators
- **Wrkr PAY**, a superannuation gateway and clearinghouse and payment handling solution for secure processing of employee pay and super contributions for Payrolls and Superfunds. This product includes Wrkr SMSF Hub providing ATO messaging and contributions compliance for SMSFs
- **Wrkr READY**, a white-label employee onboarding solution to manage the compliant onboarding of full-time and casual workers

The information provided in this announcement is accurate as of the publication date and may be subject to change. It is noted that the financial results included in this announcement are unaudited and may be subject to change.

Investors should be aware that certain financial measures included in this announcement are 'non-IFRS financial information' under ASIC Regulatory Guide 230: 'Disclosing non-IFRS financial information' published by ASIC and also 'non-GAAP' financial measures within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934, as amended, and are not recognised under Australian Accounting Standards (AAS) and International Financial Reporting Standards (IFRS). The non-IFRS financial information / non-GAAP financial measures include EBITDA and EBIT. The Company believes the non-IFRS financial information / non-GAAP measures provide useful information to users in measuring the financial performance and conditions of the Company. The non-IFRS financial information / non-GAAP financial measures do not have a standardised meaning prescribed by AAS or IFRS. Therefore, the non-IFRS financial information is not a measure of financial performance, liquidity or value under the IFRS and may not be comparable to similarly titled measures presented by other entities and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information / non-GAAP financial measures included in this presentation.

This release contains forward-looking statements and information that are necessarily subject to risks, uncertainties and assumptions. Many factors could cause actual results, performance or achievements of Wrkr Ltd to be materially different from those expressed or implied in this release including, amongst others, changes in general economic and business conditions, regulatory environment, results of advertising and sales activities, competition, and the availability of resources. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this release. Except as required by law, Wrkr Ltd assumes no obligation to update or correct the information in this release. To the maximum extent permitted by law, Wrkr Ltd and its subsidiaries and officers do not make any representation or warranty as to the likelihood of fulfilment of any forward-looking statements and disclaim responsibility and liability for any forward-looking statements or other information in this release. This release should be read in conjunction with Wrkr Ltd's ASX announcements and releases.



Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Wrkr Ltd

ABN

50 611 202 414

Quarter ended ("current quarter")

31 December 2023 (Quarter 2)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (.....months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,914	3,807
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(321)	(601)
(c) advertising and marketing	(25)	(47)
(d) leased assets		
(e) staff costs	(1,055)	(2,407)
(f) administration and corporate costs	(520)	(1,062)
1.3 Dividends received (see note 3)		
1.4 Interest received	11	32
1.5 Interest and other costs of finance paid	(90)	(173)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(86)	(451)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(16)	(62)
(d) investments	(900)	(1,362)
(e) intellectual property		

For personal use only

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
	(f) other non-current assets		
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)	4	4
2.6	Net cash from / (used in) investing activities	(912)	(1,420)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	(75)	(150)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)	(4)	(4)
3.10	Net cash from / (used in) financing activities	(79)	(154)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,160	4,108
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(86)	(451)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(912)	(1,420)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(79)	(154)
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	2,083	2,083

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	534	836
5.2	Call deposits	1,549	2,324
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,083	3,160

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	76
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	40	40
7.2	Credit standby arrangements		
7.3	Other (please specify)	3,300	3,300
7.4	Total financing facilities	3,340	3,340
7.5	Unused financing facilities available at quarter end		0
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

Loan Facilities**\$236,428.81 Premium Funding Agreement**

Lender: IQumulate Premium Funding Pty Ltd

Insurance Premium Funding

First Instalment Date 14/05/2023

Last Instalment Date 14/02/2024

Flat Interest Rate 5.2872%

Balance payable at 31 December 2023 \$39,785.43**Other Facilities****\$3,300,000.00 Convertible Notes**

Securities Offered: Convertible notes which are convertible into fully paid ordinary shares in the capital of the Company

Face Value of each Convertible Note: \$1.00 per Convertible Note

Maturity Date: 4 October 2024

Interest Rate: 10% pa paid as cash on a quarterly basis

Security: The Convertible Notes are unsecured

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(86)
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,083
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	2,083
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	24
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer:	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer:	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer:	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>		

For personal use only

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 24 January 2024.....

Authorised by:The Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

For personal use only