

ASX Announcement
31 July 2022

June 2022 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 30 June 2022.

Summary of activities for the period:

- Successful lodgement of Research and Development Grant ("**R&D grant**") with Aus Industry with payment of \$592,568.50 received subsequent to the quarter end.
- Ongoing due diligence on Slik Pro Corp. ("**Slik**") transaction occurred during the quarter. The Slik share subscription agreement was executed subsequent to quarter end and announced to the market on 29 July 2022.
- Continued development of the Sixty app during the quarter and further rollout to test customers (unpaid) for feedback and ongoing improvements. The Sixty app that the Company is developing is part of the Company's strategy to modernise the WooBoard product suite, based on customer feedback, to better suit the needs of B2B customers and to open WooBoard to the B2C market. Traditionally the WooBoard product suite has exclusively targeted the B2B market. The Company is now making the important step via the investment in Sixty to open the Company up to the B2C market in addition to continuing to target the B2B market. The core dedicated Sixty development team now comprises of a full time CTO, a full time Product Leader, two Full Stack Engineers and two Front End Engineers. This team is supported by other WooBoard staff to ensure integration with the WooBoard product suite and alignment with other WooBoard products. This core team shall also act to facilitate, upon completion of the Slik transaction, the integration with the Slik product suite.
- Continued development and maintenance of the WooBoard product suite in anticipation of integrations with Sixty and Slik.
- Completion of FY21 R&D grant lodgement with planning underway for lodgement of FY22 R&D grant.

R&D Grants:

Subsequent to quarter end the Company received an R&D grant / cash rebate for the 2021 financial year of \$592,568.50 which was paid to the Company on 23 July 2022. Cash impact will be reflected in the Sept 2022 Quarterly Cash Flow Report. WOO expects to lodge an R&D Claim for the year ended 30 June 2022 (FY22) in the upcoming quarter.

Slik Pro Corp. and WooBoard agreement executed:

The Slik share subscription agreement was executed subsequent to quarter end and announced to the market on 29 July 2022. For a detailed explanation of the transaction, the rationale and the opportunities we refer readers to the announcement that is available on the ASX platform.

In summary: the Company has signed an agreement with Slik to acquire 20% of the total issued share capital of Slik ('**Equity Investment**'). As part of the Equity Investment, WOO intends to enter into a reseller and licence agreement pursuant to which WOO intends to unlock the opportunities referred to below under the heading 'Rationale and Opportunities'.

The materials terms of the agreement are as follows:

- WOO will subscribe for 20% of the issued share capital in Slik on a fully converted basis (**Subscription Shares**) for a subscription price of US\$800,000.00 to be paid in three (3) equal tranches, each tranche is to be paid in eight (8) week intervals, subject to the conditions precedent set out below.
- Completion of the first tranche, where WOO will subscribe for one third of the Subscription Shares for US\$266,666.67, is due to take place 5 business days after the conditions precedent are satisfied or waived, or such earlier date agreed between the parties (**First Completion Date**). If the conditions precedent are not satisfied or waived by 26 October 2022, either party may terminate the agreement.
- US\$100,000.00 of the third tranche of the subscription price must be used by Slik to:
 - develop the software integration between the Sixty App and Slik's existing software;
 - hire a business development manager appointed by Slik to support the sales and marketing process of the Sixty App into the Asia Pacific region; and
 - hire a customer service representative appointed by Slik that will attend to Sixty App clients which subscribe to Slik's products.
- As a condition precedent to completion of the first tranche of the Equity Investment, Slik and WOO will enter into a Licence Agreement pursuant to which:
 - WOO will obtain all intellectual property rights for the integration of the Slik Platform functionality into the Sixty App as a module (**Slik Platform Adapted Module**) and all rights to market and sell the Slik Platform Adapted Module in the APAC region; and
 - Slik will be granted rights to market, distribute and sell the Sixty App (whether as an integrated product with the Slik Platform or as a standalone product) and WOO's health and wellbeing modules in the LATAM region.
- Either party may terminate the agreement at any time before completion of each of the tranches if:

- there is a material breach of the warranties set out in the agreement which has not been cured within 5 business days; or
- the conditions precedent are not satisfied or waived by the relevant end date which is set out below:

for the first tranche – 26 October 2022;

for the second tranche – 35 business days after the First Completion Date; and

for the third tranche – 75 business days after the First Completion Date.

