

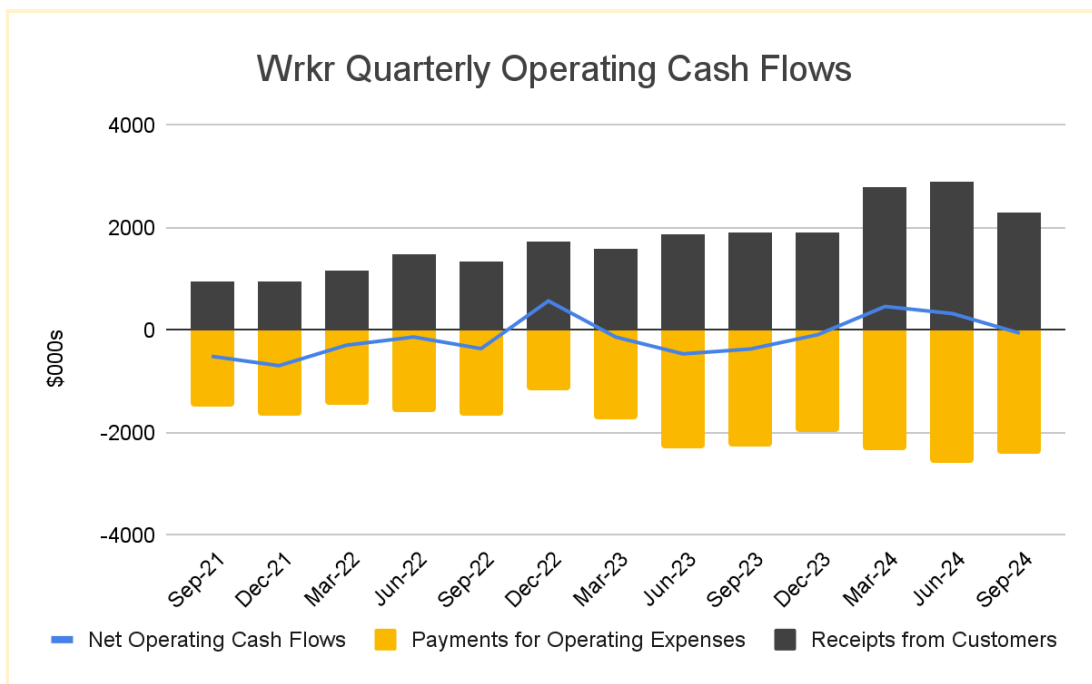


Quarterly Activity Report - Q1 FY25

Thursday 24 October 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 30 September 2024.

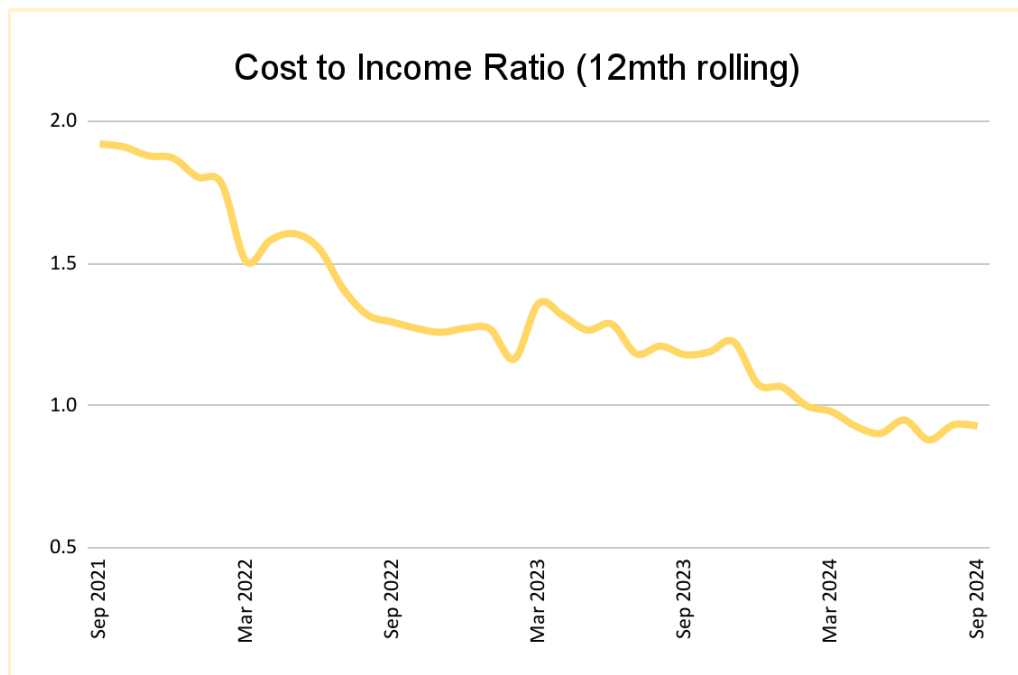
Q1 FY25 FINANCIAL HIGHLIGHTS



- **Q1 FY25 net operating cash flows improved by 84% on pcp** (-\$57k Q1 FY25; -\$365k Q1 FY24)
Material investment was made in the quarter for the MUFG Retirement Solutions industry and Hong Kong solutions as well as investment in new hires in engineering and product management and progressing the sales pipeline.
- **Q1 FY25 cash receipts from customers +26% on pcp** (\$2.30m Q1 FY25; \$1.89m Q1 FY24).
- **\$7.811m capital raised in successful Placement and Share Purchase Plan (SPP) as previously announced to the market**
The funds raised will be predominantly used for the following:
 - Strengthen the Company's balance sheet;
 - Additional resources for WRKR to accelerate the MUFG Retirement Solutions contract delivery and third-party consulting group (like KPMG and Workday) opportunities;



