



ASX ANNOUNCEMENT

Appendix 4D (Half year report) and Half Year FY2025 Financial Report

20 February 2025

Wrkr Ltd (ASX: WRK) releases its Appendix 4D and financial report for the half year ended 31 December 2024.

The attached Appendix 4D and half year financial report have been approved by the Board.

For queries:

Trent Lund
Chief Executive Officer
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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.

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1. Company details

Name of entity:	Wrkr Ltd
ABN:	50 611 202 414
Reporting period:	For the half-year ended 31 December 2024
Previous period:	For the half-year ended 31 December 2023

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	26.0% to	4,883,505
Loss from ordinary activities after tax attributable to the owners of Wrkr Ltd	down	44.4% to	(1,521,125)
Loss for the half-year attributable to the owners of Wrkr Ltd	down	44.4% to	(1,521,125)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the Group after providing for income tax amounted to \$1,521,125 (31 December 2023: \$2,737,567).

Further commentary on the Group's operating performance and results from operations are set out in the attached Interim Report.

3. Net tangible assets

	31 Dec 2024 Cents	30 Jun 2024 Cents
Net tangible assets per ordinary security	<u>0.38</u>	<u>(0.27)</u>

The net tangible assets calculation includes rights-of-use assets of \$66,877 (30 Jun 2024: \$117,035) and the corresponding lease liabilities of \$84,066 (30 Jun 2024: \$142,724).

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of Wrkr Ltd for the half-year ended 31 December 2024 is attached.

12. Signed

Authorised by the Board of Directors

Signed  _____

Date: 20 February 2025

Emma Dobson
Non-Executive Chair
Sydney

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Wrkr Ltd
ACN: 611 202 414
ASX Code WRK

Financial Report for the half-year ended 31 December 2024

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The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Wrkr Ltd (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024.

Directors

The following persons were Directors of Wrkr Ltd during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Emma Dobson - Non-Executive Director and Chair
Trent Lund - Chief Executive Officer and Managing Director
Paul Collins - Non-Executive Director
Randolf Clinton - Non-Executive Director (retired on 22 October 2024)

Principal activities

During the financial year the principal activities of the Group consisted of operating the following businesses:

- **Wrkr PLATFORM**, a modern cloud-based compliance platform for handling messaging with the Australian Taxation Office ('ATO'), SuperStream, Single Touch Payroll ('STP') 2.0, Pan-European Public Procurement Online ('PEPPOL'), Standard Business Reporting ('SBR') and State authorities, and orchestrating payment processing for worker pay and super contributions for fund administrators;
- **Wrkr PAY**, a superannuation gateway and clearing house and payment handling solution for processing of employee pay and super contributions for payrolls and superfunds. This product includes the Wrkr SMSF Hub providing ATO messaging and contributions compliance for Self Managed Super Funds ('SMSFs'); and
- **Wrkr READY**, a white label employee onboarding solution to manage the compliant onboarding of full-time and casual workers.

The Group holds payment processing patents in the USA.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations

The loss for the Group after providing for income tax amounted to \$1,521,125 (31 December 2023: \$2,737,567).

The Earnings Before Interest, Taxes, Depreciation and Amortisation ('EBITDA') for half-year 31 December 2024, was a net loss of \$407,871 compared to net loss for half-year 31 December 2023 of \$534,111. EBITDA is a financial measure not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for depreciation, amortisation, interest revenue, finance costs, abandoned capital raise costs, fair value movement on embedded derivatives and tax expenses. Interest income earned on restricted client trust funds are not adjusted as they are operational revenues and reflect part of the core earnings of the Group. The directors consider EBITDA to reflect the core earnings of the Group. The following table summarises key reconciling items between statutory profit after tax and EBITDA:

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$	\$
Loss after income tax benefit	(1,521,125)	(2,737,567)
Add: Finance costs	19,354	47,263
Less: Interest revenue	(121,430)	(32,241)
Less: Capital raise costs	(116,150)	-
Add: Fair value movement on embedded derivatives	-	808,061
Earnings Before Interest and Tax, ('EBIT')	<u>(1,739,351)</u>	<u>(1,914,484)</u>
Add: depreciation and amortisation	<u>1,331,480</u>	<u>1,380,373</u>
EBITDA	<u><u>(407,871)</u></u>	<u><u>(534,111)</u></u>

The Directors believe that the Group is a going concern, as explained in note 2 to the financial statements.

