

ASX Announcement/Press Release | 31 October 2022 Wooboard Technologies Limited (ASX:WOO)

Quarterly Activities Report & Appendix 4C

Wooboard advances trials of Sixty well-being platform, moving to next stage of its trial program, signs agreement to buy 20% of Slik Pro Corp

Investment highlights

- Wooboard continues conducting trials of its unique Sixty well-being platform and rolls-out key enhancements to this platform during the Company's Q1 FY23.
- Wooboard completes tranche one of its three tranche agreement to acquire a 20% stake in Slik Pro Corp, an intelligent self-managing platform for measuring, analysing, and improving the employee experience.
- Wooboard moves to enhance brand awareness and enterprise client sharing opportunities by leveraging off its commercial relationship with Slik Pro Corp.
- Soon after the end of Wooboard's Q1 FY23, the Company announced a two-tranche \$750,000 (before costs) placement to sophisticated and professional investors, with the first tranche already completed.

Employee engagement and well-being platform developer Wooboard Technologies Limited (ASX:WOO) ("Wooboard" or "the Company") is pleased to announce its Appendix 4C cash flow statement for the quarter ended 30 September 2022 (Q1 FY23), along with the following financial and operational update.

In a busy quarter, the Wooboard team continued to advance the trials and roll-out of new features of its unique Sixty health and well-being platform. The Company also paid the first instalment of its three tranche Slik transaction, which will eventually see it take a 20% stake in this exciting platform and open the door to a range of product integration and cross-selling opportunities. Other components of Wooboard's product development strategy were also progressed.

After quarter's end, the Company successfully completed the first tranche of a capital raising that will help fund its 3-stage investment in Slik Pro Corp. The capital raise totals \$750,000 (before costs) and was announced to the market subsequent to the quarter-end.

Multiple milestones realised in Sixty platform development phase

Wooboard completed initial trials of its unique Sixty health and well-being platform over the course of the Company's Q1 FY23. This work provided valuable feedback, including increased video content from well-being content creators from South America.

The Company also advanced the creation of several new designs and features, including live streaming, payment gateway and a manager's dashboard for the business market segment. These will soon be rolled out to departments, which will see more employees involved in the next round of trials. Development work undertaken to date has Wooboard well-positioned to commence trials of the Sixty product suite with additional companies, with this next phase expected to commence in November 2022.

Some detail on the recent enhancements made to the Sixty platform

The following list details the key updates delivered to the evolving Sixty platform over recent months:

- Completion of initial beta trial plus compilation and analysis of trial feedback.
- Manager's metrics dashboard created.
- Incorporation of Spanish content from Wellbeing creators in South America.
- Live stream using Vimeo included, which will be free for subscribers or available on a pay per view basis.
- Content creator dashboards further enhanced to provide key analytical insights.
- Stripe payment integration completed, allowing for access to premium pay per view content.
- Updated UI/UX designs added, which will enhance engagement and upcoming increased trials.

The following photo set is a visual demonstration of some of the abovementioned upgrades and enhancements made to the Sixty platform in Wooboard's Q1 FY23 and early Q2 FY23.

