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H1 FY22 Results and Business Outlook

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Wrkr Ltd

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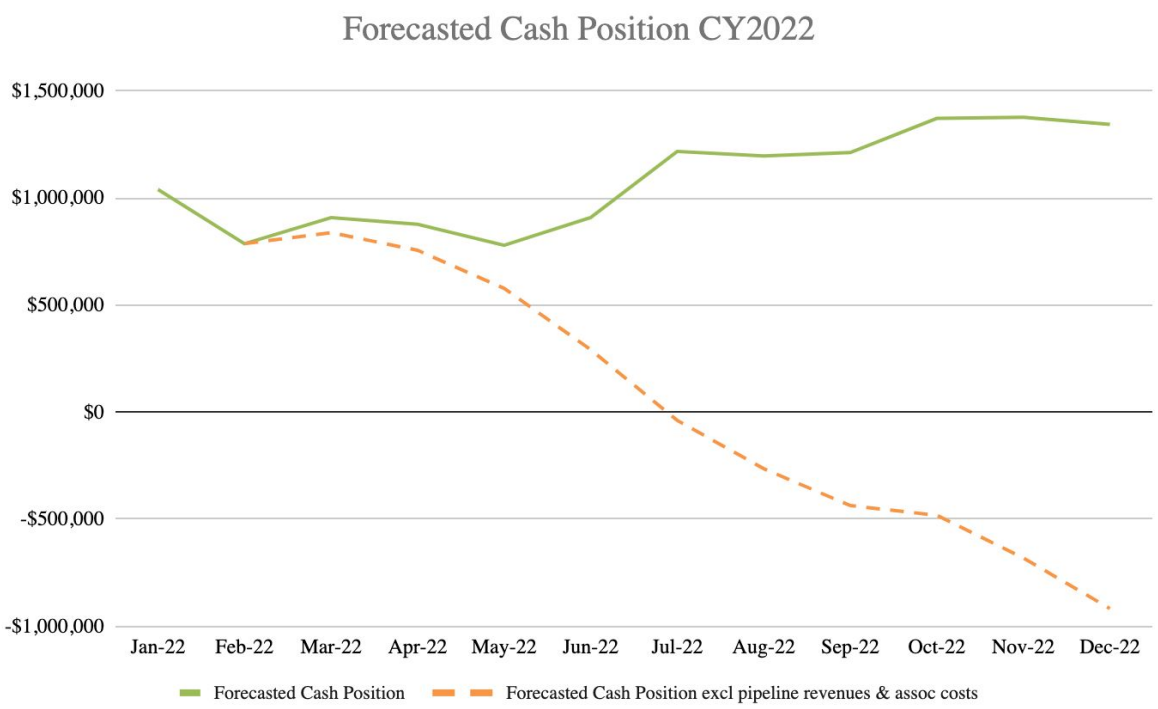
H1 FY22 Financial results

Wrkr Ltd	Q1 FY22 ($)	Q2 FY22 ($)	% Change	H1 FY21 ($)	H1 FY22 ($)	% Change
Revenue	792,567	970,760	22%	630,985	1,763,327	179%
Transaction Costs	-124,419	-139,636	12%	-212,705	-264,055	-24%
Gross Margin	668,148	831,124	24%	418,280	1,499,272	258%
Other Income	16,879	16,953	0%	33,832	33,832	0%
Expenses	-2,187,113	-2,342,345	-7%	-1,520,762	-4,529,458	-198%
Net loss before income tax	-1,502,086	-1,494,268	1%	-1,068,650	-2,996,354	-180%
EBITDA	-824,632	-811,795	2%	-594,627	-1,636,427	-175%
Net Assets	18,833,382	17,083,919	-9%	4,294,165	17,083,919	298%
Cash held at end of period	2,040,099	1,167,436	-43%	1,011,954	1,167,436	15%
Cash receipts from customers in period	965,000	963,000	0%	650,000	1,928,000	197%
Net Operating cash used in period	508,000	690,000	-36%	1,111,000	1,198,000	-8%

H1 FY22 Financial results - Executive Summary

- H1 FY22 Revenue of $1,763k (+179% on previous year H1 FY21 of $631k)
- Q2 FY22 Revenue of $971k (+22% on previous quarter Q1 FY22 of $793k)
- H1 FY22 net loss before income tax of ($2,996k); H1 FY21 ($1,069k)
- H1 FY22 EBITDA ($1,636k); H1 FY21 ($595k)
- H1 FY22 Cash Receipts from customers of $1,928k (+197% on previous year H1 FY21 of $650k)
- H1 FY22 Net Operating Cash Used of $1,198k (-8% compared with $1,111k in H1 FY21)
- Cash at bank as at 31 Dec 21 is $1,167k (30 June 21 $2,731k)
- Average Cash run rate 1 July - 31 Dec 21 -$161k per month

Forecasted Cash Flow Jan-Dec 2022



Key Comments

- Forecasting sufficient cash reserves to the end of the financial year without securing ‘in year revenue’ contracts in pipeline*
- Removed $600k of annualised costs; $300k H2 FY22
- Proactively managing cash flow requirements
- Obtain funding via a debt facility if and where required

*Assumes Wrkr Pay monthly transactional revenues remain consistent to end of year and secured Wrkr Platform development contracts are completed as per forecasted timelines