Conditions Precedent

Completion of the first tranche is subject to the following conditions precedent:

- WOO, Slik and the other holders of shares in Slik entering into a new Shareholders Agreement on terms satisfactory to WOO;
- WOO and Slik entered into a licence agreement as set out above; and
- the parties obtaining any relevant approvals.

Completion of the second and third tranche is subject to the following conditions precedent:

- Slik must convert all convertible securities on issue (other than shares) into Series A Preferred Stock, the terms of which must be acceptable to WOO; and
- Slik must amend and restate its certificate of incorporation to permit the creation of Series A Preferred stock and file a Certificate of Designation setting forth the terms of the Series A Preferred Stock.

Each tranche is subject to the following conditions precedent:

- there being no material adverse change in the Slik business;
- Slik warranting the truth and accuracy of all warranties (other than warranties made at a specific date); and
- WOO conducting a capital raise of no less than US\$266,666.67.

Funding

In order to fund the first tranche of the acquisition, WOO intends to use existing cash reserves. In order to fund subsequent subscriptions, WOO intends to conduct a future capital raise, further details of which will be announced to the market.

Sixty app development and customer testing/ feedback update:

During the quarter, the latest version of the Sixty application in beta version has been released to a select group of clients (unpaid users) to use it and provide feedback to the development team. The adoption of Sixty is quite promising since the beta version was offered to 12 corporates, and all of them

agreed to try it given the need they have for this type of solution. More beta users will come onboard in the upcoming quarter.

During the quarter, the Sixty development team had performed research about user experience not only from potential corporate users, but also from content creators as well.

The beta version currently includes:

- Login
- Onboarding / Profiling
- App Navbar / Menu
- Content View with Custom Video Player
- Home
- Users and Content Creators Chat

Based on the ongoing beta testing and research, the Sixty team is developing additional features into the app such as:

- Explore & Search Content: in addition to what users want to look for within the app, it's algorithm will be able to suggest content based on usage.
- Content Creators Dashboard: an overview on how they are doing within the app.
- Engagement Metrics for Content Creators: specific facts and figures about how their content is doing in terms of viewers engagement.
- Content Creators Profile Management: creators can personalize their own profile and landing page.
- Credit Wallet: employees can use it to send tips to support a specific content creator or to unlock premium content.

Sixty is developed in Node for backend, uses React (NextJS – Jest – Yarn – Eslint) for frontend. As a database it uses AWS Cognito and MongoDB, this latter is also used for user metrics along with Google Analytics, Google Tag Manager and Hotjar.

The full time dedicated Sixty development team comprises of:

- CTO
- Product Leader
- 2 Full Stack Engineer
- 2 Front End Engineer

In addition, the team also comprises of a part-time QA & Automation specialist and a part-time DevOps & Infrastructure advisor.

