



Quarterly Activity Report - Q2 FY25

Wednesday, 29 January 2025

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 31 December 2024.

Overview

From October to December 2024, Wrkr focused heavily on commercial negotiations, formal technical responses, and security assessments across multiple super funds and HRM providers. Given this commercial progress and the aggressive timetable for Payday Super, the Wrkr Board approved the acceleration of investment. The management team has begun hiring additional delivery staff and is proceeding with implementation planning ahead of finalising commercials.

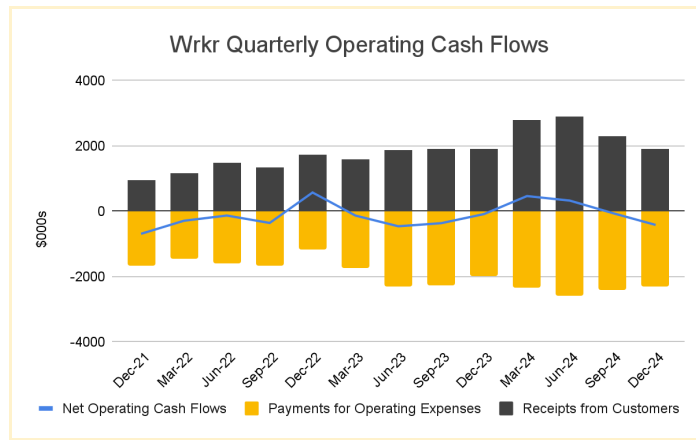
With the MUFG partnership industry build nearing completion and market testing (through the Rest pilot), it is expected that Q3 and Q4 will focus on three areas:

- Concluding pilot milestones and beginning implementation for Rest and other Funds currently using the MUFG Retirement Services internal superannuation clearing house;
- API development to support the detailed requirements for HRM platform providers;
- Building accelerators to expedite the onboarding of Funds ahead of Payday Super.

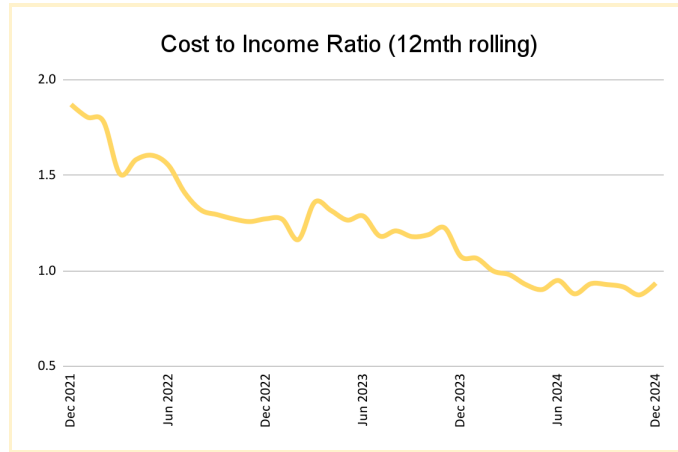
Our financial focus on cost management continues to balance investment and revenue while supporting longer-term growth. Growth in our FY25 revenue, when compared to FY24, primarily depends on implementation fees from the Super Funds. Wrkr has adequate capital to deliver on the current growth objectives and licence and transaction fees will be generated post-implementation.



Q2 FY25 FINANCIAL HIGHLIGHTS



- Significant investment was made in the quarter for the MUFG Retirement Solutions industry and Hong Kong solutions. Major contracted milestones were reached throughout the quarter with cash receipts linked to these milestones due in Q3.
- Although net operating cash flows and cash receipts declined in Q2 compared to Q1, this does not reflect the progression the team made on strengthening pipeline opportunities and significant development of the platform in readiness for PayDay Super.
- To ensure readiness to execute the strengthening sales pipeline and post-delivery support functions, Wrkr has invested in its team with key hires including the appointment of:
 - Chief Operating Officer and Head of Delivery;
 - Senior Cyber Security Analyst; and
 - 3 x Cloud Engineers
- With a cash balance of \$7.2m at 31 December 2024, Wrkr is well positioned to scale up as required as it executes on its sales pipeline.
- Wrkr continues to focus on investing for growth and carefully managing costs. This is reflected in the **improvement in the cost-to-income ratio by 17% over the last 12 months**.