Corporate overview

Wrkr Ltd ('Wrkr') is an Australian regulatory technology business helping Australian employers to simplify workforce compliance across the hire-to-retain lifecycle. Wrkr replaces paper-based compliance processes across employee onboarding, payments, super contributions and self-managed superannuation funds ('SMSFs') with a simple, intuitive, and digital experience. The Group resolves compliance moments in real time by facilitating the collection, transfer and processing of data and payments between regulated authorities and participants in the ecosystem (HR/payrolls, Accountants, Advisors, Banks, Australian Prudential Regulation Authority ('APRA') and self-managed super fund ('SMSF') and federal departments like the Australian Taxation Office ('ATO')).

Significant changes in the state of affairs

On 19 August 2024, Wrkr successfully completed a A\$6,600,000 million placement of approximately 264,000,000 new fully paid ordinary shares to institutional, professional and sophisticated investors at a price of \$0.025 per new share ('Placement Price'). The Placement Price represents a:

- 19.4% discount to the last traded price of \$0.0310 on 14 August 2024
- 21.7% discount to the 5-day VWAP of \$0.0319
- 20.0% discount to the 30-day VWAP of \$0.0312

On 22 August 2024, new shares offered under the placement were settled.

Wrkr also conducted a non-underwritten Share Purchase Plan ('SPP') at an offer price of \$0.0256 per new share to give existing eligible shareholders an opportunity to participate in the capital raising. The offer price of \$0.0256 is a 20% discount to the 5-day Value-Weighted Average Price (VWAP) and therefore consistent with the pricing parameters set out in ASX Listing Rule 7.2, Exception 5 and ASX Listing Rule 10.11, Exception 4). The SPP raised an additional \$1,211,000 and was announced on 12 September 2024.

The funds raised under the Placement and the SPP will be used predominantly for the following:

- Strengthen the Group's balance sheet;
- Additional resources for WRKR to accelerate the MUFG Retirement Solutions (formerly Link Group) 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.

The Company and the noteholders also agreed to the early conversion of the existing \$3,300,000 Convertible Notes into new shares at the Placement Price. The Convertible Notes converted into 132,000,000 new shares on 23 August 2024, and the remaining interest of \$87,699 payable under the terms of the Convertible Notes was paid in cash.

There were no other significant changes in the state of affairs of the Group during the financial half-year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



Emma Dobson
Non-Executive Chair

20 February 2025
Sydney

Grant Thornton Audit Pty Ltd

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Auditor's Independence Declaration

To the Directors of Wrkr Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Wrkr Ltd for the half-year ended 31 December 2024. I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



R J Isbell
Partner – Audit & Assurance

Sydney, 20 February 2025

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Wrkr Ltd
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024



		Consolidated	
	Note	31 Dec 2024	31 Dec 2023
		\$	\$
Revenue			
Service fees	4	3,610,005	2,921,894
Interest on restricted client trust funds		1,273,500	957,529
Revenue from continuing operations		<u>4,883,505</u>	<u>3,879,423</u>
Government grants		69,719	32,882
Interest revenue calculated using the effective interest method		121,430	32,241
Expenses			
Employee benefits expense		(3,265,852)	(2,756,815)
Consulting fees		(287,276)	(299,734)
Depreciation and amortisation expense	5	(1,331,480)	(1,380,373)
Impairment of receivables		(6,626)	(582)
Conference and marketing expense		(84,363)	(74,571)
Transaction costs		(754,875)	(600,561)
Premises expense		(60,480)	(50,550)
Fair value movement on embedded derivatives		-	(808,061)
Share-based payments	16	(187,060)	(81,297)
ASX listing costs		(40,516)	(17,391)
Other expenses		(557,897)	(564,915)
Finance costs	5	<u>(19,354)</u>	<u>(47,263)</u>
Loss before income tax expense		(1,521,125)	(2,737,567)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Wrkr Ltd		(1,521,125)	(2,737,567)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Wrkr Ltd		<u>(1,521,125)</u>	<u>(2,737,567)</u>
		Cents	Cents
Basic earnings per share	15	(0.096)	(0.215)
Diluted earnings per share	15	(0.096)	(0.215)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

