



Quarterly Activity Report - September 2023

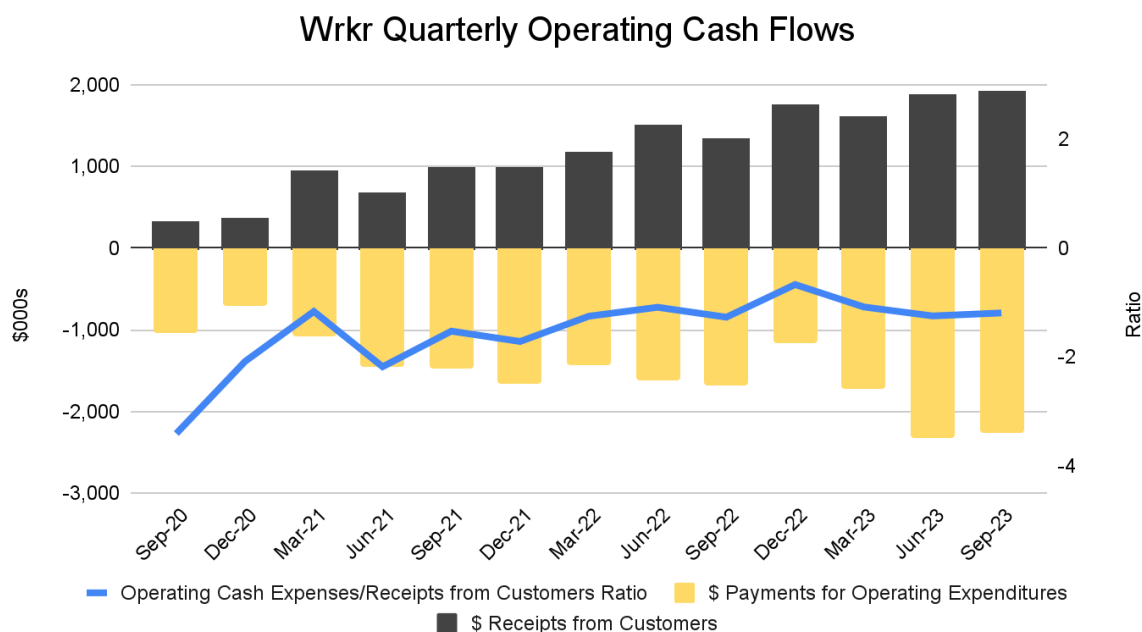
Thursday 26 October 2023

Wrkr Ltd (ASX: WRK, Wrkr or Company), is pleased to announce its Quarterly Activity Report and Appendix 4C (Quarterly Cash Flow report) for the quarter ending 30 September 2023.

With Wrkr's Annual General Meeting (AGM) being held in 3 weeks, Wrkr has chosen not to host a market presentation post the release of this report. Wrkr's Board, Chief Executive Officer (Trent Lund) and Chief Financial Officer (Karen Gilmour) will be discussing the business' performance and outlook at the AGM on the 16th of November 2023. We invite you to join us at the meeting where we will open up the floor for questions.

Grant Thornton Australia
Level 17, 383 Kent St
Sydney NSW 2000
11am (Sydney time)

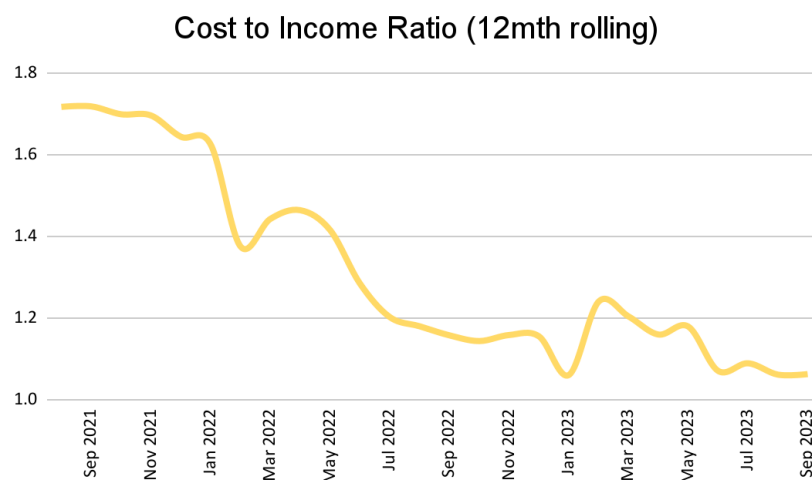
Q1 2024 FINANCIAL HIGHLIGHTS



- Q1 FY24 **cash receipts from customers +43% on pcp** (\$1.89m Q1FY24; \$1.33m Q1FY23)