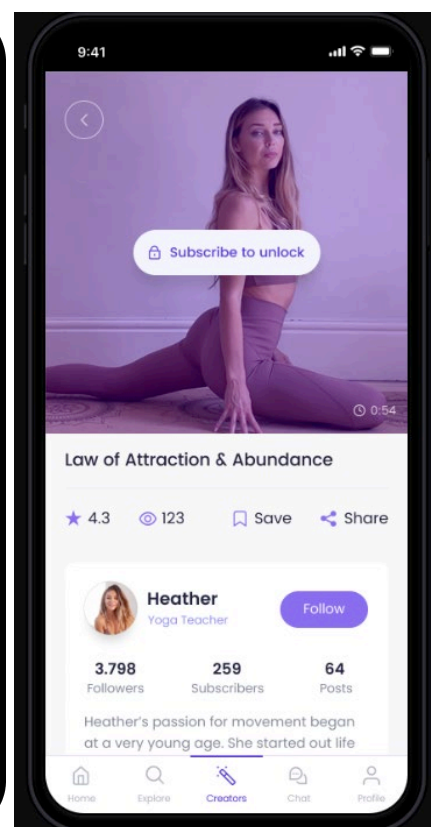
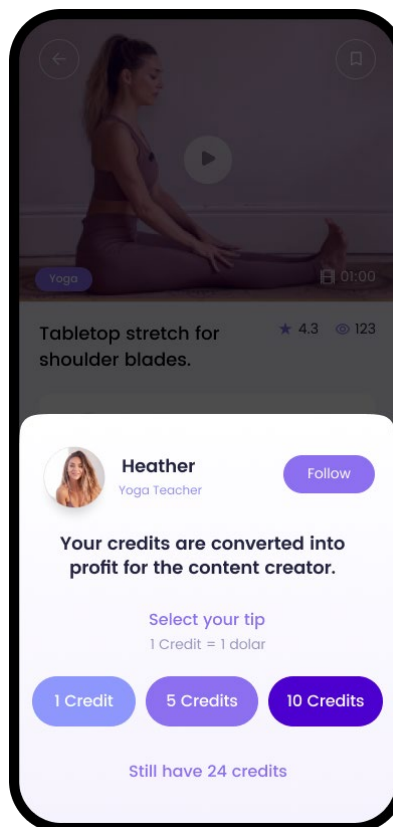
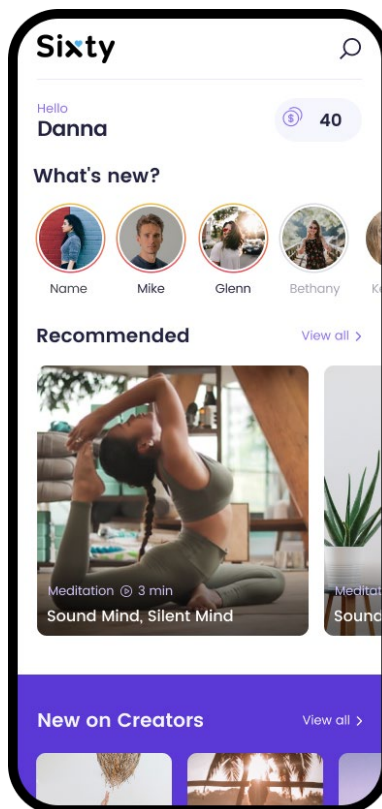
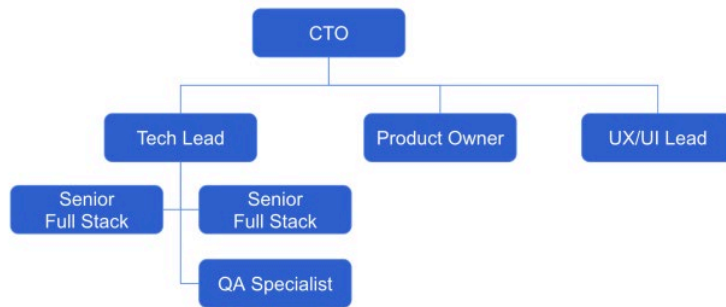
Results from beta tests were positive since we are being asked to open Sixty to further users within the beta test companies. In order to do that, more content to upload is required.

The Company continues to recruit additional new wellbeing content creators who are currently in the process of producing further content for Sixty to be rolled out to clients who are participating in the beta release and testing.

Having executed the Slik agreement on 29 July 2022, WOO and Slik are ready to embark upon realising the synergies between Slik and Sixty as it is an integrated solution which addresses both employee and business needs. With Slik, companies can be measure and be aware if their employees are struggling

with burnout and predict future turnover for that reason and with Sixty they act on it and provide curated and personalized content for them.