		Consolidated	
	Note	31 Dec 2024 \$	30 Jun 2024 \$
Assets			
Current assets			
Cash and cash equivalents		7,217,626	1,936,677
Trade and other receivables	6	1,692,872	983,020
Contract assets		1,069,760	1,294,449
Restricted client trust funds	7	49,917,943	38,432,666
Total current assets		<u>59,898,201</u>	<u>42,646,812</u>
Non-current assets			
Plant and equipment		127,065	99,445
Right-of-use assets		66,877	117,035
Intangibles	8	12,184,184	12,289,648
Total non-current assets		<u>12,378,126</u>	<u>12,506,128</u>
Total assets		<u>72,276,327</u>	<u>55,152,940</u>
Liabilities			
Current liabilities			
Trade and other payables		1,416,475	1,309,844
Contract liabilities		707,838	832,297
Borrowings		44,698	178,791
Lease liabilities		84,066	124,776
Convertible notes payable	9	-	83,749
Derivative financial instruments	13	-	3,972,030
Employee benefits		1,107,017	930,204
Deferred R&D government grant		82,061	80,321
Liability for restricted client trust funds	7	49,917,943	38,432,666
Total current liabilities		<u>53,360,098</u>	<u>45,944,678</u>
Non-current liabilities			
Lease liabilities		-	17,948
Employee benefits		120,172	154,167
Deferred R&D government grant		154,893	226,351
Total non-current liabilities		<u>275,065</u>	<u>398,466</u>
Total liabilities		<u>53,635,163</u>	<u>46,343,144</u>
Net assets		<u>18,641,164</u>	<u>8,809,796</u>
Equity			
Issued capital	10	56,180,699	44,891,201
Share-based payments reserve	11	326,932	263,937
Accumulated losses		<u>(37,866,467)</u>	<u>(36,345,342)</u>
Total equity		<u>18,641,164</u>	<u>8,809,796</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated	Issued capital \$	Share-based payments reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	44,891,201	241,216	(32,679,310)	12,453,107
Loss after income tax expense for the half-year	-	-	(2,737,567)	(2,737,567)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(2,737,567)	(2,737,567)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 11)	-	81,297	-	81,297
Lapsed options transferred to accumulated losses	-	(138,865)	138,865	-
Balance at 31 December 2023	<u>44,891,201</u>	<u>183,648</u>	<u>(35,278,012)</u>	<u>9,796,837</u>

Consolidated	Issued capital \$	Share-based payments reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2024	44,891,201	263,937	(36,345,342)	8,809,796
Loss after income tax expense for the half-year	-	-	(1,521,125)	(1,521,125)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(1,521,125)	(1,521,125)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 10)	11,165,433	-	-	11,165,433
Share-based payments (note 11)	-	187,060	-	187,060
Conversion of performance rights	124,065	(124,065)	-	-
Balance at 31 December 2024	<u>56,180,699</u>	<u>326,932</u>	<u>(37,866,467)</u>	<u>18,641,164</u>

	Consolidated 31 Dec 2024	31 Dec 2023
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	4,199,236	3,806,103
Payments to suppliers and employees (inclusive of GST)	(4,693,550)	(4,114,451)
Interest received	121,430	32,241
Interest and other finance costs paid	<u>(101,312)</u>	<u>(172,137)</u>
Net cash used in operating activities	<u>(474,196)</u>	<u>(448,244)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(50,540)	(61,892)
Payments for intangibles	<u>(1,152,939)</u>	<u>(1,362,185)</u>
Net cash used in investing activities	<u>(1,203,479)</u>	<u>(1,424,077)</u>
Cash flows from financing activities		
Proceeds from issue of shares	7,811,000	-
Payments for share issue transaction costs	(652,353)	-
Repayment of borrowings	(134,093)	(149,358)
Repayment of leases	<u>(65,930)</u>	<u>(3,715)</u>
Net cash from/(used in) financing activities	<u>6,958,624</u>	<u>(153,073)</u>
Net increase/(decrease) in cash and cash equivalents	5,280,949	(2,025,394)
Cash and cash equivalents at the beginning of the financial half-year	<u>1,936,677</u>	<u>4,108,448</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>7,217,626</u></u>	<u><u>2,083,054</u></u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Wrkr Ltd as a Group consisting of Wrkr Ltd ('Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year (together referred to in these financial statements as the 'Group'). The financial statements are presented in Australian dollars which is Wrkr Ltd's functional and presentation currency.

