

Quarterly Activities Report & Appendix 4C

31 July 2024

Thrive Tribe Technologies Limited (ASX: 1TT) (“the Company”) is pleased to announce its Appendix 4C cash flow statement for the quarter ended 30 June 2024 (Q4 FY24), along with the following financial and operational update.

June Quarter Operations

Kumu (100% owned)

During the June quarter the Kumu product has undergone significant enhancements focused on improving user experience and platform functionality. These upgrades, meticulously developed and tested during the beta phase, aim to provide a more robust and user-friendly interface for both members and experts. This report details the specific improvements made to the platform, covering various aspects from direct communication capabilities to performance optimizations.

Product Enhancements During the Beta Phase

The beta phase of Kumu saw the implementation of several key improvements designed to enhance user interaction and platform usability. The notable updates include:

Profile 2.0 with Enhanced Credential Upload and Verification The new Profile 2.0 update offers a more comprehensive and secure profile management system. Users can now upload and verify their credentials more efficiently, enhancing trust and credibility within the community.

Marketing Preferences via Profile Users can now manage their marketing preferences directly through their profiles. This feature allows users to control the type and frequency of marketing communications they receive, enhancing personalization and satisfaction.



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Upload & Delete Videos to the Library Members and experts can now easily upload and delete videos in the platform's library. This functionality supports better content management, allowing users to keep their resources up-to-date and relevant.

Enhanced Sign-Up Flow and Onboarding The sign-up and onboarding processes have been streamlined to offer a smoother experience for new users. These improvements reduce friction and help users get started with the platform more quickly and efficiently.

Enhanced Platform Performance Numerous optimizations have been implemented to improve overall platform performance. These enhancements result in faster load times, smoother navigation, and a more stable user experience.

Expansion During the Beta Phase

The beta phase also saw content creators across multiple disciplines join Kumu, significantly enriching the platform's diversity and expertise. To facilitate the beta, the Company increased its headcount to 16, including staff, contractors, and consultants, incurring substantial expenses. This expansion was crucial for supporting the enhanced development and testing of the platform.

Additional Developments in May

In May, Kumu saw further technical advancements, adding new capabilities and refining existing ones:

Teaser Video Upload Capability for Members Members now have the ability to upload teaser videos, enabling them to give previews of their content and attract more interest and engagement from the community.

Find an Expert Online as a Non-Member Non-members can now search for and find experts online. This functionality opens up the platform to a broader audience, increasing visibility for experts and potentially attracting new members to the community.

Strategic Review and Headcount Adjustment

Having successfully completed the beta phase, it is now an appropriate time for the Company to significantly reduce headcount in order to evaluate the results of the beta and consider future product research and development initiatives. With the bulk of the initial development complete the active headcount on Kumu has been reduced to two full-time executives, supplemented by IT resources and Chief of Business Development and Chief of Talent Management and Acquisitions Shane Lee, who reports to the Board of 1TT. This strategic reduction from the peak headcount of 16 allows for cost rationalization and a thorough re-evaluation of the Company's strategy moving forward.

Future Directions

With Kumu, the Company now possesses an extensive software suite and is evaluating ways to best leverage it for maximum shareholder return on investment. The Company sees many potential use cases for its software across multiple sectors, including mental health and wellness. A strategic review of the Company's technology suite is planned to explore these opportunities and further details to be announced the first quarter of FY25. The strategic review and headcount adjustment ensure that the Company is well-positioned to maximize the potential of its technological innovations and explore new market opportunities.

Daily Food (54% owned)

During the quarter, Daily Food's revenue remained steady quarter on quarter however the company continues to be in a loss position, for this quarter the loss reported by Daily Food was \$14,387. As a result of this continued loss position, Daily Food's headcount has been reduced to 2 to manage production costs. We understand that Daily Food's founder and team are currently considering the future direction of the business. Thrive Tribe does not intend to provide any additional financial support to Daily Food. Simultaneously, Thrive Tribe is conducting its own strategic review into the Daily Food's investment which has included

discussions with various interested parties to exit the company's interest on the appropriate commercial terms.

