ASX ANNOUNCEMENT

Appendix 4D (Half year report) and Half Year FY2023 Financial Report

Thursday 23 February 2023

Wrkr Ltd (ASX: WRK) releases its Appendix 4D and financial report for the half year ended 31 December 2022. The attached Appendix 4D and half year financial report have been approved by the Board.

Wrkr's Chief Executive Officer (Trent Lund) and Chief Financial Officer (Karen Gilmour) will host an investor webcast to discuss the half year results:

When: Mar 7, 2023 10:00 AM Canberra, Melbourne, Sydney
Topic: Wrkr Half Year Results and Outlook

Please click the link below to join the webinar:
https://us06web.zoom.us/j/81045559118?pwd=K3owWjIvRVZsNk93elVQL01Tczd5UT09
Passcode: 051070
Or One tap mobile:
US: +15074734847,,81045559118#,,,,*051070# or +15642172000,,81045559118#,,,,*051070#
Or Telephone:
Dial (for higher quality, dial a number based on your current location):
US: +1 507 473 4847 or +1 564 217 2000 or +1 646 558 8656 or +1 646 931 3860 or +1 669 444 9171 or +1 669 900 6833 or +1 689 278 1000 or +1 719 359 4580 or +1 253 205 0468 or +1 253 215 8782 or +1 301 715 8592 or +1 305 224 1968 or +1 309 205 3325 or +1 312 626 6799 or +1 346 248 7799 or +1 360 209 5623 or +1 386 347 5053
Webinar ID: 810 4555 9118
Passcode: 051070
International numbers available: https://us06web.zoom.us/u/kdL1COzMSi

For queries:

Trent Lund
Chief Executive Officer
T. +61 404 570 000
E. trent.lund@wrkr.com.au

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.

Wrkr Ltd
Appendix 4D
Half-year report

1. Company details

Name of entity:	Wrkr Ltd
ABN:	50 611 202 414
Reporting period:	For the half-year ended 31 December 2022
Previous period:	For the half-year ended 31 December 2021

2. Results for announcement to the market

				$
Revenues from ordinary activities	up	52.6%	to	2,690,228
Loss from ordinary activities after tax attributable to the owners of Wrkr Ltd	down	15.7%	to	(2,525,532)
Loss for the half-year attributable to the owners of Wrkr Ltd	down	15.7%	to	(2,525,532)

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The loss for the Group after providing for income tax amounted to $2,525,532 (31 December 2021: $2,996,354).

Further commentary on the Group's operating performance and results from operations are set out in the attached Interim Report.

3. Net tangible assets

	31 Dec 22 Cents	31 Dec 21 Cents
Net tangible assets per ordinary security	0.04	0.04

The Group does not have rights-of-use assets and lease liabilities, thus these are not included in the calculations.

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

---

8. Details of associates and joint venture entities

Not applicable.

---

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

---

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

---

11. Attachments

Details of attachments (if any):

The Interim Report of Wrkr Ltd for the half-year ended 31 December 2022 is attached.

---

12. Signed

Authorised by the Board of Directors

Signed _____ Date: 23 February 2023

Emma Dobson
Non-Executive Chair
Sydney

Wrkr Ltd
ACN: 611 202 414
ASX Code WRK

Financial Report for the half-year ended 31 December 2022

Wrkr Ltd
Contents
31 December 2022

Directors' report	2
Auditor's independence declaration	5
Consolidated statement of profit or loss and other comprehensive income	6
Consolidated statement of financial position	7
Consolidated statement of changes in equity	8
Consolidated statement of cash flows	9
Notes to the consolidated financial statements	10
Directors' declaration	18
Independent auditor's review report to the members of Wrkr Ltd	19

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Wrkr Ltd (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

Directors

The following persons were directors of Wrkr Ltd during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Emma Dobson - Non-Executive Director and Chair
Paul Collins - Non-Executive Director
Trent Lund - Executive Director and Interim Chief Executive Officer
Randolf Clinton - Non-Executive Director