Wrkr Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 1, Level 3
104-112 Commonwealth Street
Surry Hills, NSW 2010

A description of the nature of the Group's operations and its principal activities are included in the Directors' report which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 20 February 2025. The Directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements arising under Australian Securities Exchange Listing Rules and the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial half-year ended 31 December 2024 and are not expected to have a significant impact for the full financial year ending 30 June 2025.

Any new or amended Accounting Standards or Interpretations not yet mandatory have not been early adopted.

Comparative information

Comparatives in the consolidated statement of profit or loss and other comprehensive income as detailed below, have been reclassified to the current year presentation to enhance comparability. There was no effect on the results of operations.

The separate presentation of the interest on restricted client trust funds from service fees revenue in the current half-year period resulted to corresponding reclassification adjustments in the prior half-year period revenue presentation in the consolidated statement of profit or loss and other comprehensive income as presented in the following table. There was no effect on net results resulting from the reclassification adjustments.

Note 2. Material accounting policy information (continued)

	31 December 2023 Reported \$	Adjustment \$	31 December 2023 Revised \$
Revenue			
Service fees revenue	3,879,423	(957,529)	2,921,894
Interest on restricted client trust funds	-	957,529	957,529
	<u>3,879,423</u>	<u>-</u>	<u>3,879,423</u>

Going concern

The financial statements have been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. For the half-year ended 31 December 2024, the Group recorded a loss before income tax of \$1,521,125 (31 December 2023: loss of \$2,737,567); showed net cash outflows from investing activities of \$1,203,479 (31 December 2023: \$1,424,077) and net cash outflows from operating activities of \$474,196 (31 December 2023: outflows of \$448,244). The net assets of the Group as of 31 December 2024 were \$18,641,164 (30 Jun 2024: \$8,809,796).

As at 31 December 2024, the Group had cash and cash equivalents of \$7,217,626 (30 Jun 2024: \$1,936,677).

The Directors believe that the Group is a going concern and believe that the going concern basis of preparation of the accounts is appropriate, based upon the following:

- Successful completion of a \$6,600,000 placement, settled on 23 August 2024, providing sufficient cash flows for the company for at least the next 12 months from the date of signing;
- Continued execution of the MUFG Retirement Services signed contracts in FY25;
- The convertible notes were converted to new shares on 23 August 2024. This conversion, along with the receipt of \$6,600,000 funds from the placement, has resulted in an improved net current asset position compared to the net current liability as at 30 June 2024.
- Continue to generate revenues from a historically steady base of transactional compliance Wrkr PAY services;
- Continued delivery of our long-term platform licence and support and maintenance contracts with our 3 major customers;
- Develop and deliver contracted compliance platform functionality additions for our major Wrkr Platform customer;
- Focus on maintaining and growing our Wrkr SMF Hub (Wrkr PAY) subscriptions that have demonstrated continued growth since launching this product in October 2021;
- Continued focus on the operating performance of the business; and
- Proactively and efficiently manage working capital.

Note 3. Operating segments

Identification of reportable operating segments

The Group is organised into one operating segment relating to the provision of services that enable its customers to meet their regulatory compliance across the hire to retire life cycle. It does that by facilitating the transfer of data and payments between regulated authorities and participants of the ecosystem (HR/payrolls, Accountants, Banks, APRA, and SMSF Funds and federal departments like the ATO).

The information reported to the Board of Directors (being the Chief Operating Decision Makers ('CODM')) consists of the results as shown in the statement of profit or loss and other comprehensive income and statement of financial position in this Interim Report and has therefore not been replicated as segment disclosure.

The Directors have determined that there are no operating segments identified for the year which are considered separately reportable.

Note 4. Service fees revenue

Disaggregation of service fees revenue

The disaggregation of service fees is as follows:

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$	\$
<i>Major product lines</i>		
Wrkr Pay	2,519,849	1,762,717
Wrkr Platform	1,014,475	1,159,037
Wrkr Ready	75,681	140
	<u>3,610,005</u>	<u>2,921,894</u>
<i>Geographical regions</i>		
Australia	<u>3,610,005</u>	<u>2,921,894</u>
<i>Timing of revenue recognition</i>		
Services transferred at a point in time	1,442,865	1,459,549
Services transferred over time	<u>2,167,140</u>	<u>1,462,345</u>
	<u>3,610,005</u>	<u>2,921,894</u>