Slik Investment Update (6.7% owned)

In this quarter, Slik achieved strong growth and innovation. Slik indicates that they have onboarded 11 new clients which marks a 25% expansion in Slik's client base. New client acquisitions include Zurich, a prominent global insurance company. Slik also introduced a new feature that enables users to download executive reports directly from the front-end, enhancing user convenience and accessibility. Additionally, Slik conducted an extensive market survey in Brazil, garnering insights from over 50,000 employees across 70 companies. To support the continued growth and development, Slik is initiating a USD\$1.5 million investment round which values the company at USD\$10 million. Thrive Tribe is closely monitoring the progress of this investment round and intends to exit its position from Slik on appropriate commercial terms.

Corporate

Per the Appendix 4C the Company's cash position as 30 June 2024 was \$157,000 with net cash from/ (used in) operating activities in the quarter of \$802,000. During the quarter the Company reduced its debt burden by repaying \$4,000,000 of borrowing by way of conversion of convertible notes to ordinary shares.

During the quarter, the Company paid fees and remuneration to directors in an amount of \$53,000 and accountancy fees in amount of \$8,000 was paid to a related party. No other payments to related parties were made.

Subsequent to the end of the quarter, the Company has received confirmation from AusIndustry pertaining to the success of the Company's R&D grant application for FY24. The Company therefore anticipates a cash inflow of approximately \$815,000 once the FY24 tax



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returns are imminently lodged. Current capital raising efforts, anticipated R&D Grant cash inflow and the ongoing sale process of Daily Food and Slik investments give the Board confidence as to the Company's ongoing financial viability.

-ENDS-

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

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About Us

Thrive Tribe Technologies Limited (Thrive Tribe) is here to create a connected world of thriving humans, inspired by impact-driven business. Extending beyond just the workplace, we want to inspire healthy and happy individuals and communities everywhere.

To achieve this, we'll create a community where individuals can interact with, consume from and be inspired by individuals and businesses trailblazing new paths in their respective industries. Our health and wellness app, Kumu provides a platform to achieve these goals. We partner with change-makers and disruptive brands to build a better future. Kumu will enable trailblazing businesses and thought leaders to make a positive impact on our community. Our team comprises experienced thought leaders, investors, industry experts and passionate people committed to real social impact.

We have a wealth of experience when it comes to identifying exciting opportunities and a deep understanding of the start-up, entrepreneurial and health and wellness industries. No one is better placed to help small, purpose-led businesses thrive than our tribe.

Thrive Tribe Technologies

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

Name of entity

THRIVE TRIBE TECHNOLOGIES LIMITED

ABN

Quarter ended ("current quarter")

64 600 717 539

30 JUNE 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year (12 months) \$A'000
1	Cash flows from operating activities		
1.1	Receipts from customers	125	486
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(312)	(2,630)
	(c) advertising and marketing	(54)	(607)
	(d) leased assets	-	-
	(e) staff costs	(369)	(1,141)
	(f) administration and corporate costs	(191)	(1,493)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	72
1.5	Interest and other costs of finance paid	(2)	(21)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	962
1.8	Other (Profit on sale of shares)	-	-
1.9	Net cash from / (used in) operating activities	(802)	(4,372)
2	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(3)	(23)
	(d) investments	-	(132)
	(e) intellectual property	-	-
	(f) other	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year (12 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	(3)	(155)

3	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	4,000	4,000
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	-	(165)
3.5	Proceeds from borrowings	154	326
3.6	Repayment of borrowings	(3,839)	(4,639)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	19	26
3.10	Net cash from / (used in) financing activities	334	(452)

4	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	628	5,137
4.2	Net cash from / (used in) operating activities	(802)	(4,372)
4.3	Net cash from / (used in) investing activities	(3)	(155)

Consolidated statement of cash flows		Current quarter \$A'000	Year (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	334	(452)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	157	158
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	157	2,134
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)	157	2,134

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	61
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.		

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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)	(802)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	157
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	157
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	0.2
	<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 Company continues cost rationalisation efforts which commenced in the June quarter.	
	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?	
	Subsequent to the end of the quarter, the Company has received confirmation from AusIndustry pertaining to the success of the Company's R&D grant application for FY24. The Company therefore anticipates a cash inflow of approximately \$815,000 once the FY24 tax returns are imminently lodged. Current capital raising efforts, anticipated R&D Grant cash inflow and the ongoing sale process of Daily Food and Slik investments give the Board confidence as to the Company's ongoing financial viability over the next two quarters.	
	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, see answer to question 8.6.2.	
	<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 JULY 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.