- **Q1 FY24 Revenues +14% from Q4 FY23** (\$2.02m Q1 FY24; \$1.78m Q4 FY23)
 - Increase in our platform as a service annual licence and monthly support and maintenance fees as a result of the development work performed by the team with the Australian Retirement Trust's Beam platform in FY23 to provide additional customer led, innovative features.
 - SMSF Hub continues to perform well with continued increases in revenue month on month. Q1 FY24 revenues +60% on pcp (\$187k Q1 FY24; \$116k Q1 FY23)
- The cost to income ratio continues to trend in a positive direction demonstrating the business' commitment to investment for growth.





Business Strength

The start of the 2024 financial year has seen considerable activity in the business.

- **Commencement of contract with Link Group with estimated value of \$3m over 3 years to uplift employer solutions including clearing house and Superstream Gateway infrastructure**
 - \$3m estimated value covering licences, integration to Link Group's administration platform, fund onboarding and support services.
 - Additional revenues from usage fees for contributions management and messaging on a transactions basis once Link's administered funds are onboarded and as employers use the service.
 - Full stack of Wrkr Products, including Wrkr PAY and Wrkr READY, will be accessible through direct contract between employers and Wrkr as the Wrkr Platform is implemented to new and current superannuation fund clients.
- Wrkr is positioning itself for the **Payday Super** changes anticipated to be introduced from 1 July 2026. Wrkr is heavily engaged in consultation groups and forums on the reforms, and sees Payday Super as an incredible opportunity for the growth of the business with average volumes of annual contribution payments are expected to increase by 2-3 times as per Wrkr's initial estimates. Wrkr is focusing on ensuring long-term contracts are structured around transaction fees and licences, and as we anticipate a shift to real-time payments as the Payday Super changes take effect, Wrkr continues to work to ensure it does not strategically rely on float income.
- Our Customer Success Team ramped up the **marketing of Wrkr PAY** in Q1 with a variety of communications going out to our target markets via direct emails, LinkedIn and our website. These communications highlight the benefits of the Wrkr PAY platform:





- Vastly improved user experience from Clicksuper
- Compliance with a simple intuitive user interface
- Avoid manual data export and reporting errors
- Real-time data verification
- API integrations with HR and Payroll solutions

The key message to the customer market is that Wrkr PAY reduces the risk of non-compliance using a contemporary experience that saves you money. With technology designed to simplify complexity and support for onboarding employees, Single Touch Payroll (STP), Wages, and Superannuation Guarantee (SG) obligations, Wrkr PAY can provide much-needed relief for businesses when managing complicated compliance requirements and time-consuming processes.

- Wrkr continued its investment into its **Cyber Security Program** with the appointment in August of a Senior Cyber Security Engineer further enhancing our cyber posture.

Q2 FY24 Focus

- Continuing the detailed design and implementation of the clearing house and Superstream Gateway infrastructure and employer portal for Link, while continuing discussions with Link around the profile and timing of the funds to be onboarded.
- Ensuring we are ready to take advantage of the potential opportunity to provide our full suite of Wrkr PAY and Wrkr READY services to employers when the Wrkr technology solution is implemented to employers through Link's Fund customers.
- Exposing the Wrkr platform at an API level with scalable and innovative solutions to enable the quick and easy activation of the platform with potential customers.





Other

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

- \$1,352k Staff costs
- \$542k Administration and corporate costs
- \$280k Operating costs
- \$83k Finance Costs
- \$22k Advertising and marketing

As required to be disclosed under ASX Listing Rules, payments to related parties in the current quarter amounted to \$77k. This amount is shown in Appendix 4C under Section 6. Payments to related parties of the entity and their associates relate to directors' fees (\$64k), and interest paid on convertible notes held by an associated entity of related parties (\$13k).

This Quarterly Activity Report and the attached Appendix 4C (Quarterly Cash Flow report) have been authorised by the Board of Wrkr.

For further information, please contact:

Emma Dobson

Chair

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About Wrkr Ltd.

Wrkr Ltd (Wrkr) (ASX: WRK) is an Australian financial technology company founded and listed on the ASX in 2016.

Wrkr provides compliance and payment software solutions to create efficiencies for Superfunds, payroll service providers and both large and small Australian employers.