Principal activities

During the financial year the principal activities of the Group consisted of operating the following businesses:

- **Wrkr PLATFORM**, a modern cloud-based compliance platform for handling messaging with the Australian Taxation Office ('ATO'), SuperStream, Single Touch Payroll ('STP') 2.0, Pan-European Public Procurement Online ('PEPPOL'), Standard Business Reporting ('SBR') and State authorities, and orchestrating payment processing for worker pay and super contributions for fund administrators;

- **Wrkr PAY**, a superannuation gateway and clearing house and payment handling solution for secure processing of employee pay and super contributions for payrolls and superfunds. This product includes the Wrkr SMSF Hub providing ATO messaging and contributions compliance for Self Managed Super Funds ('SMSFs');

- **Wrkr READY**, a white label employee onboarding solution to manage the compliant onboarding of full-time and casual workers; and

- **Wrkr BENEFITS**, the secure connection of workers to employer and external benefit providers.

The Group holds payment processing patents in Australia and the USA.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations

The loss for the Group after providing for income tax amounted to $2,525,532 (31 December 2021: $2,996,354).

The Earnings Before Interest, Taxes, Depreciation and Amortisation ('EBITDA') for half-year 31 December 2022, was a net loss of $1,146,556 compared to net loss for half-year 31 December 2021 of $1,636,427. EBITDA is a financial measure not prescribed by Australian Accounting Standards (‘AAS’) and represents the profit under AAS adjusted for non-cash items, interest revenue, finance costs, fair value movement on embedded derivatives and tax expenses. The directors consider EBITDA to reflect the core earnings of the Group. The following table summarises key reconciling items between statutory profit after tax and EBITDA.

	Consolidated	
	31 Dec 2022 $	31 Dec 2021 $
Loss after income tax benefit	(2,525,532)	(2,996,354)
Add: Finance costs	47,525	119
Less: Fair value movement on embedded derivatives	(71,184)	-
Less: Income tax expense/(benefit)	-	-
Earnings Before Interest and Tax, ('EBIT')	(2,549,191)	(2,996,235)
Add: depreciation and amortisation	1,402,635	1,359,808
EBITDA	(1,146,556)	(1,636,427)

The directors consider that the Group will continue as a going concern, as explained in note 2 to the financial statements.

Corporate overview

Wrkr Ltd (Wrkr) is an Australian RegTech company assisting workers, employers, members, and their superannuation funds in meeting their regulatory compliance across the hire to retire lifecycle. The Group resolve these compliance moments in real time by facilitating the transfer of data and payments between regulated authorities and participants in the ecosystem (HR/payrolls, Accountants, Banks, Australian Prudential Regulation Authority ('APRA') and self-managed super fund ('SMSF') and federal departments like the Australian Taxation Office ('ATO').

In H1 FY23, the business released new features in its Wrkr SMSF Hub, Wrkr READY and Wrkr PLATFORM products as follows:

- Wrkr READY saw an upgrade of the employee onboarding capability to include a contracting module to enable an employer to confirm, sign and accept a contract from an employee or contractor, new workflows for contractors, and integration to STP2 data feeds;
- Wrkr SMSF Hub developed a streamlined subscription renewal process and implemented customer payment options, enhancements to Trustee sign-on and multi-factor security, contributions reporting and notification of release authorities; and
- Wrkr PLATFORM received numerous enhancements to the Your Future Your Super capability enabling an employee to select their existing or chosen Superfund when changing companies, multi-factor authentication and full integration to our STP2 functionality.

The business also updated its Cyber Security and Compliance program and maintained its ISO27001 Accreditation.

The Wrkr SMSF Hub SaaS product enables SMSFs and Advisors/Accountants to view and manage SMSFs superstream compliance in one place and is compliant with the introduction of Rollovers 3.0 on 1 October 2021. It has been a great success with over 20,000 SMSFs subscribing to the service either directly or through an advisor since launching in October 2021.

