

ASX Announcement

31 January 2022

December 2021 Quarterly Update

WOOBOARD TECHNOLOGIES LTD (ASX: WOO) (“WOO”, “Wooboard” or “the Company”), has today released its Appendix 4C and is pleased to provide an operational update for the quarter ended 31 December 2021.

Summary of activities for the period:

- WOO continues product development of “Sixty” in conjunction with WooBoard 2.0. Further, WOO has explored significant sales and technology integration partnerships for Sixty’s launch in order to drive sales growth from enterprise clients.
- Capitalising on WOO’s development and substantial investment in Sixty, WOO has attracted interest in Sixty from Slik (slikpro.com) after a global search for an ideal reseller and technology partner.
- Slik is headquartered in Argentina and targets the Latin American Market (“**LAM**”) with ambitions for expansion into further English speaking markets, including the Asia Pacific Region (“**APAC**”). Slik has over 150,000 users including clients such as Toyota, Starbucks, DHL, PF Changs, AXZ Ecolab, Honda, Heineken and Danone.
- WOO and Slik have spent months in discussions as to technology sharing and reseller agreements. The parties have identified major opportunities in integrating Sixty in to Slik’s product suite.
- Slik believes that it can integrate and sell Sixty to its enterprise clients globally. Slik has particularly been looking for a product such as Sixty and was considering developing a similar product internally. WOO and Slik realise there are significant advantages in working together and capitalising on each other’s comparative advantages in each other’s core markets.
- As part of months of negotiations that occurred during the December quarter and throughout January, WOO and Slik have entered into an agreement (subject to final due diligence by both parties) for WOO to be the exclusive reseller of Slik’s products in the APAC region and for Slik to be a reseller of Sixty in the LAM region. Due to the strong technological synergies between the product offerings, the companies anticipate the seamless integration of product suites.
- Slik’s highly experienced and respected team will assist WOO with the technological integrations. As part of the transaction, WOO has executed a term sheet subject to final due diligence to acquire 20% of Slik (slikpro.com) for USD\$800,000 and enter into the exclusive reseller agreement for a period of 50 years with an option to renew for an additional 50 years.

- Compared to prior capital raisings conducted by Slik from respected VCs, this investment by WOO in the Slik head company is on highly favourable terms to WOO in recognition of the strong contributions WOO will make to the partnership with Slik.
- WOO's main motivation for the transaction is to drive sales for Sixty in an accelerated manner. The Directors having assessed extensive options feel that the best way to achieve results as soon as possible on the sales front post launch is through bringing on a strong technology and sales partner such as Slik that already has a large number of users and major enterprises as clients. This proves cost and time effective to be able to integrate with a partner who already has clients such as Toyota, Honda, Heinekin, DHL and Danone. To derive such relationships from scratch would be a time intensive and costly exercise for WOO if we were to 'go it alone'.
- Slik's team anticipates strong interest from its existing enterprise clients.
- Due to the immense potential and numerous advantages this partnership brings to WOO and Slik, WOO's directors have been encouraged by our corporate advisors to leverage Slik's desire to work with Sixty in order to negotiate an investment in Slik's head company by WOO on favourable terms. WOO's directors do not wish to raise capital at the current undervalued share price. Therefore, WOO intends to fund this USD\$800,000 investment in Slik by way of a 12 month convertible note, to be issued to institutional investors at a coupon of 6% per annum and a conversion price of \$0.0035 (WOO's current share price is \$0.001 as at 31 January 2022 so the conversion price reflects a 250% premium to the current share price).

Corporate

The Company's cash position as 31 December 2021 was \$1,724,000. Cash outflow for the quarter was \$746,000 as the Company continued to research, develop, and test the commercial product offering.

Other items

During the quarter, the Company settled a commercial dispute with an IT vendor as to the fees charged for services. In the upcoming quarter, the Company anticipates lower staffing costs if it is able to complete the transaction with Slik. By leveraging off Slik's technology team as part of the partnership, WOO believes it can significantly make IT development costs more efficient through the technology sharing arrangement with Slik.

Authorised for release by the Board of WooBoard Technologies Ltd.

– ENDS –

For further information, please contact:

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About WOBOARD TECHNOLOGIES

WOBOARD TECHNOLOGIES (ASX:WOO) is an Australian-based software-as-a-service solutions company that provides enterprises with a range of services based on its proprietary employee reward, recognition and mindfulness platform, WooBoard. The focus is around creating happier and more productive employees by offering modules targeting mental health and wellbeing, skill building and performance optimisation of employees of large global enterprises.

Appendix 4C
Quarterly cash flow report for entities
subject to Listing Rule 4.7B

Name of entity

WOOBOARD TECHNOLOGIES LIMITED

ABN**Quarter ended ("current quarter")**

64 600 717 539

31-December-2021

	Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1	Cash flows from operating activities		
1.1	Receipts from customers	5	12
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(186)	(515)
	(c) advertising and marketing	(28)	(92)
	(d) leased assets	-	-
	(e) staff costs	(425)	(787)
	(f) administration and corporate costs	(149)	(388)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	37	37
1.8	Other (Profit on sale of shares)	-	-
1.9	Net cash from / (used in) operating activities	(746)	(1,733)
2	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	(8)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other (Loyyal Bid Process)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
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	0	(8)

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	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,470	2,470
4.2	Net cash from / (used in) operating activities	(746)	(1,733)
4.3	Net cash from / (used in) investing activities	0	(8)

Consolidated statement of cash flows		Current quarter	Year to date
		\$A'000	(6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,724	729
5	Reconciliation of cash and cash equivalents	Current quarter	Previous quarter
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	\$A'000	\$A'000
5.1	Bank balances	1,724	2,470
5.2	Call deposits	-	-
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)	1,724	2,470
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	-	
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-	
<i>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.</i>			

7	Financing facilities	Total facility amount at quarter end	Amount drawn at quarter end
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>	\$A'000	\$A'000
	<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		
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.		

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8	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(746)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	1,724
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	1,724
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	2.31
	<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>	

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: 31st January 2022

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.