

ASX Announcement

31 January 2021

December 2020 Quarterly Update

Highlights

- FullStack Labs, appointed to oversee enhanced software development services for Wooboard
- Further strategic enhancements made to Wooboard during the quarter with the appointment of leading brand and design consultancy, Aspect Works along with the signing of an enterprise agreement with leading international reward and incentive provider, Tango Card
- Successful placement to sophisticated investors to support growth initiatives
- Wooboard new technology features and marketing initiatives to focus on mental health and wellness issues faced by employees of large corporations due to increased remote working (due to COVID-19)
- Wooboard new strategy starting to produce results – significant interest from major multinational corporations for employee reward/recognition and mental health and wellness issues: in the December quarter, Wooboard has received trial sign ups from major multinational corporations such as Unilever (of Singapore), Staples.com (Staples Inc. a major office retailer based in the USA), The University of Texas at Austin, Lululemon (Australian clothing brand), Lazada (Thailand), Orange Telecom (Jordan), Roche (Hong Kong), USDA (The US Government's Department of Agriculture), SAP (Mexico City office of SAP the German multinational software corporation), Walt Disney Corporation (Los Angeles) and Verizon Mobile (New York) and Deliveroo.

WOOBOARD TECHNOLOGIES LTD (ASX: WOO) ('WOO', 'Wooboard' or 'the Company'), has today released its Appendix 4C and is pleased to provide an operational update for the quarter ended 31 December 2020.

Wooboard software & strategic development continues

Following the strategic review and relaunch of Wooboard in April last year (refer ASX release 27 April 2020), the Wooboard platform has been undergoing the largest upgrade to the core system in over three years to take advantage of changing workplace behaviours due to COVID-19. The Company identified six core areas of focus to further enhance market opportunities for the Wooboard employee engagement platform:

- Improved integration with 3rd party applications and CRM systems
- Ability for Single Sign On (SSO) authentication
- Enhanced platform functionality enabling award redemptions
- UI/UX design improvements
- Addition of features tailored to work from home users

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- Addition of features tailored toward mental health and wellness of employees of large corporations working from home and facing other challenges exasperated by COVID-19

The Company reviewed the capabilities of a number of software development firms with a view to carrying out the development upgrades to further improve the Wooboard platform and expand the growing market opportunity which has resulted from the current COVID-19 pandemic. Large and small organisations in Australia and Internationally have been forced to respond quickly to the changing work environments for employees. By implementing the Wooboard platform upgrades, the Company will be very well placed to satisfy the growing market demand for employee engagement software.

During the quarter, FullStack Labs (FSL) was selected to carry out the software development enhancements for Wooboard. FSL is a proven, successful technology incubator and has carried out a thorough assessment of the Wooboard Platform. Along with the four core areas of focus, a number of other technical enhancements for Wooboard have been identified and will be implemented by FSL.

During the December 2020 quarter, a number of strategic enhancements were also made to Wooboard to help realise the long-term goal to be the only rewards-based mindfulness platform with the ability to recognise and reward hard-working teams across the globe.

As part of the strategic enhancement, Wooboard appointed Aspect Works – a strategic brand and design consultancy operating across Australasia, Europe and Asia. Aspect Works adopts an insight driven approach to developing brands and taking them to market across a wide range of sectors including Fintech, Real Estate, Hospitality, Banking, Energy and Retail. Our collaborative partnership with Aspect Works will enable the development of Wooboard as a thought-leading product and brand, at the sharp edge of innovation within the employee recognition space. As we look towards an improved workplace of the future, the Wooboard team are excited to build on the foundational research and positioning work already undertaken with the agency.

Complimenting this strategy, Wooboard signed an enterprise agreement with Tango Card, a global leader in the reward and incentive space with over 3000+ enterprise and 350+ gift card brand providers in over 25 countries. This will offer WooBoard customers a full 360 engagement, recognition and reward experience that will engage and reward employees with gift cards, spot prizes or sales rewards and allows customers to create budgets, fund accounts and check balances, with full reporting capability. This partnership with Tango Card aligns with the Wooboard strategy to build a fully integrated mindfulness platform that can assist employees when making decisions around health, mindfulness and wellbeing.

