

ASX Announcement/Press Release | 31 January 2023 Wooboard Technologies Limited (ASX:WOO)

Quarterly Activities Report & Appendix 4C

Employee engagement and well-being platform developer Wooboard Technologies Limited (ASX:WOO) ("Wooboard" or "the Company") is pleased to announce its Appendix 4C cash flow statement for the quarter ended 31 December 2022 (Q2 FY23), along with the following financial and operational update.

Ongoing product development of Sixty wellbeing app

During the period the Company forged ahead with development of the Sixty wellbeing app ("Sixty"). Sixty underwent several development milestones that aimed to improve the user experience and functionality of the platform. One of the main development milestones achieved during this period was the implementation of live streaming for content creators and an improved user interface and user experience (UI/UX) design. This feature allows for content creators to stream live sessions with users, providing them with real-time access to expert advice and guidance in a variety of wellness specialties, including yoga, fitness, and meditation.

Additionally, the integration of Vimeo, a leading video hosting platform, also ensures that the live streaming feature is of high quality and runs smoothly, providing users with a seamless experience.

To improve the UI/UX design, several changes were made to the app's layout and interface. These changes included simplifying the menu structure, organizing the content into more manageable sections, and highlighting the most important features of the app. This made the app more visually pleasing and intuitive to navigate, which is expected to increase engagement and retention of users.

Another key development milestone that the app achieved during this period was the addition of a new chat feature, which allows for direct communication with wellness creators in real-time. This feature provides users with an opportunity to participate in live sessions with experts in a variety of wellness specialties. Users can also connect with not only the content creators/ experts but also other users in real-time, providing them with an opportunity to share tips, ask questions, and provide encouragement to one another. These new chat and video streaming features are expected to create a sense of community within the app.

Additionally, the app was set up in Spanish language as part of the development milestones. This version of the app includes all of the same features and functionality of the English version, but with all of the content translated into Spanish. To support the Spanish-language version of the app, new Spanish-language content creators were also onboarded during this period. These content creators came from a wide range of wellness specialties, including yoga, fitness, and meditation. They brought a wealth of knowledge and experience to the platform and will help to create a sense of community among Spanish-speaking users.

Alongside the larger aforementioned updates, the Sixty app also received several smaller updates during this period. These updates helped to improve the overall stability and security of the app, making it a more reliable and trustworthy platform for users. These updates included bug fixes, performance improvements, and security enhancements to ensure that the app is running at optimal level and provide a secure environment for users.

Overall, the development milestones achieved during the October to December period have helped to significantly improve the functionality and user experience of the sixty wellbeing web app. The addition of new features and content creators, as well as the setup of the platform in Spanish language, have helped to make the app more accessible and effective for users. This is expected to increase the app's user base, especially in the Spanish-speaking market, and increase engagement and retention of users. The app's developers are committed to continuing to improve the app and provide users with the best possible experience.

Review of Slik acquisition

The Company having completed tranche one of the Slik acquisition is now considering options in regards to the payment of the next two tranches. In order to complete these two tranches, the Company is totally reliant on investor and shareholder support to raise the required capital pursuant to the contractual agreement with Slik which is subject to the Company's ability to raise funding for Slik. The Company notes that shareholders at the Company's AGM voted against a resolution for further capital raising for Slik's remaining two tranches. The Company understands the concern shareholders have expressed to the Board in regard to the performance of Slik to date having not fully met expectations, the current economic climate and apprehension as to further dilution by way of capital raising at the Company's current market capitalisation.

Regardless of whether or not the Company has the ability to proceed with the remaining two tranches, the Company has completed tranche one and is a shareholder of Slik pursuant to the completion of tranche one which has occurred.

The Board's view is that due to the current economic environment and giving consideration to how shareholders voted at the AGM that the Company needs to make Sixty the paramount focus and develop Sixty to be a standalone product. In regards to Slik, the Company is presently continuing to examine other funding options for Slik after the result at the AGM.

Aside from purchasing additional equity in Slik and whether the Company has the ability to proceed with these additional tranches (it cannot do so without investor support for Slik); in regards to the core business of the Company being Sixty and the WooBoard product suite, it is the view of the Company that it continues to have the support of major shareholders and the corporate advisor Clee Capital as to all funding requirements for the Company (excluding Slik) for the next 12 months.

Corporate

During the period, the Company successfully completed a capital raising in the amount of \$370,000 (before costs) covered by the Company's existing placement capacity under ASX Listing Rule 7.1 and consisting of 569,230,774 new shares for the purpose of raising funds to complete tranche one of the Company's Slik acquisition.

The Company paid to the lead broker a 5% + GST cash fee and 100m Wooboard share options which were approved at the FY22 AGM.

On 16 December 2022 the Company announced to the market that it completed a twenty (20) to one (1) share consolidation resulting in 229,954,853 fully paid ordinary shares in the Company now on issue post-consolidation.