*Based on unaudited figures. Excludes interest, depreciation & amortisation, capitalised costs, 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.

Business Strengths

Wrkr remained focused in Q2 on delivering its client-driven and strategic programs:

- Wrkr PLATFORM enhancements
 - API first channel refresh - support new and existing Digital Service Partner ecosystem customers broaden their propositions and scale, including preparation for Payday Super.
 - Wrkr PLATFORM Payday Super ready (Continue Scale and load testing).
- MUFG Retirement Solutions - international deployment
 - The Hong Kong build testing is near completion and will go live in Q3. MUFG has requested additional features and are in the development pipeline for Q3 and Q4.
- MUFG Retirement Solutions - industry build for Payday Super
 - Rest pilot ready with development continuing on additional features in preparation for the rollout of the solution post-completion of the pilot.
- ART Beam platforms - ongoing platform performance and enhancements in readiness for Payday Super.
- Wrkr integrations to third-party Payrolls and HCM is progressing on schedule with early engagement of several new delivery partners for Workday and SAP business users.
- Successful completion of the ISO27001 and GNGB audits, showing the continued investment in our security posture.

Wrkr continues to see full retention of key platform customers and high retention of our Super, Pay processing, STP and SMSF customers.



Other

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

- \$1,636k Staff costs
- \$342k Administration and corporate costs
- \$302k Operating costs
- \$8k Finance Costs
- \$27k Advertising and marketing

As required to be disclosed under ASX Listing Rules, payments to related parties in the current quarter amounted to \$58k. This amount is shown in Appendix 4C under Section 6. Payments to related parties of the entity and their associates relate to directors' fees.

Wrkr's Chief Executive Officer (Trent Lund) and Chief Financial Officer (Karen Gilmour) will host an investor webinar on Monday, February 3, at 10 a.m. (Sydney time) to discuss the quarterly reports. To register for the webinar, please see the details at the end of this document.

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
E: emma.dobson@wrkr.com.au

Webinar Details:

Topic: Wrkr Q2 Results and Outlook

When: Monday 3 February 10:00 AM Canberra, Melbourne, Sydney

Please click the link below to join the webinar:

<https://us06web.zoom.us/j/85393652428?pwd=bjZ4rrGh00q4NBNhxr0PbHoZozzzRf.1>

Passcode: 759176



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 three 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 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")

31 December 2024 (Quarter 2)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,897	4,199
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(383)	(755)
(c) advertising and marketing	(27)	(32)
(d) leased assets		
(e) staff costs	(1,636)	(3,004)
(f) administration and corporate costs	(342)	(903)
1.3 Dividends received (see note 3)		
1.4 Interest received	81	122
1.5 Interest and other costs of finance paid	(8)	(102)
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	(418)	(475)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(41)	(50)
(d) investments	(622)	(1,153)
(e) intellectual property		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(f) other non-current assets		
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	(663)	(1,203)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)		11,111
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	(199)	(652)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings	(67)	(3,434)
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)	(34)	(66)
3.10 Net cash from / (used in) financing activities	(300)	6,959

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	8,599	1,937
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(418)	(475)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(663)	(1,203)

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(300)	6,959
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	7,218	7,218

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	1,233	1,219
5.2	Call deposits	5,985	7,380
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)	7,218	8,599

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	58
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 <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	45	45
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	45	45
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**\$223,488.46 Premium Funding Agreement**

Lender: IQumulate Premium Funding Pty Ltd

Insurance Premium Funding

First Instalment Date 14/05/2024

Last Instalment Date 14/02/2025

Flat Interest Rate 5.6283%

Balance payable at 31 December 2024 \$44,697.66

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(418)
8.2	Cash and cash equivalents at quarter end (item 4.6)	7,218
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	7,218
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	17
<p><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></p>		
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:	
<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></p>		

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: 29 January 2025.....

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.

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