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Note 5. Expenses

Consolidated
31 Dec 2024 **31 Dec 2023**
\$ \$

Loss before income tax includes the following specific expenses:

Depreciation

Plant and equipment	4,866	9,358
Office equipment	18,054	13,132
Right-of-use assets	50,158	33,439
	73,078	55,929

Amortisation

Intellectual property	104,414	104,414
Patents and trademarks	8,801	8,800
Software	1,049,287	1,115,330
Client relationships	95,900	95,900
	1,258,402	1,324,444
Total depreciation and amortisation	1,331,480	1,380,373

Finance costs

Interest and finance charges paid/payable on borrowings	13,948	8,757
Interest and finance charges paid/payable on lease liabilities	5,406	6,685
Interest on convertible notes (debt host)	-	31,821
	19,354	47,263

Leases

Short-term lease payments	60,480	50,550
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Superannuation expense

Defined contribution superannuation expense	382,353	241,185
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Note 6. Trade and other receivables

Consolidated
31 Dec 2024 **30 Jun 2024**
\$ \$

Current assets

Trade receivables	919,458	359,956
Less: Allowance for expected credit losses	(13,147)	(8,446)
	906,311	351,510
Security deposits	48,506	46,640
Prepayments	389,180	469,171
Other receivables	348,875	115,699
	1,692,872	983,020

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Note 6. Trade and other receivables (continued)

Allowance for expected credit losses

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

Consolidated	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	31 Dec 2024	30 Jun 2024	31 Dec 2024	30 Jun 2024	31 Dec 2024	30 Jun 2024
	%	%	\$	\$	\$	\$
Not overdue	-	-	727,416	288,454	-	-
0 to 3 months overdue	2.63%	4.00%	70,301	50,023	1,799	1,994
3 to 6 months overdue	10.60%	10.00%	103,063	10,882	2,009	1,153
Over 6 months overdue	50.00%	50.00%	18,678	10,597	9,339	5,299
			<u>919,458</u>	<u>359,956</u>	<u>13,147</u>	<u>8,446</u>

Note 7. Restricted client trust funds

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
<i>Current assets</i>		
Restricted client trust funds	<u>49,917,943</u>	<u>38,432,666</u>
<i>Current liabilities</i>		
Liability for restricted client trust funds	<u>49,917,943</u>	<u>38,432,666</u>

Restricted client trust funds

The cash in the restricted client trust funds are held in bank accounts specifically designated as funds in trust for clients, with all client trust funds segregated from the Group's own cash. The Group may earn interest from these client funds held in trust. The average interest rate on restricted client trust funds for the half-year ended 31 December 2024 was 4.4% (30 June 2024: 4.4%). Typically, cash on restricted client trust funds move through the Company's trust funds within a standard 3-day settlement period.

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Note 8. Intangibles

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
<i>Non-current assets</i>		
Goodwill - at cost	11,921,492	11,921,492
Less: Impairment	<u>(6,755,549)</u>	<u>(6,755,549)</u>
	5,165,943	5,165,943
Intellectual property - at cost	1,054,611	1,054,611
Less: Accumulated amortisation	<u>(873,159)</u>	<u>(768,745)</u>
	181,452	285,866
Patents and trademarks - at cost	1,079,981	1,079,981
Less: Accumulated amortisation	<u>(279,215)</u>	<u>(270,414)</u>
Less: Impairment	<u>(712,753)</u>	<u>(712,753)</u>
	88,013	96,814
Software - at cost	18,091,060	16,938,122
Less: Accumulated amortisation	<u>(9,950,934)</u>	<u>(8,901,647)</u>
Less: Impairment	<u>(1,667,133)</u>	<u>(1,667,133)</u>
	6,472,993	6,369,342
Brand name - at cost	68,000	68,000
Client relationships - at cost	6,082,600	6,082,600
Less: Accumulated amortisation	<u>(4,950,765)</u>	<u>(4,854,865)</u>
Less: Impairment	<u>(924,052)</u>	<u>(924,052)</u>
	207,783	303,683
	<u>12,184,184</u>	<u>12,289,648</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Goodwill	Intellectual property	Patents and trademarks	Software	Brand name	Client relationships	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2024	5,165,943	285,866	96,814	6,369,342	68,000	303,683	12,289,648
Additions	-	-	-	1,152,938	-	-	1,152,938
Amortisation expense	<u>-</u>	<u>(104,414)</u>	<u>(8,801)</u>	<u>(1,049,287)</u>	<u>-</u>	<u>(95,900)</u>	<u>(1,258,402)</u>
Balance at 31 December 2024	<u>5,165,943</u>	<u>181,452</u>	<u>88,013</u>	<u>6,472,993</u>	<u>68,000</u>	<u>207,783</u>	<u>12,184,184</u>