The Company's cash position as 31 December 2022 was \$360,000 with net cash from/ (used in) operating activities in the quarter of \$218,000.

Looking ahead, Wooboard's cash position is expected to be boosted early in its Q3 FY23 period by Research and Development claim for year ended 30 June 2022 and reduction in spend.

Additional Information

During the December 2022 quarter, the Company paid fees and remuneration to directors in an amount of \$75,000 and accountancy fees in amount of \$3,000 were paid to a related party. No other payments to related parties were made.

-ENDS-

This ASX announcement has been authorised by Wooboard Technologies Limited's Board of Directors

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About Wooboard

Wooboard Technologies (ASX:WOO) is an ASX listed company focused on the human resources space ("HR"), with a particular focus on health, wellness and mindfulness of employees of large global enterprises. The Company is developing an evolving stable of software-as-a-service (SaaS) product offerings and a strategic investment in a fully operational platform that monitors worker experience. Wooboard leverages off the digitisation of workplace wellbeing, which involves the inter-related market segments of personal health/wellness and enterprise human resource (HR) managers, the latter monitoring the performance of staff under their control.

Wooboard owns and operates the rapidly evolving Sixty business which services Wooboard's focus on the enterprise HR space. Sixty gives the Company exposure to roll-out its mental health, wellness and mindfulness solutions to the business-to-consumer (B2C) marketplace in addition to servicing the Company's primary focus which is to develop compelling software for the business-to-business (B2B) marketplace. This venture has, over time, created proprietary intellectual property powering a revolutionary health and wellness-related platform that, when fully operational, will do much more than just target HR managers and employees under their control. The platform will also target health & wellness creators and health & wellness seekers. Sixty will soon launch a SaaS wellbeing web app currently going through an extensive trial process. This app will target B2B clients, with revenue to be generated by enterprise subscription plans. Sixty will also soon be launching a sister Health and Wellness app, the latter specifically aimed at B2C market place. The Sixty Wellness app will give content providers the platform to monetise their life style passions across a range of sub categories, including health, fitness, yoga, nutrition, meditation and mindset coaching. Those accessing the app – both HR professionals and the workers they are responsible for - will get quality bitesize content from wellness creators.

Wooboard upon completion of the Slik acquisition (two tranches remaining to be completed) shall also holds a 20% stake in Slik, the developer of an intelligent self-managing platform giving employers a way to measure, analyse and improve employee experience across their workforces. This capability is delivered cost effectively via a combination of tailored surveys, real-time reports pinpointing opportunities for improvement and artificial intelligence that provides actionable insights. Wooboard is the exclusive reseller of Slik products across the Asia-Pacific region, which is home to more than half of the globe's total workforce. The company is now also in the process of forming an even deeper commercial relationships with Slik, which is expected to soon offer the Sixty Well-Being program to its growing client base.

To learn more, please visit: www.wooboard.com/

Appendix 4C

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

Name of entity

WOOBOARD TECHNOLOGIES LIMITED

ABN

64 600 717 539

Quarter ended ("current quarter")

31-December-2022

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	4	10
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(44)	(257)
	(c) advertising and marketing	(9)	(15)
	(d) leased assets	-	-
	(e) staff costs	(118)	(262)
	(f) administration and corporate costs	(46)	(328)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	1
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	592
1.8	Other (Profit on sale of shares)	-	-
1.9	Net cash from / (used in) operating activities	(213)	(259)
2	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	(9)	(398)
	(e) intellectual property	-	-
	(f) other	-	-

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	(9)	(398)

3	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	370	370
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	(6)	(6)
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	364	364

4	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	218	653
4.2	Net cash from / (used in) operating activities	(213)	(259)
4.3	Net cash from / (used in) investing activities	(9)	(398)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	364	364
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	360	360
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	360	218
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)	360	218

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	78
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	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
	<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.		

8	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(213)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	360
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	360
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	1.7
	<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?	
	The entity has undertaken further cost reductions including suspension and deferral of director fees and other operating expenditure to reduce level of net operating cash flow. The entity anticipates to receive funds from lodgement of R&D expenditure grant for the year ended 30 June 2022 during the current period.	
	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?	
	The entity has received confirmation from its corporate advisors that if and when required sufficient capital can be raised to fund operations for the next 12 months at current forecasted burn rate. The entity is also considering other funding alternatives such as a Convertible Note.	
	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?	
	Yes, for the reasons documented in 8.6.1 and 8.6.2; namely focused on core product combined with reduction of director fees, expected receipt of R&D grants for FY2022 and assurances to the company from corporate advisors that capital can be raised if and when required. Although the entity is assured of its ability to raise capital if necessary, the entity will only do so if deemed absolutely necessary.	
	<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: **31 January 2023**

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.