Having fundamentally transformed the business in FY22, the business continues to move from strength to strength in FY23 with a goal of long term growth and financial stability. The strategy ahead follows:

- Grow the base of Australian workers;
- Increase the compliance relevance with higher value moments; and
- Innovate and partner for future value.

The business has seen considerable revenue growth (50% H1 YoY). The revenue diversity continues to be a strength and Wrkr PAY and Wrkr READY are expected to underpin future growth during this 2023 financial year.

Significant changes in the state of affairs

On 27 September 2022, the Company announced $3,800,000 capital raise to accelerate the Group's growth strategy through the following:

(a) Convertible notes

The convertible notes have a two-year term, 10% pa coupon rate paid quarterly in cash and a conversion price based on 20% discount to the Company's 30-day Volume-Weighted Average Price ('VWAP') subject to a ceiling price of $0.039 per share and a floor price of $0.018 per share. The convertible notes were issued in 2 tranches as follows:

(a) Tranche 1 - comprising of 2,800,000 convertible notes raising a total of $2,800,000 which were issued on 29 September 2022; and
(b) Tranche 2 - comprising of 500,000 convertible notes raising a total of $500,000 which were issued on 28 November 2022 following the shareholder approval for the purpose of ASX Listing Rule 10.11 at the Company's AGM on 24 November 2022.

(b) Share Purchase Plan ('SPP')

The share purchase plan aimed to raise $500,000 and provided eligible shareholders with the opportunity to subscribe for a minimum of $2,500 and up to maximum of $30,000 of new fully paid ordinary shares at $0.018 per share. Due to high demand, the Board accepted a total of $942,000 from the SPP by issuing 52,333,355 ordinary shares at $0.018 per share on 27 October 2022.

The additional subscription in the SPP resulted into raising a total of $4,242,000.

There were no other significant changes in the state of affairs of the Group during the financial half-year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Emma Dobson
Non-Executive Chair

23 February 2023
Sydney

Grant Thornton Audit Pty Ltd
Level 17
383 Kent Street
Sydney NSW 2000
Locked Bag Q800
Queen Victoria Building NSW 1230

T +61 2 8297 2400

Auditor's Independence Declaration

To the Directors of Wrkr Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Wrkr Ltd for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton Audit Pty Ltd
Chartered Accountants

S M Thomas
Partner – Audit & Assurance

Sydney, 23 February 2023

Grant Thornton Audit Pty Ltd ACN 130 913 594 a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389. 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

Wrkr Ltd
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2022

	Note	Consolidated 31 Dec 2022 $	Consolidated 31 Dec 2021 $
Revenue			
Service fees	4	2,690,228	1,763,327
Less transaction costs		(332,523)	(264,055)
Gross margin		2,357,705	1,499,272
Government grants		62,000	33,832
Interest revenue calculated using the effective interest method		32,940	144
Fair value movement on embedded derivatives		71,184	-
Expenses			
Employee benefits expense		(2,611,665)	(2,147,990)
Consulting fees		(191,897)	(358,960)
Depreciation and amortisation expense	5	(1,402,635)	(1,359,808)
Impairment of receivables		(36)	(220)
Conference and marketing expense		(112,002)	(82,000)
Premises expense		(76,403)	(51,091)
Patents		(5,045)	(3,025)
Share-based payments	14	(35,520)	(115,324)
ASX listing costs		(24,696)	(25,919)
Other expenses		(541,937)	(385,146)
Finance costs	5	(47,525)	(119)
Loss before income tax expense		(2,525,532)	(2,996,354)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Wrkr Ltd		(2,525,532)	(2,996,354)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Wrkr Ltd		(2,525,532)	(2,996,354)
		Cents	Cents
Basic earnings per share	13	(0.203)	(0.245)
Diluted earnings per share	13	(0.203)	(0.245)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Wrkr Ltd
Consolidated statement of financial position
As at 31 December 2022

