



Compliance. Simple.

FY24 Half Year Results

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Wrkr Ltd

ASX: WRK

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Revolutionising workforce compliance

Wrkr is a regulatory technology business helping Australian employers to simplify workforce compliance from hire to retire.

Wrkr digitally solves the compliance moments from onboarding (ID, Credentials, Bank Account, Tax Details, Super Fund Choice & Stapling, Contract Terms and Pay requirements) to processing pay and super contributions.

Wrkr clients are Super Funds, Payroll & HRM Providers and Businesses (every industry and every size)

- ✓ **Regulated compliance**
- ✓ **Significant licences required (ATO DSP, GNGB, AFSL)**
- ✓ **SaaS and Transaction revenue**
- ✓ **Long term contracts**
- ✓ **Highly integrated, advanced technology**



Wrkr has an enormous market opportunity in Australia

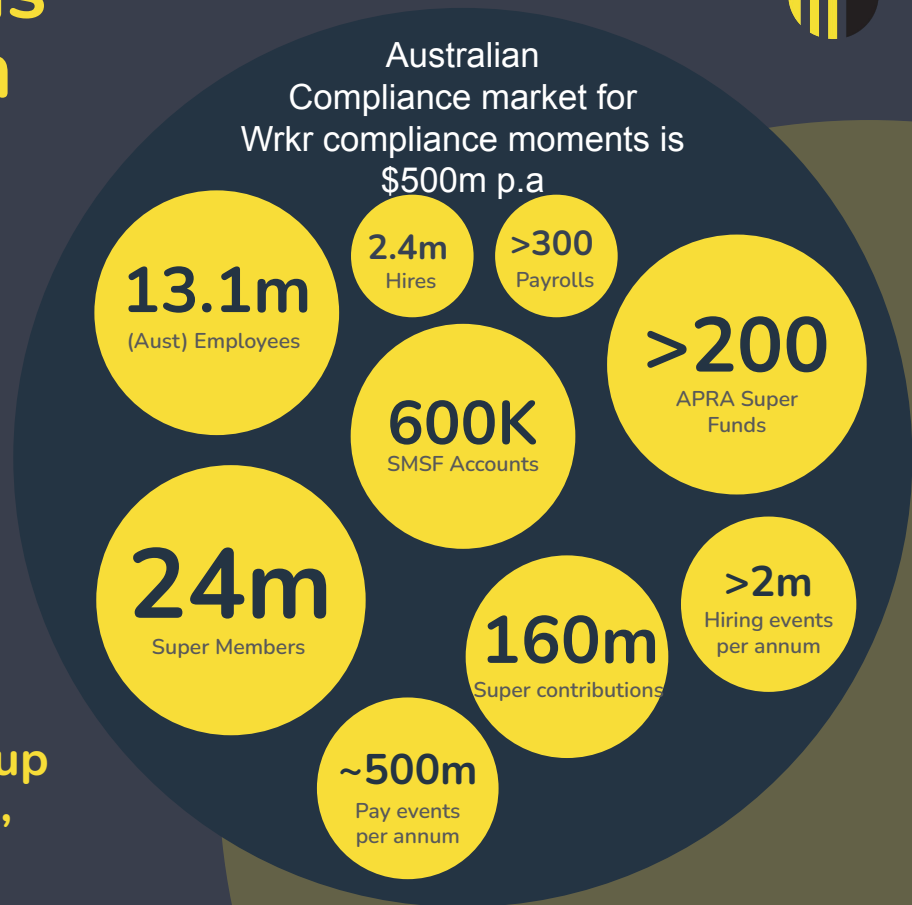


Building from a base of:

- 500k Direct Users
- Platform footprint in 6 of the top 12 Funds
- Over 20 high value compliance moments

The Wrkr **ARPU** of ~\$8 per user per year with 500k direct users and recent contracts with **LinkGroup** opening access to a **growth potential of 7M Superannuation users**.