Figure 1: Dashboard for content providers



Figure 2: Chat

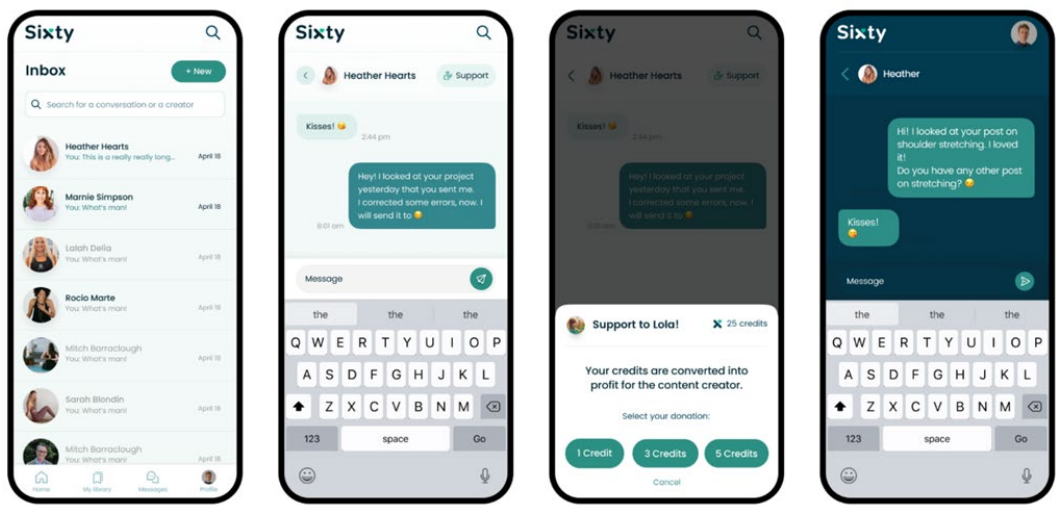


Figure 3: New Social Features added to scope

