



**For ASX Release**  
29 April 2019

## **Q3 FY'19 Appendix 4C Cash Flow Statement & Update**

*Key highlights:*

- **Q3 FY2019 revenue up 39% and customer receipts up 292% compared to Q3 FY2018**
- **YTD revenue reaches \$583k, up 178% compared to YTD FY18 and continue to diversify**
- **A reduction of \$126k in operating expenses compared to Q3 FY2018 which attributed to an increase of \$75k in net profit**
- **Achieved 91% customer retention between Q2 and Q3 FY19**
- **Major partnerships and contract pipeline continue to build as commercial strategy focuses on building foundations for scale**

The Board of Gooroo Ventures Limited ("Gooroo" or "the Company") is pleased to share with investors this update for Q3 FY'19.

### **Revenue & expenses**

Commentary:

- Q3 FY2019 revenue was up 39% and receipts from customers were up 292% compared to Q3 FY2018.
- While monthly recurring revenue levels were maintained through Q3 FY2019, the total value of non-recurring revenue (advisory and training) fell in the quarter mainly due to the impact of the Christmas and New Year periods. This was in line with management expectations and budgets.
- A reduction of \$126k in operating expenses compared to Q3 FY2018 which attributed to an increase of \$75k in net profit.
- YTD revenue was \$583k which represents an increase of 178% to the same period last year.
- Operating cash outflows for the quarter was \$23k less than forecasted as a result of management's focuses on containing costs.
- Further revenue growth is expected in Q4 FY2019 delivering a strong finish to the financial year.

### **Placement & rights issue**

Commentary:

- The Company announced on 12 February 2019 that it had completed a non-renounceable rights issue raising \$197,683 with a total of 6,882,375 of shortfall shares to be placed with sophisticated investors.
- In April 2019, the Company successfully completed the placement of the shortfall shares raising approximately \$373,531 before transaction costs. The placement was



well oversubscribed, with strong support shown by existing shareholders, demonstrating a firm endorsement of the Company's ongoing strategy.

### **Commercial strategy execution & progress**

The Gooroo Board of Directors and management team are currently focused on the following core initiatives. Each initiative is focused on building pathways to accelerating revenue streams and strong cash flows over the coming 12-24 months.

1. Signing and onboarding key distribution, implementation and technology partnerships

Partners provide more efficient and effective access to a higher volume of customers. When Gooroo is embedded in their technology/solution, we form part of the way partners do business. Recently announced partnerships like Lexer, Performics/Publicis Groupe, KPMG, Davidson and PeoplePlus are examples of these.

2. Communicating the results being achieved by users of Gooroo technology

The ability to deliver qualitative and quantitative outcomes further validates the value of Gooroo technology, fast tracks commercial adoption and builds Gooroo's underlying enterprise value.

3. Building core capability to deliver future scale and accelerated growth

Based on growing interest in our technology, we expect the need to support increasing demand. We are focused on ensuring we have the physical and technical capacity and capability in place to capitalise on this demand.

4. Balancing expenditure controls and fulfilling our potential

With the speed of global innovation and competition, Gooroo must capitalise on its current market leadership position and aggressively build market share. The Board understands the importance of keeping cash burn under tight control while ensuring the business is capitalising on its market opportunities for future shareholder return.

#### **Key commentary:**

- Achieved 91% customer retention between Q2 FY2019 and Q3 FY2019
- Executed partnership with Performics, a division of the world's 3<sup>rd</sup> largest communication agency, Publicis Groupe.
- Announced the signing of a commercial deal with Microsoft Corporation. That program began with Swinburne University in early April and Gooroo CEO, Greg Muller, has since been invited by Microsoft to address a global audience of universities, educators and Microsoft executives at their Seattle headquarters.
- Launched a pilot program with global engineering and technology services firm, headquartered in Singapore with a 15,000 employees. Assuming a successful pilot, the Company will extend to a broader implementation through May/June 2019.
- Engaged in advanced discussions with numerous local and international parties, including:
  - a strategic partnership with a global (top 3) HR Consulting and Recruitment group,
  - a licencing deal with an Australian finance group involved in M&A,



- a large insurer needing a scientific method to understand their customers to improve the targeting of marketing messages to drive campaign effectiveness.

To read more about Gooroo, visit: [www.gooroox.com](http://www.gooroox.com).

#### **Investor Enquiries**

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#### **About Gooroo (ASX:GOO)**

Gooroo provides new meaning to an organisation's data to support better decision making and value generation. We do this by applying our unique technology and human thinking science to empower everyone and every organisation to achieve their true potential.

Gooroo has developed world-first capability that understands 'how' every person in the world thinks. When you are able to quantify how different people think, staff, teams, customers and societies can be engaged in an entirely new way to identify potential, reduce risk, direct change and accelerate growth.

With Gooroo, customers:

- Activate the capacity of leaders and teams to adapt, engage and act so they take advantage of volatility, change, uncertainty and disruption
- Improve the speed, confidence and quality of their decision-making at all levels of the organisation
- Build more aligned, agile and growth-oriented teams and cultures
- Better align their people, brand and messaging to the mindsets of your customers - improving engagement, conversion and retention.

Gooroo is actively building a partner network that includes management consultancies, agencies and software providers, to distribute its technology to organisations around the world.

Gooroo's end customers are typically medium-large enterprises and government.

In October 2018, Gooroo won the APSCo Excellence Award in Creativity & Innovation.

In October 2017, Gooroo lodged a patent application on the process of human thinking and how human beings make decisions and choices.

In June 2017, Gooroo was awarded Innovation of the Year in the Big Data / Machine Learning category at the AIIA iAwards (Vic).

For more information on Gooroo, visit:

Website: [www.gooroox.com](http://www.gooroox.com)

Investor Hub: [www.goorooventures.com](http://www.goorooventures.com)

Investor Blog: [www.goorooventures.com/blog](http://www.goorooventures.com/blog)

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## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

GOOROO VENTURES LIMITED

**ABN**

96 613 924 744

**Quarter ended ("current quarter")**

31 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	218	611
1.2 Payments for		
(a) research and development	(7)	(123)
(b) product manufacturing and operating costs	(95)	(405)
(c) advertising and marketing	(45)	(157)
(d) leased assets	-	-
(e) staff costs	(430)	(1,231)
(f) administration and corporate costs	(272)	(934)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	11
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	585
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(627)</b>	<b>(1,643)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1)	(28)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) 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	<b>Net cash from / (used in) investing activities</b>	<b>(1)</b>	<b>(28)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	248	798
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(25)	(49)
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	<b>Net cash from / (used in) financing activities</b>	<b>223</b>	<b>749</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	995	1,511
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(627)	(1,643)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1)	(27)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	223	749

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>590</b>	<b>590</b>

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	590	995
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>590</b>	<b>995</b>

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	145
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
6.1	Directors' remuneration	

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	



8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	15
9.2 Product manufacturing and operating costs	53
9.3 Advertising and marketing	105
9.4 Leased assets	-
9.5 Staff costs	509
9.6 Administration and corporate costs	153
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>835</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	Acquisitions	Disposals
10.1 Name of entity	N/A	N/A
10.2 Place of incorporation or registration	N/A	N/A
10.3 Consideration for acquisition or disposal	N/A	N/A
10.4 Total net assets	N/A	N/A
10.5 Nature of business	N/A	N/A

### 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.

Sign here:   
(Company Secretary)

Date: 29 April 2019

Print name: DONALD STEPHENS

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.