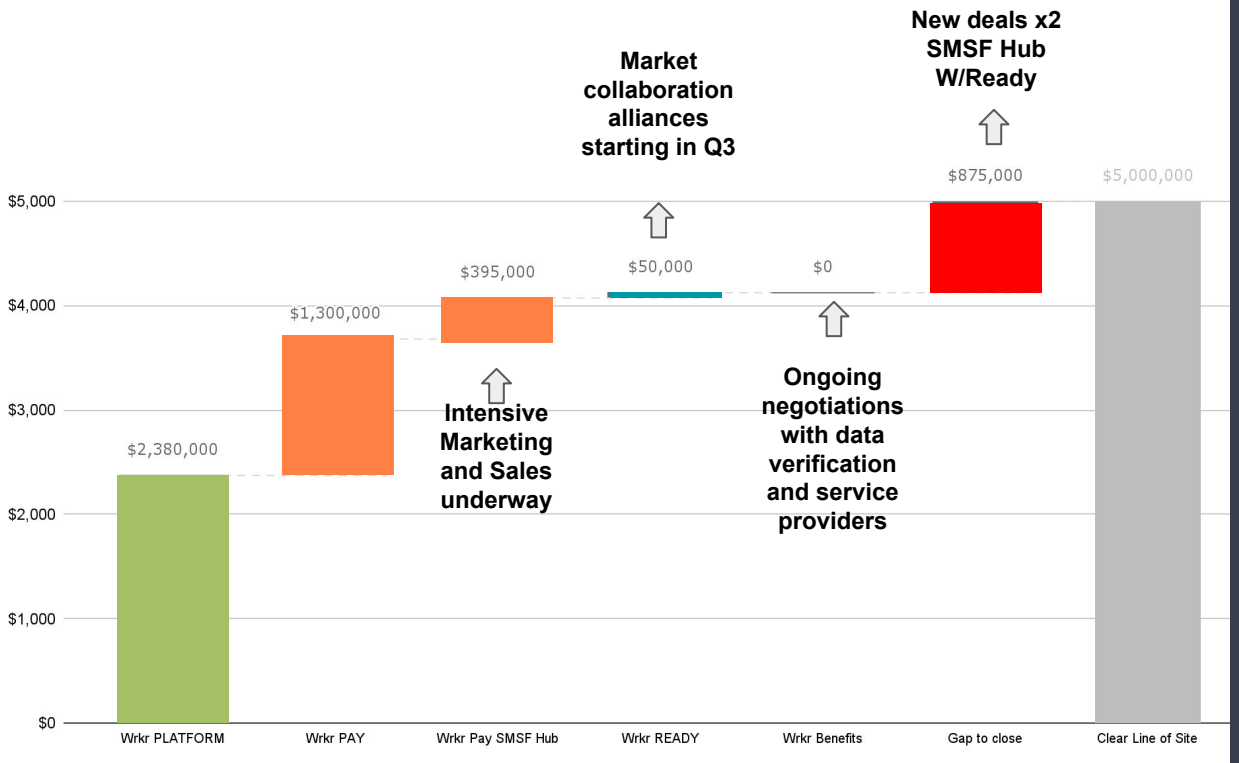
Working Capital

- Working Capital as at 31-Dec-21 $579k (audited); 31-01-22 $402k (unaudited)
- Management and the Board are confident that the working capital requirements of the business will continue to be met in the FY22 financial year
- Working capital is being monitored closely and is forecasted to be sufficient in order to generate $5m targeted revenue
- Strong sales pipeline and focus on continuing to achieve cost efficiencies
- A high proportion of revenues are annuity based which positions us well for FY23 and beyond
- As at 31-Dec-21, removed $600k annualised costs ($300k in H2 FY22)
- Group expects income from R&D investments made in FY21
- Obtain funding via debt facilities if and where required
- Management confident any capital raise done in the financial year would be to finance revenue growth and not working capital

Wrkr Growth

- On target for $5m Revenue (up from 2.1m in FY21)
- Deals have taken longer to close than we would like however they are significant deals and on target to yield target revenue in FY 22
- Revenue diversity is paying off
    - Wrkr SMSF Hub (growing faster than expected)
    - Wrkr Platform (up on forecast)
    - Wrkr Ready - Revenue generation in Q3
- Removed 600K of annualised costs, $300k in H2 of FY22

Revenue growth



Growth Activity

- On target to double our revenue from FY21
- Gap to close <$900K with $1.7m of opportunity to close
  - We expect income to lift across SMSF Hub which is growing ahead of forecast
  - We expect Wrkr READY to grow off the back of direct sales in the Retail sector and 2 alliances starting in Q3
  - Our largest deal is expected to close this quarter and includes significant up-front fees
  - We are expecting income from significant R&D investments in FY21
  - We have well progressed negotiations on Wrkr BENEFITS

Summary

- Our business environment is solid, Australian regulated compliance events drive our income
- Wrkr is on track to more than double revenue and meet our $5m target for FY 22
- We have added valuable, recurring revenue that will underpin FY 23-25
- We have laid the tracks for our next wave of revenue in Wrkr READY and SMSF Hub
- Our expected new business deals will be multi-year (PaaS and SaaS) revenue
- We have been frugal in our expenditure and reduced costs by $600K in FY 22 that will flow into FY 23. This trend will continue until contracts are signed
- Management and the Board remain confident in the business outlook

Thank you & Questions



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Executive Team



Trent Lund

CEO and Executive 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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