Note 9. Convertible notes payable

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
<i>Current liabilities</i>		
Convertible notes payable	<u>-</u>	<u>83,749</u>

Note 9. Convertible notes payable (continued)

On 19 August 2024, Wrkr announced that it will be converting all of its \$3,300,000 Convertible Notes into new shares at a conversion price of \$0.025 at an early maturity date of Monday 19 August 2024. The conversion price was based on a 20% discount to the Company's 30-day Volume-Weighted Average Price ("VWAP") from the last traded price of \$0.0310 on 14 August 2024. The number of new shares issued on 23 August 2024 on conversion of the Convertible Notes is 132,000,000. The new shares will rank equally with existing Wrkr shares from their date of issue.

The interest that would have accrued from the last interest payment date of 29 June 2024 to 4 October 2024 of \$87,699 was paid in cash as directed to the Noteholders on the new maturity date of 19 August 2024.

Note 10. Issued capital

	31 Dec 2024 Shares	Consolidated 30 Jun 2024 Shares	31 Dec 2024 \$	30 Jun 2024 \$
Ordinary shares - fully paid	<u>1,722,774,163</u>	<u>1,271,589,025</u>	<u>56,180,699</u>	<u>44,891,201</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2024	1,271,589,025		44,891,201
Issue of shares through share placement	23 August 2024	264,000,000	\$0.025	6,600,000
Issue of shares at fair value through conversion of convertible notes	23 August 2024	132,000,000	\$0.025	3,972,935
Issue of shares through conversion performance rights (class C)	05 September 2024	1,750,000	\$0.018	30,699
Issue of shares through conversion performance (class A)	05 September 2024	2,830,500	\$0.012	33,966
Issue of shares through share purchase plan	13 September 2024	47,304,638	\$0.026	1,210,999
Issue of shares through conversion performance rights (Class B)	03 October 2024	1,100,000	\$0.022	24,200
Issue of shares through conversion performance rights (class B)	21 October 2024	1,100,000	\$0.018	19,800
Issue of shares through conversion performance rights (Class B)	13 December 2024	1,100,000	\$0.014	15,400
Share placement transaction costs				(464,840)
Convertible notes conversion transaction costs				(66,693)
Share purchase plan transaction costs				(86,968)
Balance	31 December 2024	<u>1,722,774,163</u>		<u>56,180,699</u>

Note 11. Share-based payments reserve

	Consolidated 31 Dec 2024 \$	30 Jun 2024 \$
Share option reserve	271,771	211,583
Performance right reserve	55,161	52,354
	<u>326,932</u>	<u>263,937</u>

Note 11. Share-based payments reserve (continued)

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

	Share option \$	Performance rights \$	Total share- based payment reserves \$
Consolidated			
Balance at 1 July 2024	211,583	52,354	263,937
Share-based payment	60,188	126,872	187,060
Conversion to ordinary shares	-	(124,065)	(124,065)
Balance at 31 December 2024	<u>271,771</u>	<u>55,161</u>	<u>326,932</u>

Note 12. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 13. Fair value measurement

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated - 31 Dec 2024

Liabilities

Derivative financial instruments
Total liabilities

	Level 1 \$	Level 2 \$	Level 3 \$
Derivative financial instruments	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>

Consolidated - 30 Jun 2024

Liabilities

Derivative financial instruments
Total liabilities

	Level 1 \$	Level 2 \$	Level 3 \$
Derivative financial instruments	-	3,972,030	-
Total liabilities	<u>-</u>	<u>3,972,030</u>	<u>-</u>

There were no transfers between levels during the financial half-year.

Valuation techniques for fair value measurements categorised within level 2 and level 3

Derivative financial instruments have been valued using quoted market rates. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.