Wrkr's opportunity through Link Group could be extended to UK, Hong Kong, Canada and New Zealand



FY24 Half Year Financial Highlights



1HFY24 v 1HFY23

Revenue
\$3.88m

↑ 44% \$2.69m

EBITDA
(\$0.53m)

↑ 55% (\$1.18m)

**Cost to
Income Ratio**
1.23

↑ 3% 1.27

**Cash Receipts
from Customers**
\$3.81m

↑ 24% \$3.07m

ARR
\$4.01m

↑ 16% \$3.45m

**Link Revenues
Earned \$0.43m**

↑ 100% \$0m

- 12 mth rolling cost to income ratio excludes interest, depreciation & amortisation, cost of employee share schemes, costs relating to changes in share capital, impairment of patents, convertible notes costs, and the fair value movement of the convertible notes embedded derivative.

- ARR is calculated using the Q2 average ARR to account for quarterly activity cycles. Float interest is included in the calculation as non-recurring revenue.

Statement of profit or loss



A\$	1H FY24	1H FY23	% Change
Operating Revenue	3.88m	2.69m	44%
Other Income	0.01m	0.02m	(100%)
Operating Expenses	(4.42m)	(3.89m)	(14%)
EBITDA	(0.53m)	(1.18m)	55%
Depreciation & Amortisation	(1.38m)	(1.40m)	1%
Net Finance Costs, interest income & other	(0.02)	(0.02)	0%
Fair value (loss)/gain on embedded derivatives	(0.81m)	0.07	(116%)
Loss after income tax	(2.74m)	(2.53m)	(8%)

EBITDA improved by 55% driven by increase in revenues and improvement in the cost to income ratio.

Revenue increased 44% from \$2.69m in 1HFY23 to \$3.88m in 1HFY24. This was driven by increases in the following revenue streams:

- \$0.5m Float Income
- \$0.1m SMSF Hub
- \$0.2m Platform licence and usage fees
- \$0.4m Link consulting & development fees

Increase in operating expenses of \$0.53m predominantly due to additional investments in:

- \$0.2m human resources & consultants
- \$0.1m cyber posture
- \$0.1m cost of sales - hosting services
- \$0.1m professional services

Accounting standards require that the conversion feature of the convertible notes (embedded derivative) is valued at fair value in the financial statements. Loss after income tax, excluding the fair value adjustment on embedded derivatives, improved by 26% pcp.

Statement of financial position



A\$	31 Dec 23	30 Jun 23
Cash & Cash Equivalents	2.08m	4.11m
Other Current Assets	1.95m	1.49m
Intangibles	12.64m	12.60m
Other non-current assets	0.26m	0.07m
Total Assets	18.41m	18.26m
Trade & Other Payables	1.11m	0.85m
Contract Liabilities	0.92m	0.66m
Borrowings	0.40m	0.19m
Derivative Financial Instruments & CNs	3.64 (Current)	2.96m (Non-Current)
Other current liabilities	0.73m	0.89m
Other Non-current liabilities	0.34m	0.26m
Total Liabilities	7.14m	5.80m
Net Assets	15.67m	12.45m

Cash

- \$2.08m Cash at bank at 31 Dec 23
- A material payment of \$770k that was due from a customer on 29 December was not received. This resulted in a lower closing cash balance than was forecasted for 31 Dec 2023.
- Operating cash burn rate increased from (\$208k/mth) in 2HFY23 to (\$289k/mth) in 1HFY24
 - Investment in the Wrkr platform in readiness for Link implementations for SCH and Hong Kong contracts.
 - Investment in readiness for Payday Super reforms
- Expect an increase in cash receipts in 2H FY24 compared to 1H24 for work performed for the delivery of the Link contracts.