The company has four core offerings:

- **Wrkr PLATFORM**, a modern cloud-based compliance platform for handling messaging with ATO (SuperStream, STP 2.0, PEPPOL, SBR and State authorities) and orchestrating payment processing for worker pay and super contributions for Fund Administrators
- **Wrkr PAY**, a superannuation gateway and clearinghouse and payment handling solution for secure processing of employee pay and super contributions for Payrolls and Superfunds. This product includes Wrkr SMSF Hub providing ATO messaging and contributions compliance for SMSFs
- **Wrkr READY**, a white-label employee onboarding solution to manage the compliant onboarding of full-time and casual workers





The information provided in this announcement is accurate as of the publication date and may be subject to change. It is noted that the financial results included in this announcement are unaudited and may be subject to change.

Investors should be aware that certain financial measures included in this announcement are 'non-IFRS financial information' under ASIC Regulatory Guide 230: 'Disclosing non-IFRS financial information' published by ASIC and also 'non-GAAP' financial measures within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934, as amended, and are not recognised under Australian Accounting Standards (AAS) and International Financial Reporting Standards (IFRS). The non-IFRS financial information / non-GAAP financial measures include EBITDA and EBIT. The Company believes the non-IFRS financial information / non-GAAP measures provide useful information to users in measuring the financial performance and conditions of the Company. The non-IFRS financial information / non-GAAP financial measures do not have a standardised meaning prescribed by AAS or IFRS. Therefore, the non-IFRS financial information is not a measure of financial performance, liquidity or value under the IFRS and may not be comparable to similarly titled measures presented by other entities and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information / non-GAAP financial measures included in this presentation.

This release contains forward-looking statements and information that are necessarily subject to risks, uncertainties and assumptions. Many factors could cause actual results, performance or achievements of Wrkr Ltd to be materially different from those expressed or implied in this release including, amongst others, changes in general economic and business conditions, regulatory environment, results of advertising and sales activities, competition, and the availability of resources. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this release. Except as required by law, Wrkr Ltd assumes no obligation to update or correct the information in this release. To the maximum extent permitted by law, Wrkr Ltd and its subsidiaries and officers do not make any representation or warranty as to the likelihood of fulfilment of any forward-looking statements and disclaim responsibility and liability for any forward-looking statements or other information in this release. This release should be read in conjunction with Wrkr Ltd's ASX announcements and releases.



Appendix 4C

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

Name of entity

Wrkr Ltd

ABN

50 611 202 414

Quarter ended ("current quarter")

30 September 2023 (Quarter 1)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		1,893	1,893
1.2 Payments for			
(a) research and development			
(b) product manufacturing and operating costs		(280)	(280)
(c) advertising and marketing		(22)	(22)
(d) leased assets			
(e) staff costs		(1,352)	(1,352)
(f) administration and corporate costs		(542)	(542)
1.3 Dividends received (see note 3)			
1.4 Interest received		21	21
1.5 Interest and other costs of finance paid		(83)	(83)
1.6 Income taxes paid			
1.7 Government grants and tax incentives			
1.8 Other (provide details if material)			
1.9 Net cash from / (used in) operating activities		(365)	(365)
2. Cash flows from investing activities			
2.1 Payments to acquire or for:			
(a) entities			
(b) businesses			
(c) property, plant and equipment		(46)	(46)
(d) investments		(462)	(462)
(e) intellectual property			

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
2.2	(f) other non-current assets		
	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
2.3	(f) other non-current assets		
	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	(508)	(508)

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	(75)	(75)
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	(75)	(75)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,108	4,108
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(365)	(365)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(508)	(508)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(75)	(75)
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	3,160	3,160

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	836	1,055
5.2	Call deposits	2,324	3,053
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)	3,160	4,108

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	77
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<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 <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	114	114
7.2	Credit standby arrangements		
7.3	Other (please specify)	3,300	3,300
7.4	Total financing facilities	3,414	3,414
7.5	Unused financing facilities available at quarter end		0
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

Loan Facilities

\$236,428.81 Premium Funding Agreement

Lender: IQumulate Premium Funding Pty Ltd

Insurance Premium Funding

First Instalment Date 14/05/2023

Last Instalment Date 14/02/2024

Flat Interest Rate 5.2872%

Balance payable at 30 September 2023 \$114,464.22

Other Facilities

\$3,300,000.00 Convertible Notes

Securities Offered: Convertible notes which are convertible into fully paid ordinary shares in the capital of the Company

Face Value of each Convertible Note: \$1.00 per Convertible Note

Maturity Date: 4 October 2024

Interest Rate: 10% pa paid as cash on a quarterly basis

Security: The Convertible Notes are unsecured

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(365)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,160
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	3,160
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	8
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.		
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:		
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.		

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: 26 October 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.