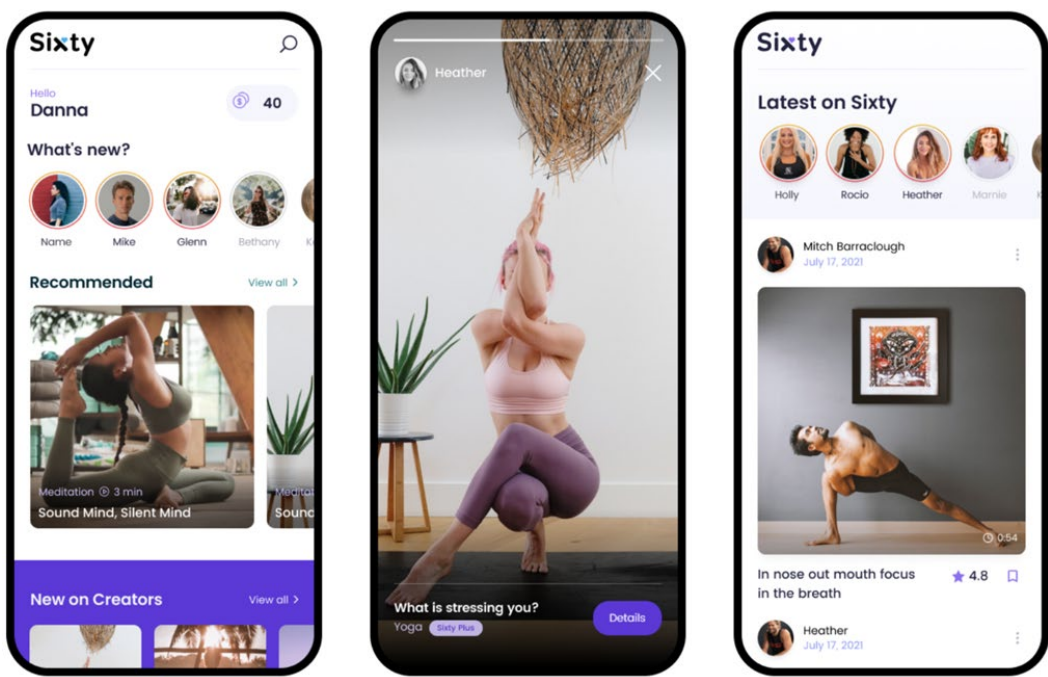


Figure 4: Explore & Search Engine

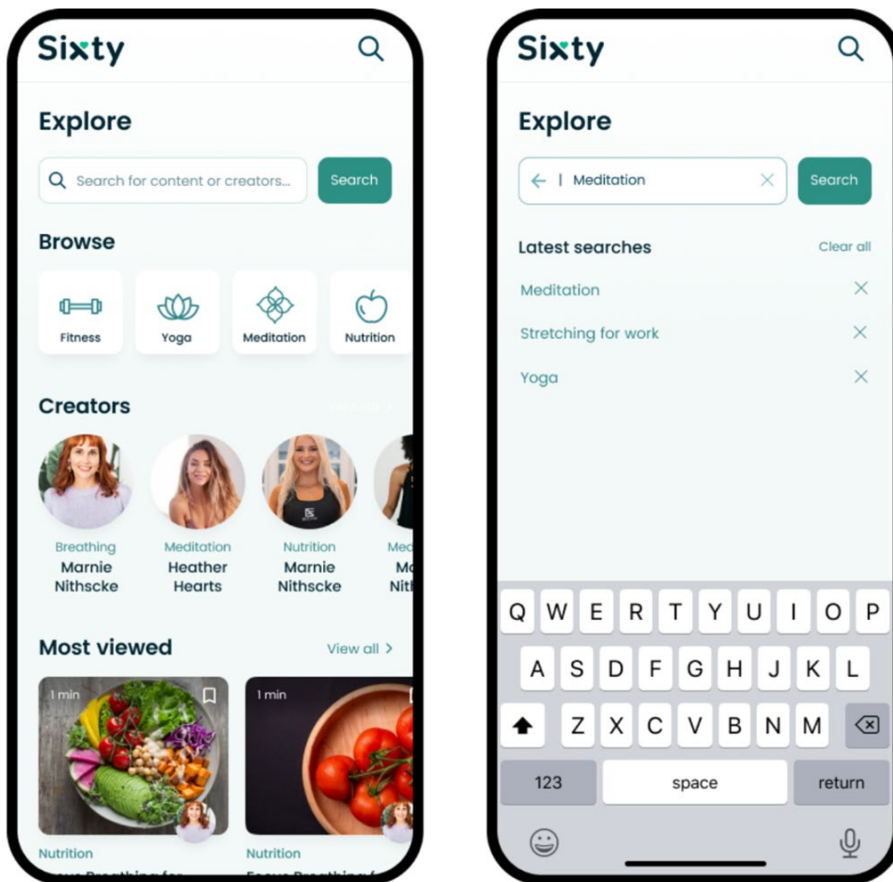


Figure 5: UI/UX changes