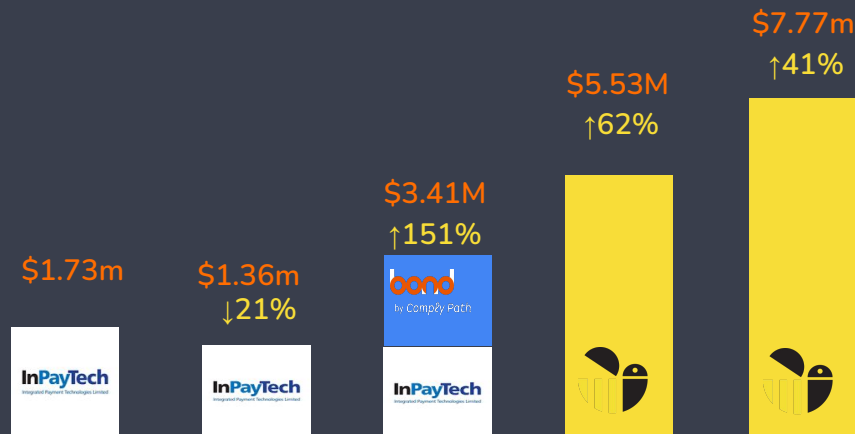
Convertible Notes

- Wrkr assessing options for treatment of CNs as approach maturity date.

Historical Financial Results by Calendar Year



Operating Revenue CY19 to CY23



	CY19	CY20	CY21	CY22	CY23
Operating Revenue	\$1.73m	\$1.36m	\$3.41m	\$5.53m	\$7.77m
EBITDA	(\$0.82m)	(\$1.17m)	(\$3.15m)	(\$1.43m)	(\$0.95m)
NPAT	(\$13.00m)	(\$3.24m)	(\$5.72m)	(\$3.88m)	(\$4.38m)
Operating Cash flows	(\$0.83m)	(\$1.89m)	(\$2.01m)	(\$0.20m)	(\$1.05m)
Cash at Bank	\$1.24m	\$1.39m	\$1.17m	\$5.02m	\$2.08m

Wrkr & Industry Trends



Strong contracted base

500K direct users, ART Super, LinkGroup Australia & Hong Kong, Rest Super



Positioned for growth (SaaS)

LinkGroup deal provides potential access to Australian Super, Hostplus, CBUS, Hesta and several smaller funds.



Strong financial management

Cost to income ratio continues to go down. SaaS Revenue growing strongly with high gross margin.



Market Leading tech

Technology trusted across Federal & State Government and leading Super Funds. Cyber approach is transformative.



Regulatory tail winds

PayDay Super set to double 'Super' transactions and open a software change moment across Australian businesses.



Favourable Market Conditions

Interest rates are high, generating increased float income. Population growth and immigration is high.



Industry dynamics

M&A activity, Super performance tests, increased cyber threats, and PayDay Super preparation is driving investment programs in Super, HR/PAYroll sector.

Thank you & Questions



wrkr.com.au

Management Team



Trent Lund

CEO and Managing
Director

Trent has over 25 years experience in technology and innovation. Trent is also CEO of Unlocked Ventures and holds numerous advisory board roles in technology & business.



Karen Gilmour

CFO

Karen has over 15 years experience in senior finance management positions across banking & finance, commodities and construction across Australia and UK.



Joe Brasacchio

CTO (Comply Path
Founder)

Joe has over 20 years of experience in leading high profile digital transformations, co-design in open Data Standards development, building RegTech platforms and venturing.



Jean-Paul Seow

Head of Commercial
and Alliances

Jean-Paul has over 15 years experience covering commercial, strategy and venturing. Worked across FS, Telco, Retail and Postal industries across AU, Asia and US.



Greg Tonner

Head of Growth

Greg is a strong leader with over 25 years in executing growth strategies in the software and technology sectors across Asia and the UK. Greg was CEO and led the transformation of the Queensland Cowboys.

Board



Emma Dobson

Non-Executive Chair



Paul Collins

Non-Executive Director



Randolf Clinton

Non-Executive Director



Jillian McGregor

Company Secretary

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