Team



Sixty

Categories

Creators

PS

Yoga

Sound mind, silent mind

3 min By Heather

Play

YOGA

Fix
Hunched
Posture



In nose out mouth focus in the
breath

By Holly

0:54

Relaxing
lower back



In nose out mouth focus in the
breath

By Holly

0:54

Relaxing
lower back



In nose out mouth focus in the
breath

By Holly

0:54

Stretching

[View all >](#)

Relaxing
lower back



In nose out mouth focus in the
breath

By Holly

0:54

Relaxing
lower back



In nose out mouth focus in the
breath

By Holly

0:54

Relaxing
lower back



In nose out mouth focus in the
breath

By Holly

0:54

Corporate

The Company's cash position as 30 June 2022 was \$653,000. Cash outflow for the quarter was \$518,000 as the Company continued to research, develop, and test the commercial product offering of Sixty and support the existing WooBoard product suite. Post quarter end the Company received an R&D cash rebate of \$592,568.50 which due to the timing is not reflected in the Appendix 4C. The Company has provided answers to 8.6.1, 8.6.2 and 8.6.3 in the Quarterly Cash Flow Appendix 4C and draws the reader's attention to these answers.

Additional Information

During the period, the Company paid fees and remuneration to directors in an amount of \$83,000 and accountancy fees in amount of \$9,000 were paid to a related party. No other payments to related parties were made.

Authorised for release by the Board of WooBoard Technologies Ltd.

– ENDS –

For further information, please contact:

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About WOObOARD TECHNOLOGIES

WOObOARD 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

30-June-2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1	Cash flows from operating activities		
1.1	Receipts from customers	8	24
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(187)	(826)
	(c) advertising and marketing	(9)	(101)
	(d) leased assets	-	-
	(e) staff costs	(184)	(1,283)
	(f) administration and corporate costs	(146)	(655)
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
1.8	Other (Profit on sale of shares)	-	-
1.9	Net cash from / (used in) operating activities	(518)	(2,804)
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 (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	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	1,171	3,465
4.2	Net cash from / (used in) operating activities	(518)	(2,804)
4.3	Net cash from / (used in) investing activities	0	(8)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	653	653
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	653	1,171
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)	653	1,171

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	92
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)	(518)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	653
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	653
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	1.26
	<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?	
	<p>Answer:</p> <p>The entity does anticipate to maintain the current level of expenditure in the foreseeable future. The entity has settled on this level of staffing and resourcing in order to facilitate ongoing product development and rollout. The entity is always vigilant for potential cost savings, which there may be some, however we do not see any major cost reductions in the upcoming quarters. In regards to the specific question of net operating cash flows: the entity notes that subsequent to the quarter end on 23 July 2022 that the entity received \$592,568.50 from the Commonwealth Government of Australia by way of an R&D grant for FY21. The entity further anticipates to receive a R&D grant for FY22 (the entity is currently taking steps to prepare this FY22 grant for lodgement in the upcoming two quarters). The R&D grants significantly improve the cash position of the entity and the entity's net operating cash flow for the next two quarters.</p>	
	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?	
	<p>Answer:</p> <p>As stated in 8.6.1. the entity has received a \$592,568.50 R&D grant for FY21 subsequent to the quarter end and in the next two quarters anticipates receiving a further R&D grant for FY22 (although this is not yet certain as the entity is yet to officially lodge this FY22 return). The entity shall also be exploring, per the June Activities Report and the announcement to the market of 29 July 2022, potential capital raising for the second and third tranche of the Slik acquisition. The entity has engaged effective 1 August 2022 corporate advisors who have provided assurances to the entity that for the Slik acquisition and if a further or unforeseen capital raise is required that the corporate advisors are in a position based on current feedback from their investors to raise sufficient capital to fund the entity's ongoing operations for the next two quarters (including future funding commitments per the Slik acquisition). Considering the entity's success in procuring substantial R&D grants from the Commonwealth Government, the entity if it is successful in receiving a FY22 cash rebate intends to not raise significant capital for existing operations beyond what has been documented in the June Activities Report which is attached to this announcement and the announcement to the market of 29 July 2022.</p>	

	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?
	<p>Answer:</p> <p>Yes, for the reasons documented in 8.6.2: namely the receipt of R&D grants for FY21 on 23 July 2022 and FY22 which is anticipated to be received in the upcoming two quarters; and the appointment of corporate advisors specialising in capital raising who have provided assurances to the company 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.</p>
	<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 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 *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.