	Note	Consolidated 31 Dec 2022 $	Consolidated 30 Jun 2022 $
Assets			
Current assets			
Cash and cash equivalents		5,022,484	1,276,551
Trade and other receivables		411,983	1,516,209
Contract assets		576,570	615,526
Total current assets		6,011,037	3,408,286
Non-current assets			
Plant and equipment		34,616	25,079
Intangibles	6	13,586,599	14,978,505
Total non-current assets		13,621,215	15,003,584
Total assets		19,632,252	18,411,870
Liabilities			
Current liabilities			
Trade and other payables		891,824	658,766
Contract liabilities		432,126	431,069
Borrowings	7	33,692	557,119
Income tax		-	165,136
Employee benefits		728,381	583,565
Deferred R&D government grant		67,285	227,779
Total current liabilities		2,153,308	2,623,434
Non-current liabilities			
Borrowings	7	487,799	-
Derivative financial instruments	8	2,689,720	-
Employee benefits		53,813	37,675
Deferred R&D government grant		213,958	85,329
Total non-current liabilities		3,445,290	123,004
Total liabilities		5,598,598	2,746,438
Net assets		14,033,654	15,665,432
Equity			
Issued capital	9	44,891,201	44,032,967
Share option reserve		232,693	230,659
Accumulated losses		(31,090,240)	(28,598,194)
Total equity		14,033,654	15,665,432

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Wrkr Ltd
Consolidated statement of changes in equity
For the half-year ended 31 December 2022

Consolidated	Issued capital $	Share option reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2021	44,032,967	274,791	(24,342,809)	19,964,949
Loss after income tax expense for the half-year	-	-	(2,996,354)	(2,996,354)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(2,996,354)	(2,996,354)
Transactions with owners in their capacity as owners:				
Share-based payments	-	115,324	-	115,324
Balance at 31 December 2021	44,032,967	390,115	(27,339,163)	17,083,919

Consolidated	Issued capital $	Share option reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2022	44,032,967	230,659	(28,598,194)	15,665,432
Loss after income tax expense for the half-year	-	-	(2,525,532)	(2,525,532)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(2,525,532)	(2,525,532)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 9)	942,000	-	-	942,000
Share buy-back (note 9)	(83,766)	-	-	(83,766)
Share-based payments (note 14)	-	35,520	-	35,520
Lapsed options transferred to accumulated losses	-	(33,486)	33,486	-
Balance at 31 December 2022	44,891,201	232,693	(31,090,240)	14,033,654

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Wrkr Ltd
Consolidated statement of cash flows
For the half-year ended 31 December 2022

	Consolidated 31 Dec 2022 $	Consolidated 31 Dec 2021 $
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	3,070,217	1,932,581
Payments to suppliers and employees (inclusive of GST)	(3,392,575)	(3,130,692)
	(322,358)	(1,198,111)
Interest received	32,940	144
Government grants received	769,294	-
Interest and other finance costs paid	(97,014)	(119)
Income taxes paid	(165,136)	-
Net cash from/(used in) operating activities	217,726	(1,198,086)
Cash flows from investing activities		
Payments for property, plant and equipment	(20,266)	(5,783)
Payments for intangibles	-	(360,130)
Net cash used in investing activities	(20,266)	(365,913)
Cash flows from financing activities		
Proceeds from issue of shares	942,000	-
Proceeds from issue of convertible notes	3,300,000	-
Payments for share buy-backs, convertible notes issues, share purchase plan	(170,100)	-
Repayment of borrowings	(523,427)	-
Net cash from financing activities	3,548,473	-
Net increase/(decrease) in cash and cash equivalents	3,745,933	(1,563,999)
Cash and cash equivalents at the beginning of the financial half-year	1,276,551	2,731,435
Cash and cash equivalents at the end of the financial half-year	5,022,484	1,167,436

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Wrkr Ltd (formerly known as) as a Group consisting of Wrkr Ltd ('Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year (together referred to in these financial statements as the 'Group'). The financial statements are presented in Australian dollars which is Wrkr Ltd's functional and presentation currency.