New Wooboard trials by notable major corporations

As previously announced, Wooboard as part of its strategic review made the decision to increase focus on issues employees of major multinational corporations are facing due to increased remote working. Wooboard's new features are best utilised by larger corporations. These issues Wooboard addresses include mental health and wellness issues for employees. This repositioning of the Wooboard product and the development of new features has drawn interest from many notable large multinational corporations. For these major corporations, Wooboard offers extended trial periods (of a minimum of 90 days).

In the prior Quarterly Report released on 3 August 2020, the Company indicated the reasons why a 14 day trial period was determined to be too short for major corporations. The Company therefore amended the Wooboard trial period, pursuant to the Strategic Review, to at least 90 days. Now that Wooboard is dealing with very large corporations, these corporations often need sign off from very senior management on key decisions. 14 days was determined to simply be too short for senior management to sign off on turning Wooboard from trial to paid for their workforces. As of the December quarter, Wooboard has hired Letrecia Tippett (a former senior executive at LinkedIn) in order to liaise directly with senior HR leaders and executives of major corporations that are assessing and trialling Wooboard. Having an executive of this calibre involved is already showing success for Wooboard. Wooboard was previously missing a senior executive with the industry experience and sophisticated to handle these large accounts.

Due to the success of Wooboard's new marketing and technology initiatives (flowing from the Strategic Review of 2020), in the December quarter, Wooboard has received trial sign ups from major multinational corporations such as Unilever (of Singapore), Staples.com (Staples Inc. a major office retailer based in the USA), The University of Texas at Austin, Lululemon (Australian clothing brand), Lazada (Thailand), Orange Telecom (Jordan), Roche (Hong Kong), USDA (The US Government's Department of Agriculture), SAP (Mexico City office of SAP the German multinational software corporation), Walt Disney Corporation (Los Angeles) and Verizon Mobile (New York) and Deliveroo.

Corporate

In the December quarter, the Company announced a placement to sophisticated investors (refer ASX Announcement 27 November 2020) raising \$1,750,000 to support growth initiatives, continued software development for Wooboard and to provide working capital for the Company.

Cash flow analysis

During the quarter, the Company reported net operating cash flow of -\$532,000. More information on the Company's cash flows is available in the Appendix 4C. The Company incurred one-off transaction costs associated with the bidding process for the assets of Loyyal. The Company anticipates that these costs pertaining to Loyyal have now materially ceased. The Company has also incurred significant IT development costs in relation to the major platform upgrades to Wooboard as outlined in this Quarterly Report.

By the customers that are now engaging with Wooboard on trial periods, the Company believes this spend on IT development was a significant value-add to the Company.

Authorised for release by the Rumi Guzder, Executive chairman of Wooboard.

– ENDS –

For further information, please contact:

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About WOBOARD TECHNOLOGIES

WOBOARD TECHNOLOGIES LIMITED (ASX:WOO) is an Australian-based software-as-a-service solutions company that is revolutionising employee peer recognition as well as how customer loyalty and employee incentives are created, rewarded and managed. Our employee experience technology platform, Wooboard, uses a gamified, social cloud-based platform to allow employees to send recognition and share updates instantly. Wooboard has recently increased its attention on addressing mental health and wellness issues for employees of major multinational corporations.

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")

31-Dec-20

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	31	54
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(162)	(261)
	(c) advertising and marketing	(9)	(47)
	(d) leased assets	-	-
	(e) staff costs	(69)	(137)
	(f) administration and corporate costs	(323)	(599)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (Profit on sale of shares)	-	45
1.9	Net cash from / (used in) operating activities	(532)	(945)
2	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	0	0
	(e) intellectual property	-	-
	(f) other (Loyyal Bid Process)	(329)	(503)
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	250	250
	(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	(79)	(253)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
3	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	440
3.2	Proceeds from issue of convertible debt securities	1,850	2,188
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(135)	(203)
3.5	Proceeds from borrowings	-	150
3.6	Repayment of borrowings	(100)	(100)
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	1,615	2,475
4	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	344	344
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(532)	(945)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(79)	(253)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,615	2,475
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,348	1,621
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	1,348	344
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)	1,348	344
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	-	
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

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.

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other (please specify)

7.4 **Total financing facilities**

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000

7.5 **Unused financing facilities available at quarter end**

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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.

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8 Estimated cash available for future operating activities**\$A'000**

8.1	Net cash from / (used in) operating activities (Item 1.9)	(532)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	1,348
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	1,348
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	2.53

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.

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:

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 January 2021**

Authorised
by: **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.