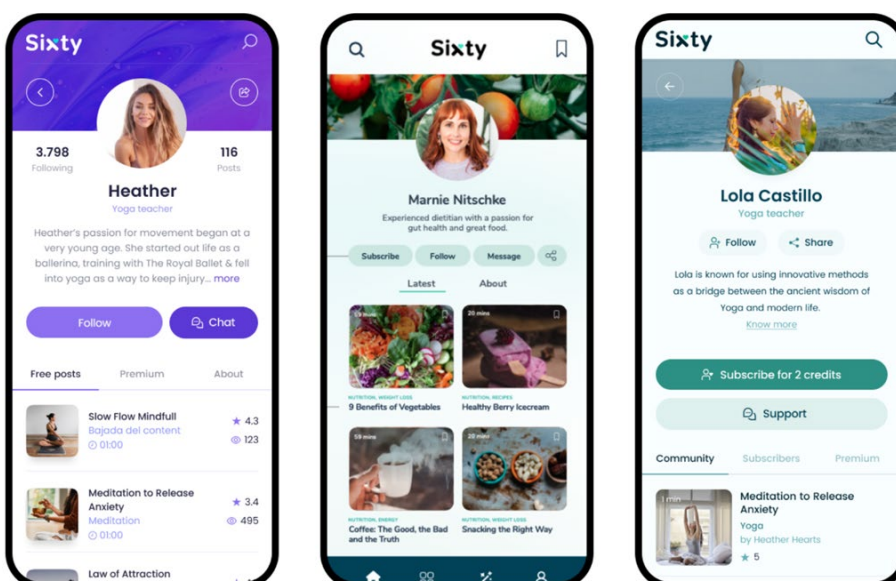


Figure 6: Stripe Payment Method

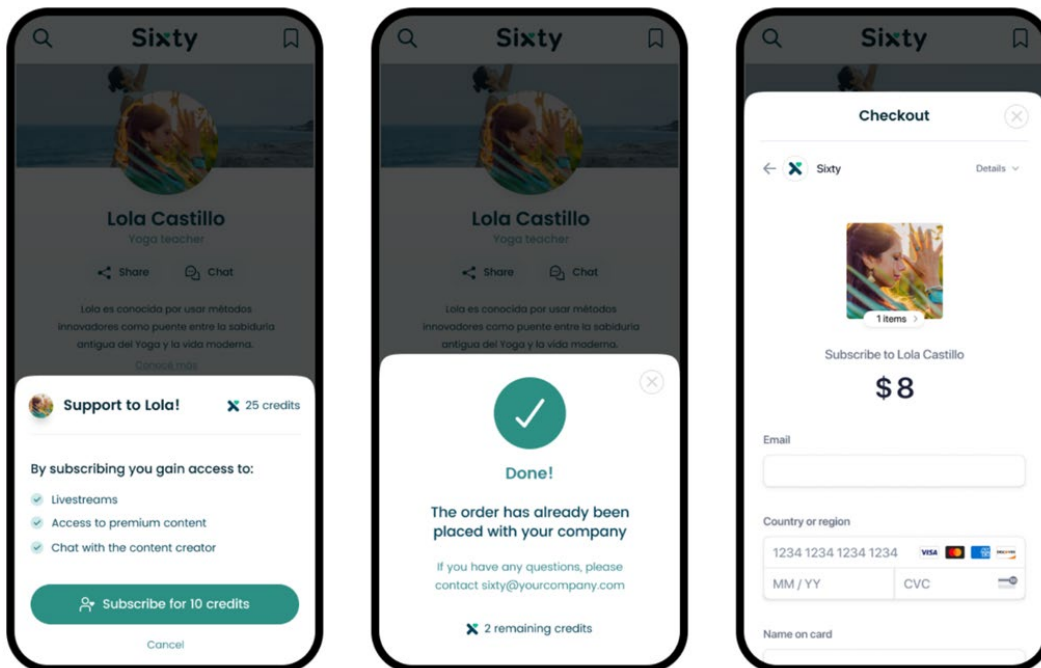
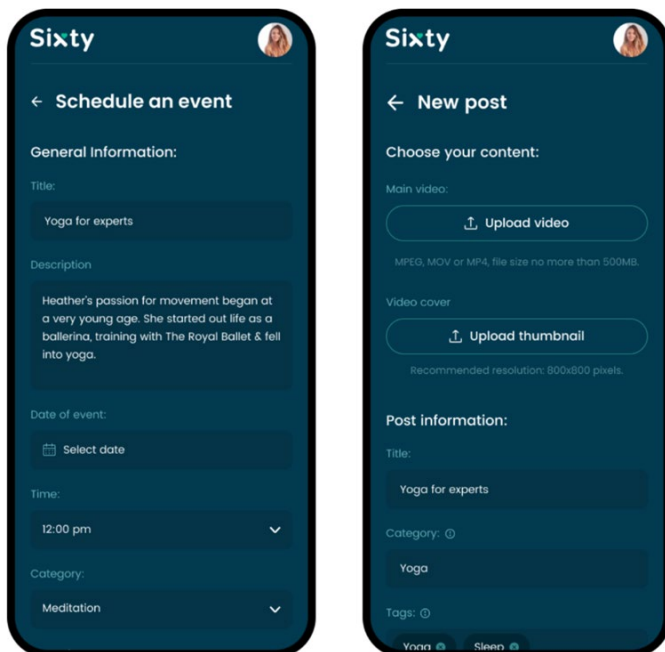