- Funding to support working capital and capex for further organic growth opportunities; and
 - The costs associated with the Placement and SPP.
- **\$3.3m convertible notes were converted into new shares**
The only debt remaining on the balance sheet post the conversion is the funding of Wrkr's Insurance Premiums (30 Sept 2024: \$111k).
- Wrkr continues to focus on investing for growth and carefully managing costs. This is reflected in the **improvement in the cost-to-income ratio by 28% over the last 2 years.**



*Based on unaudited figures. Excludes interest, depreciation & amortisation, capitalised costs, 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

Following the August capital raise and a strong end to the financial year, Wrkr has further strengthened our operations. There have been key hires across engineering and product to increase our in-house delivery capability. We expect to invest further as we look to close pipeline opportunities in Q2 and Q3. Payday Super continues to drive a sense of urgency across Superannuation Funds and Payroll providers.



Wrkr continues to meet all business expectations with continued progress across several client programs that underpin the platform for future growth:

- Wrkr PLATFORM Enhancements
 - ClickSuper Gateway transition to Wrkr Gateway
 - Wrkr PLATFORM Payday Super ready (Scale and load testing; error reductions)
- MUFG Retirement Solutions - international deployment
 - Hong Kong build, in test with feature pipeline under development
- MUFG Retirement Solutions - industry build for Payday Super
 - Aaspire Administration platform integration ready
 - Rest pilot ready and new requirements in test
 - New Fund onboarding tools being developed
- ClickSuper transition to Wrkr Platform
- ART Beam ongoing program performance reviews in readiness for Payday Super
- Wrkr integrations to third party Payrolls and HCM is progressing with several customers to be onboarded this quarter

Wrkr continues to see full retention of key platform customers and high retention of our Super, Pay processing, STP and SMSF customers.

FY25 Focus and investment

Wrkr will focus on 3 key investment areas over the next two quarters:

- Upgrades to the Wrkr PLATFORM to accommodate features for accountants and advisors consistent with the Wrkr SMSF Hub. These features will support ATO Small Business Clearing House users seeking early transition.
- The Wrkr delivery teams will continue their focus on our programs with MUFG Retirement Solutions for the production clients and demonstrations to new Funds. Wrkr will continue to increase our delivery capacity in line with pipeline conversion.
- Wrkr expect to see a conclusion to the Rest pilot along with important enhancements, co-designed through the pilot program.

Other

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

- \$1,368k Staff costs
- \$561k Administration and corporate costs
- \$372k Operating costs
- \$94k Finance Costs
- \$5k Advertising and marketing



As required to be disclosed under ASX Listing Rules, payments to related parties in the current quarter amounted to \$77k. 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 (\$13k).

Wrkr's Chief Executive Officer (Trent Lund) and Chief Financial Officer (Karen Gilmour) will host an investor webinar on Tuesday, October 29, at 10 a.m. (Sydney time) to discuss the quarterly reports. To register for the webinar, please see the details at the end of this document.

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 Q1 FY2025 Quarterly Update

When: Tuesday 29 October 10:00 AM Canberra, Melbourne, Sydney

Please click the link below to join the webinar:

<https://us06web.zoom.us/j/82310432593?pwd=1nRoymUIHRnkAhJcYl9VyiBpXWjUbe.1>

Passcode: 367726



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")

30 September 2024 (Quarter 1)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,302	2,302
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(372)	(372)
(c) advertising and marketing	(5)	(5)
(d) leased assets		
(e) staff costs	(1,368)	(1,368)
(f) administration and corporate costs	(561)	(561)
1.3 Dividends received (see note 3)		
1.4 Interest received	41	41
1.5 Interest and other costs of finance paid	(94)	(94)
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	(57)	(57)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(9)	(9)
(d) investments	(531)	(531)
(e) intellectual property		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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)		
2.6	Net cash from / (used in) investing activities	(540)	(540)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	11,111	11,111
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	(453)	(453)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	(3,367)	(3,367)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)	(32)	(32)
3.10	Net cash from / (used in) financing activities	7,259	7,259

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,937	1,937
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(57)	(57)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(540)	(540)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	7,259	7,259
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	8,599	8,599

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	1,219	1,927
5.2	Call deposits	7,380	10
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)	8,599	1,937

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	77
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	112	112
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	112	112
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**\$223,488.46 Premium Funding Agreement**

Lender: IQumulate Premium Funding Pty Ltd

Insurance Premium Funding

First Instalment Date 14/05/2024

Last Instalment Date 14/02/2025

Flat Interest Rate 5.6283%

Balance payable at 30 September 2024 \$111,744.21

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(57)
8.2	Cash and cash equivalents at quarter end (item 4.6)	8,599
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	8,599
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	151
	<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>	

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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 October 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.

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