Wrkr Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 24
66 Goulburn St
Sydney NSW 2000

A description of the nature of the Group's operations and its principal activities are included in the directors' report which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 23 February 2023. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements arising under Australian Securities Exchange Listing Rules and the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial half-year ended 31 December 2022 and are not expected to have a significant impact for the full financial year ending 30 June 2023.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The financial statements have been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. For the half-year ended 31 December 2022, the Group recorded a loss before income tax benefit of $2,525,532 (31 December 2021: loss of $2,996,354); showed net cash outflows from investing activities of $20,266 (31 December 2021: $365,913) and net cash inflows from operating activities of $217,726 (31 December 2021: outflows of $1,198,086). The net assets of the Group as of 31 December 2022 were $14,033,654 (30 Jun 2022: $15,665,432).

As at 31 December 2022, the Group had cash and cash equivalents of $5,022,484 (30 Jun 2022: $1,276,551).

Note 2. Significant accounting policies (continued)

The directors have assessed that the Group is and will remain a going concern and believe that the going concern basis of preparation of the accounts is appropriate, based upon the following:

- Wrkr raised $4,242,000 funds in the period that will sufficiently support the strategic initiatives and operations of the business for at least the next 12 months;
- continued delivery of our long-term platform licence and support & maintenance contracts with our 3 major customers;
- continue to generate revenues from a historically steady base of transactional compliance Wrkr PAY services;
- develop and deliver a steady stream of contracted compliance platform functionality additions for our major customer (Wrkr PLATFORM);
- focus on maintaining and growing our Wrkr SMSF Hub (Wrkr PAY) subscriptions that have demonstrated continued growth since launching this product in October 2021;
- continued focus on the operating performance of the business;
- proactively and efficiently manage working capital.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Convertible notes issued by the Group include embedded derivatives that gives the holder the option to convert into a variable number of shares. The derivative liability embedded in the host contract is accounted for separately at fair value through profit or loss. On initial recognition, the difference between the fair value of the embedded derivative and the proceeds is recognised as a financial liability and is subsequently measured at amortised cost. The corresponding interest on convertible notes is expensed to profit and loss.

Note 3. Operating segments

Identification of reportable operating segments

The Group is organised into one operating segment relating to the provision of services that enable its customers to meet their regulatory compliance across the hire to retire life cycle. It does that by facilitating the transfer of data and payments between regulated authorities and participants of the ecosystem (HR/payrolls, Accountants, Banks, APRA, and SMSF Funds and federal departments like the ATO).

The information reported to the Board of Directors (being the Chief Operating Decision Makers ('CODM')) consists of the results as shown in the statement of profit or loss and other comprehensive income and statement of financial position in this Interim Report and has therefore not been replicated as segment disclosure.

The directors have determined that there are no operating segments identified for the year which are considered separately reportable.

Note 4. Revenue

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Consolidated 31 Dec 2022 $	Consolidated 31 Dec 2021 $
Major product lines		
Wrkr Pay	1,279,810	787,313
Wrkr Platform	1,049,934	976,014
Wrkr Ready	1,680	-
Wrkr Benefits	358,804	-
	2,690,228	1,763,327
Timing of revenue recognition		
Services transferred at a point in time	1,441,144	1,140,864
Services transferred over time	1,159,084	622,463
	2,600,228	1,763,327

Note 5. Expenses

	Consolidated 31 Dec 2022 $	Consolidated 31 Dec 2021 $
Loss before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	6,526	2,768
Office equipment	4,203	475
Total depreciation	10,729	3,243
Amortisation		
Intellectual property	104,414	104,415
Patents and trademarks	22,723	29,573
Software	1,168,869	1,126,677
Client relationships	95,900	95,900
Total amortisation	1,391,906	1,356,565
Total depreciation and amortisation	1,402,635	1,359,808
Finance costs		
Interest and finance charges paid/payable on borrowings	24,356	119
Interest on convertible notes (debt host)	23,169	-
Finance costs expensed	47,525	119
Leases		
Short-term lease payments	76,403	51,091
Superannuation expense		
Defined contribution superannuation expense	216,886	180,694