Figure 7: Live Streaming using Vimeo



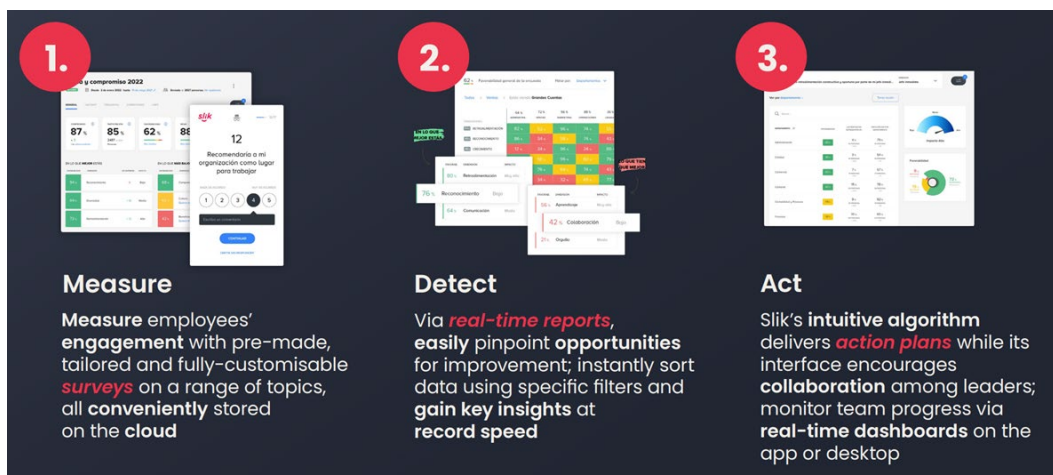
Figure 8: Content Upload on Dashboard for Content Creators



Slik licence agreement executed

In late July 2022, Wooboard announced plans to acquire 20% of the total issued share capital of Slik Pro Corp ('Slik'), a one-stop shop, intelligent self-managing platform for measuring, analysing, and improving the employee experience (see ASX announcement dated 29 July 2022).

Figure 9: How Slik works



The commercial relationship between Wooboard and Slik has been further deepened by a reseller and licence agreement signed in Q1 FY23 that will facilitate the integration and cross selling of both companies' product suites (see ASX announcement dated 20 September 2022).

The initial term for the licence is five years, which will automatically renew for an additional 30 years if the Licence Conditions Precedent are satisfied two months prior to the end of the initial term. Under the terms of the agreement, Wooboard will pay to Slik a royalty of 50% of the Net Profit (ex GST) derived by the Company from the sale of the Slik Pro platform developed by Slik and the Slik Platform Adapted Module for each financial year and based on minimum re-sale prices agreed between the parties.

For its part, Slik will pay Wooboard a royalty of 50% of the Net Profit (ex GST) derived by Slik from the sale of the Wooboard product suite including the Sixty Application and the Sixty Application Adapted Module.

Wooboard has already paid the first of the three tranches owing to Slik of US\$266,666.67 per tranche from the Company's existing cash reserves in its Q1 FY23.

Key commercial relationships and opportunities flowing from this transaction are outlined below:

- Wooboard and Slik's respective product suites will be integrated.
- Wooboard and Slik will pursue global cross-selling opportunities of their product suites to SME's and large corporations.
- Wooboard has acquired exclusive reseller rights to Slik's product suite in the Asia Pacific Region.
- Slik has acquired exclusive reseller rights to Wooboard's product suite, including Sixty in the Latin American Region.

Wooboard to leverage off Slik's upgraded Internal Services Survey module

The Q1 FY23 period saw Slik deliver enhancements to its **Internal Services Survey** module. Going forward, Wooboard intends to target increased product sales by leveraging off the improved features now incorporated in this module. Specifically, the Company is aiming to use the module to increase the product offering to assist Wooboard to exploit its Asia Pacific rights.

This Slik-created module allows clients to create objective feedback on the quality of the services provided by the business units within their organisation. This, in turn, opens the way for them to better determine what are the available opportunities for improvement and how their services can be optimised to deliver enhanced outcomes for users.

Trial of Slik-developed "People Experience Talks" trial extended

Over coming quarters, the Company also plans to leverage off recent work Slik has undertaken that will enhance Wooboard's ability to deliver increased brand recognition and lead generation. As part of these plans, Slik undertook an inbound marketing strategy in the quarter, targeting increased brand awareness.