Note 13. Fair value measurement (continued)

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current financial half-year are set out below:

Consolidated	Derivative financial instruments \$
Balance at 1 July 2024	3,972,030
Amounts recognised in profit or loss	905
Conversion to ordinary shares	<u>(3,972,935)</u>
Balance at 31 December 2024	<u><u>-</u></u>

Note 14. Contingent liabilities

The Group had no material contingent liabilities at 31 December 2024 or 30 June 2024.

Note 15. Earnings per share

	Consolidated 31 Dec 2024 \$	31 Dec 2023 \$
Loss after income tax attributable to the owners of Wrkr Ltd	<u>(1,521,125)</u>	<u>(2,737,567)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,585,823,315</u>	<u>1,271,589,025</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,585,823,315</u>	<u>1,271,589,025</u>
	Cents	Cents
Basic earnings per share	(0.096)	(0.215)
Diluted earnings per share	(0.096)	(0.215)

45,000,000 share options, 12,419,500 performance rights have been excluded from the above calculation for diluted earnings per share at 31 December 2024 (31 December 2023: 50,000,000 share options, 11,000,000 performance rights and 3,300,000 convertible notes) as their inclusion would be anti-dilutive due to the loss for the half-year.

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Note 16. Share-based payments

Employee Securities Incentive Plan

On 18 September 2024, the Company granted 6,000,000 class D performance rights to its staff under the Company's Employee Securities Incentive Plan ('ESIP').

The vesting conditions of the performance rights follow:

Class	Number of rights	Vesting date	Vesting conditions
Class D - Tranche 1	2,933,334	31 August 2025	<p>The vesting conditions for Tranche 1 performance rights are the satisfaction of both of the following:</p> <p>(a) The employee is employed by the Company or one of its subsidiaries as at the Tranche 1 Vesting Date; and</p> <p>(b) The market share price of an ordinary share of the Company (as calculated below) is equal to or greater than \$0.04.</p> <p>For the purposes of the (b) condition above, the market share price is the volume weighted average price per share traded in ASX over the 20 trading days during which shares are actually traded immediately preceding the Tranche 1 Vesting date.</p> <p>If these conditions are not satisfied on the Tranche 1 Vesting date, then the Tranche 1, Tranche 2 and Tranche 3 performance rights will automatically lapse on this date.</p>
Class D - Tranche 2	1,533,333	31 August 2026	<p>The vesting conditions for Tranche 2 performance rights are the satisfaction of both of the following:</p> <p>(a) The satisfaction of Tranche 1 vesting conditions and vesting of the Tranche 1 performance rights; and</p> <p>(b) The relevant employee is employed by the Company or one of its subsidiaries as at the Tranche 2 Vesting date.</p> <p>If these vesting conditions are not satisfied on the Tranche 2 Vesting date, then the Tranche 2 and Tranche 3 performance rights will automatically lapse on this date.</p>
Class D - Tranche 3	1,533,333	31 August 2027	<p>The vesting conditions for Tranche 3 performance rights are the satisfaction of both of the following:</p> <p>(a) The satisfaction of Tranche 1 vesting conditions and vesting of the Tranche 1 performance rights; and</p> <p>(b) The relevant employee is employed by the Company or one of its subsidiaries as at the Tranche 3 Vesting date.</p> <p>If these vesting conditions are not satisfied on the Tranche 3 Vesting date, then the Tranche 3 performance rights will automatically lapse on this date.</p>

Total expense arising from share-based payment transactions recognised as of 31 December 2024 was \$187,060 (31 December 2023: \$81,297).

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Note 16. Share-based payments (continued)

For the performance rights granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Vesting condition	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
18/09/2024	31/08/2025	\$0.042	\$0.040	94.00%	-	3.83%	\$0.0300
18/09/2024	31/08/2026	\$0.042	\$0.040	90.00%	-	3.45%	\$0.0300
18/09/2024	31/08/2027	\$0.042	\$0.040	91.00%	-	3.38%	\$0.0300

Note 17. Events after the reporting period

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Emma Dobson
Non-Executive Chair

20 February 2025
Sydney

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Independent Auditor's Review Report

To the Members of Wrkr Ltd

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Wrkr Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, including material accounting policy information, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Wrkr Ltd does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

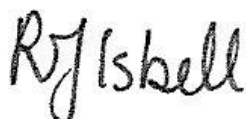
Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Grant Thornton Audit Pty Ltd
Chartered Accountants



R J Isbell
Partner – Audit & Assurance

Sydney, 20 February 2025

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