Note 6. Intangibles

	Consolidated 31 Dec 2022 $	Consolidated 30 Jun 2022 $
Non-current assets		
Goodwill - at cost	11,921,492	11,921,492
Less: Impairment	(6,755,549)	(6,755,549)
	5,165,943	5,165,943
Intellectual property - at cost	1,054,611	1,054,611
Less: Accumulated amortisation	(455,503)	(351,089)
	599,108	703,522
Patents and trademarks - at cost	1,079,981	1,079,981
Less: Accumulated amortisation	(230,092)	(207,369)
Less: Impairment	(503,919)	(503,919)
	345,970	368,693
Software - at cost	13,121,390	14,017,791
Less: Accumulated amortisation	(4,638,062)	(4,365,594)
Less: Impairment	(1,667,133)	(1,667,133)
	6,816,195	7,985,064
Brand name - at cost	68,000	68,000
Client relationships - at cost	6,082,600	6,082,600
Less: Accumulated amortisation	(4,567,165)	(4,471,265)
Less: Impairment	(924,052)	(924,052)
	591,383	687,283
	13,586,599	14,978,505

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Goodwill $	Intellectual property $	Patents and trademarks $	Software $	Brand name $	Client relationships $	Total $
Balance at 1 July 2022	5,165,943	703,522	368,693	7,985,064	68,000	687,283	14,978,505
Amortisation expense	-	(104,414)	(22,723)	(1,168,869)	-	(95,900)	(1,391,906)
Balance at 31 December 2022	5,165,943	599,108	345,970	6,816,195	68,000	591,383	13,586,599

Note 7. Borrowings

	Consolidated 31 Dec 2022 $	Consolidated 30 Jun 2022 $
Current liabilities		
Short-term loan	-	422,351
Premium funding loan	33,692	134,768
	33,692	557,119
Non-current liabilities		
Convertible notes payable	487,799	-

Short-term loan
The short-term loan was repaid during the half-year period.

Convertible notes
The convertible notes have a two-year term maturing on 4 October 2024, 10% pa coupon rate paid quarterly in cash and a conversion price based on 20% discount to the Company's 30-day Volume-Weighted Average Price ('VWAP') subject to a ceiling price of $0.039 per share and a floor price of $0.018 per share. The convertible notes were issued in 2 tranches as follows:

(a) Tranche 1 - comprising of 2,800,000 convertible notes at an issue price of $1 per note raising a total of $2,800,000 which were issued on 29 September 2022; and
(b) Tranche 2 - comprising of 500,000 convertible notes at an issue price of $1 per note raising a total of $500,000 which were issued on 28 November 2022 following the shareholder approval for the purpose of ASX Listing Rule 10.11 at the Company's AGM on 24 November 2022. These notes were issued to a related party, Parmms Enterprises Pty Ltd as trustee for the Parmms Investment Trust. Paul Collins is a Director of Parmms Enterprises Pty Ltd and is also a director and key management personnel of Wrkr Ltd.

The convertible notes, together with any accrued unpaid interest, will automatically convert into fully paid ordinary shares on the maturity date.

The Company, may at any time prior to maturity date, elect to redeem all or some of the convertible notes held by the noteholder. The Company must also redeem all convertible notes upon the occurrence of an insolvency event. Where a convertible note is redeemed, the Company will pay to the relevant noteholder an additional interest payment so that the total interest received by the noteholder in respect to the convertible notes is equivalent to the amount they would have received had the relevant convertible notes been held until maturity.

The debt host contract (convertible note payable) has been measured at amortised cost and the derivative component has been measured at fair value through the profit and loss with such gains or losses presented in profit or loss as fair value movements on embedded derivatives (see note 8). As the conversion price is variable, the derivative component has been classified as a financial liability.

Note 8. Derivative financial instruments

	Consolidated 31 Dec 2022 $	Consolidated 30 Jun 2022 $
Non-current liabilities		
Derivative financial instrument	2,689,720	-

Refer to note 11 for further information on fair value measurement.