The work undertaken by Slik saw that group's People Science department launch a series of **"People Experience Talks"** programs, which are now up to their fourth edition, with each comprising a series of monthly webinars. Prospective clients participating in these programs are shown how to design an irresistible organisational experience. As part of the program's content, Slik has launched eBooks and published on Slik's YouTube and Spotify channels. This has generated increased traction, as the Company effectively leveraged off the larger audience opportunity provided by the latter networks.

In concert with these **"People Experience Talks"** programs, Slik is now working towards the launch of an **"International People Experience Certification"** in an effort to deepen its inbound strategy. The launch is expected to be finalised in Wooboard's Q2 FY23.

More contracts with existing customers; pilot tests could broaden client base

Key contracts gained in the quarter, with each contract's US dollar value in brackets, follow:

- **Qualitas** (US\$19,000) – Leading Mexican insurance company with presence in Mexico, the Caribbean and Colombia. Consisted of contract renewal for Engagement Surveys for 7,000 employees.
- **Qualitas** (US\$25,000) – An up-sell contract. Consists of a development at the request of the client that will help Slik create new modules: Journey Map, Feedback and Satisfaction. These new models are going to be offered to other Slik clients.
- **Dole**– (US\$21,000) - Latin American-European company leader in food market. A renewal contract covering a Global Engagement Survey for 2,700 employees. Provides Slik with good up-sell possibilities of other products.
- **Asea Cono Sur** (US\$7,000) - A regional Latin American company that manages important franchises such as Starbucks, Burger King and Domino's (among others). Slik has provided a Pulse Survey for more than 7,000 employees in the Southern Cone (Argentina-Chile-Uruguay). Although direct billing is not significant, it is potentially a gateway to several group companies in Latin America, including Starbucks Chile.
- **Starbucks Chile** – Slik signed a three-month pilot test agreement for rotation analysis. This covers Journey and People Analytics. Slik is now aiming to sign an annual contract in early calendar 2023 for measuring and improving Recruiting, Onboarding and Exit processes.

Capital raising announced soon after end-Q1 FY23

Soon after the end of Wooboard's Q1 FY23, the Company announced its intention to undertake a two-tranche placement to sophisticated and professional investors. This issue will raise approximately \$750,000 (before costs), with the new shares issued at \$0.00065 per share (see ASX announcement, dated 17 October 2022). The new capital raised will help Wooboard fund its recent 3-stage purchase of a 20% stake in Slik.

The first tranche of the raising, covered by the Company's existing placement capacity under ASX Listing Rule 7.1 and consisting of 569,230,774 new shares, has already been completed.

The second tranche, comprising 584,615,387 new shares, requires Wooboard shareholder approval at the Company's forthcoming Annual General Meeting (FY22 AGM) on the 30th of November 2022.

The lead manager of the placement, Clee Capital Pty Ltd, will receive a 5% cash fee and 100m Wooboard share options, the latter also subject to shareholder approval at the upcoming FY22 AGM.

Corporate

The Company's cash position as 30 September 2022 was \$218,000. As forecast in the Company's June 2022 quarter (Q4 FY22) 4C report, the Company received an R&D cash rebate of \$592,568.50. The latter receipt almost offset the Q1 FY23 cash outflow figure, with net cash from/ (used in) operating activities in the quarter just (\$46,000). The Company also invested \$389,494 as payment of the first tranche of the Slik acquisition.

Looking ahead, Wooboard's cash position has been boosted early in its Q2 FY23 period by receipt of the first tranche of the capital raising announced to the market in October 2022.

Additional Information

During the September 2022 quarter, the Company paid fees and remuneration to directors in an amount of \$74,000 and accountancy fees in amount of \$9,000 were paid to a related party. No other payments to related parties were made.

Wooboard Technologies Executive Director Wes Culley said: "We continued to progress the development of our unique Sixty health and well-being platform over the September 2022 quarter. Our initial trials were completed, giving us valuable feedback that has provided insights into what potential clients want in our platform. At the same time, the Wooboard team added a host of enhancements to Sixty over the quarter, including manager metrics, content creator dashboards and the incorporation of Spanish content from Wellbeing creators in South America. We have now also laid the groundwork for Sixty to undergo further trials with additional companies.