On initial recognition of the convertible notes payable, a derivative financial instrument of $2,760,904 has been recognised. The derivative financial instrument has been subsequently measured at the reporting period date, with changes in fair value gain of $71,184 being recognised in profit and loss and such gains or losses have been presented as fair value movement on embedded derivatives.

Note 9. Issued capital

	Consolidated 31 Dec 2022 Shares	Consolidated 30 Jun 2022 Shares	Consolidated 31 Dec 2022 $	Consolidated 30 Jun 2022 $
Ordinary shares - fully paid	1,271,589,025	1,223,443,971	44,891,201	44,032,967

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2022	1,223,443,971		44,032,967
Issue of shares through share purchase plan	27 October 2022	52,333,355	$0.018	942,000
Share buy-back of unmarketable parcel	15 November 2022	(4,188,301)	$0.019	(83,766)
Balance	31 December 2022	1,271,589,025		44,891,201

Share buy-back
The buy-back of unmarketable parcel was completed on 14 November 2022 and there is no current on-market share buy-back.

Note 10. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 11. Fair value measurement

Fair value hierarchy
The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 31 Dec 2022	Level 1 $	Level 2 $	Level 3 $
Liabilities			
Derivative financial instruments	-	2,689,720	-
Total liabilities	-	2,689,720	-

Note 11. Fair value measurement (continued)

There were no transfers between levels during the financial half-year.

Valuation techniques for fair value measurements categorised within level 2 and level 3
Derivative financial instruments have been valued using quoted market rates. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.

Note 12. Contingent liabilities

The Group had no material contingent liabilities at 31 December 2022 or 30 June 2022.

Note 13. Earnings per share

	Consolidated	
	31 Dec 2022 $	31 Dec 2021 $
Loss after income tax attributable to the owners of Wrkr Ltd	(2,525,532)	(2,996,354)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	1,241,494,576	1,223,443,971
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,241,494,576	1,223,443,971
	Cents	Cents
Basic earnings per share	(0.203)	(0.245)
Diluted earnings per share	(0.203)	(0.245)

57,850,000 share options and 3,300,000 convertible notes have been excluded from the above calculation for diluted earnings per share at 31 December 2022 (31 December 2021: 59,700,000 share options) as their inclusion would be anti-dilutive due to the loss for the half-year.

Note 14. Share-based payments

Employee Share Option Plan

On 7 September 2022, the Group issued 5,000,000 new options under the Employee Share Option Plan Scheme.

On 27 September 2022, the Group issued additional 45,000,000 new options under the Employee Share Option Plan Scheme.

Total expense arising from share-based payment transactions recognised as of 31 December 2022 was $35,520 (31 December 2021: $115,324).

For the options granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
07/09/2022	07/09/2026	$0.020	$0.027	89.00%	-	3.48%	$0.0114
27/09/2022	27/09/2026	$0.018	$0.022	89.00%	-	3.48%	$0.0107

Note 15. Events after the reporting period

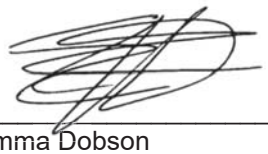
No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Emma Dobson
Non-Executive Chair

23 February 2023
Sydney

Grant Thornton Audit Pty Ltd
Level 17
383 Kent Street
Sydney NSW 2000
Locked Bag Q800
Queen Victoria Building NSW 1230

T +61 2 8297 2400

Independent Auditor's Review Report

To the Members of Wrkr Ltd

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Wrkr Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Wrkr Ltd does not comply with the *Corporations Act 2001* including:

a giving a true and fair view of the Wrkr Ltd's financial position as at 31 December 2022 and of its performance for the half year ended on that date; and

b complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES *110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Grant Thornton Audit Pty Ltd ACN 130 913 594 a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389. 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Grant Thornton Audit Pty Ltd
Chartered Accountants

S M Thomas
Partner – Audit & Assurance

Sydney, 23 February 2023



Wrkr Ltd
ACN: 611 202 414
ASX Code WRK

Level 24
66 Goulburn St
Sydney NSW 2000

info@wrkr.com.au
www.wrkr.com.au