Wooboard will effectively add another dimension to its business operations with its planned acquisition of a 20% stake in intelligent self-managing platform Slik Pro Corp, which is expected to deliver significant growth upside to our future revenue base. The first stage of this investment has already been completed, along with an accompanying reseller and licence agreement for the integration and cross selling of the respective product suites for Slik and Wooboard, which are expected, as a package, to deliver significant growth upside to our future revenue base.

The capital raising announced after the end of the quarter will help finance this transformational investment. To the future, we look forward to updating investors on our continued efforts to both evolve Sixty, the Company's exciting inhouse developed health and wellness-related platform, and implement initiatives that will see us leverage off our deepening commercial relationship with Slik."

-ENDS-

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

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About Wooboard

Wooboard Technologies (ASX:WOO) is an ASX listed company focused on the human resources space ("HR"), with a particular focus on health, wellness and mindfulness of employees of large global enterprises. The Company is developing an evolving stable of software-as-a-service (SaaS) product offerings and a strategic investment in a fully operational platform that monitors worker experience. Wooboard leverages off the digitisation of workplace wellbeing, which involves the inter-related market segments of personal health/wellness and enterprise human resource (HR) managers, the latter monitoring the performance of staff under their control.

Wooboard owns and operates the rapidly evolving Sixty business which services Wooboard's focus on the enterprise HR space. Sixty gives the Company exposure to roll-out its mental health, wellness and mindfulness solutions to the business-to-consumer (B2C) marketplace in addition to servicing the Company's primary focus which is to develop compelling software for the business-to-business (B2B) marketplace. This venture has, over time, created proprietary intellectual property powering a revolutionary health and wellness-related platform that, when fully operational, will do much more than just target HR managers and employees under their control. The platform will also target health & wellness creators and health & wellness seekers. Sixty will soon launch a SaaS wellbeing web app currently going through an extensive trial process. This app will target B2B clients, with revenue to be generated by enterprise subscription plans. Sixty will also soon be launching a sister Health and Wellness app, the latter specifically aimed at B2C market place. The Sixty Wellness app will give content providers the platform to monetise their life style passions across a range of sub categories, including health, fitness, yoga, nutrition, meditation and mindset coaching. Those accessing the app – both HR professionals and the workers they are responsible for - will get quality bitesize content from wellness creators.

Wooboard upon completion of the Slik acquisition (two tranches remaining to be completed) shall also holds a 20% stake in Slik, the developer of an intelligent self-managing platform giving employers a way to measure, analyse and improve employee experience across their workforces. This capability is delivered cost effectively via a combination of tailored surveys, real-time reports pinpointing opportunities for improvement and artificial intelligence that provides actionable insights. Wooboard is the exclusive reseller of Slik products across the Asia-Pacific region, which is home to more than half of the globe's total workforce. The company is now also in the process of forming an even deeper commercial relationships with Slik, which is expected to soon offer the Sixty Well-Being program to its growing client base.

To learn more, please visit: www.wooboard.com/

Appendix 4C

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

Name of entity

WOOBOARD TECHNOLOGIES LIMITED

ABN

64 600 717 539

Quarter ended ("current quarter")

30-September-2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1	Cash flows from operating activities		
1.1	Receipts from customers	6	6
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(213)	(213)
	(c) advertising and marketing	(6)	(6)
	(d) leased assets	-	-
	(e) staff costs	(144)	(144)
	(f) administration and corporate costs	(282)	(282)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	592	592
1.8	Other (Profit on sale of shares)	-	-
1.9	Net cash from / (used in) operating activities	(46)	(46)
2	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	(389)	(389)
	(e) intellectual property	-	-
	(f) other	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	(389)	(389)

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	653	653
4.2	Net cash from / (used in) operating activities	(46)	(46)
4.3	Net cash from / (used in) investing activities	(389)	(389)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	218	218
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	218	653
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)	218	653

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	-

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)	(46)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	218
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	218
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	5
<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?	
	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?	
	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?	
<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 October 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'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.