



ASX ANNOUNCEMENT

Appendix 4D (Half year report) and Half Year FY2022 Financial Report

Monday 28 February 2022

Wrkr Ltd (ASX: WRK) releases its Appendix 4D and financial report for the half year ended 31 December 2021.

The attached Appendix 4D and half year financial report have been approved by the Board.

For queries:

Trent Lund
Chief Executive Officer
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1. Company details

Name of entity:	Wrkr Ltd
ABN:	50 611 202 414
Reporting period:	For the half-year ended 31 December 2021
Previous period:	For the half-year ended 31 December 2020

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	170.3% to	1,797,159
Loss from ordinary activities after tax attributable to the owners of Wrkr Ltd	up	180.4% to	(2,996,354)
Loss for the half-year attributable to the owners of Wrkr Ltd	up	180.4% to	(2,996,354)

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 \$2,996,354 (31 December 2020: \$1,068,650).

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

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.04	0.15

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. The review report contains a paragraph emphasising a material uncertainty related to going concern.

11. Attachments

Details of attachments (if any):

The Interim Report of Wrkr Ltd for the half-year ended 31 December 2021 is attached.

12. Signed

Authorised by the Board of Directors

Signed 

Emma Dobson
Non-Executive Chair
Sydney

Date: 28 February 2022



Wrkr Ltd
ACN: 611 202 414
ASX Code WRK

Financial Report for the half-year ended 31 December 2021



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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 2021.

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

On the 25th of November 2021, the Company changed its name from Integrated Payment Technologies Limited to Wrkr Ltd. This change was in line with the company strategy to have one brand, team and architecture.

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 Australian Taxation Office ('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 secure 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; and
- **Wrkr READY**, a white label employee onboarding solution to manage the compliant onboarding of full-time and casual workers. As at 31 December 2021, Wrkr Ready has been integrated into the systems of its first customer and will start to generate revenues in Q3 FY22.

The Wrkr Ltd Group holds payment processing patents in Australia, the USA, China, Japan, Singapore, Hong Kong, South Africa and New Zealand.

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 \$2,996,354 (31 December 2020: \$1,068,650).

The impact of Coronavirus (COVID-19) pandemic up to 31 December 2021 has been neutral for the Group.

The Earnings Before Interest, Taxes, Depreciation and Amortisation ('EBITDA') for half-year 31 December 2021, was a net loss of \$1,636,427 compared to net loss for half-year 31 December 2020 of \$590,531. 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 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 2021	31 Dec 2020
	\$	\$
Loss after income tax benefit	(2,996,354)	(1,068,650)
Add: Finance costs	119	2,139
Less: Income tax expense/(benefit)	-	-
Earnings Before Interest and Tax, ('EBIT')	<u>(2,996,235)</u>	<u>(1,066,511)</u>
Add: depreciation and amortisation	<u>1,359,808</u>	<u>475,980</u>
EBITDA	<u><u>(1,636,427)</u></u>	<u><u>(590,531)</u></u>

As a result of the loss incurred and the operating cash outflows for the half year ended 31 December 2021, there is a material uncertainty on whether the Group can continue as a going concern. 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').

During October and November of last year, the Group rebranded InPayTech to Wrkr (ASX: WRK). The driving force behind the rebrand was to:

- Resonate with Australian workers directly which is key to the Group's move to direct engagement;
- Simplify messaging as we increase the Group's voice in the market; and
- Support the coming together of the many brands and solutions for the Group's people, customers and collaborators.

Under the new brand, and in line with the introduction by the ATO of Superstream Rollover v3.0, Wrkr launched the Wrkr SMSF Hub in October to enable SMSFs to meet their new Superstream compliance requirements. The platform has received an incredible response from both SMSFs directly and their administrators. With over 4,000 SMSFs and 200 administrators already registered for the Group's service, minimal competitors and approximately 600,000 SMSFs in Australia requiring a compliant service, Wrkr is well positioned to see significant growth in this market.

The priority of the business over the second half of the financial year is to continue to secure partnerships and strategic supplier agreements to reach more workers while we invest in our platform and products to serve more worker compliance moments.

Significant changes in the state of affairs

On 25 November 2021, the Company changed name from Integrated Payments Technology Limited to Wrkr Ltd, with WRK as the new ASX listing code, following the full rebrand as approved by the shareholders on the Annual General Meeting held on 25 November 2021.

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

A handwritten signature in black ink, appearing to be 'Emma Dobson', written over a horizontal line.

Emma Dobson
Non-Executive Chair

28 February 2022
Sydney

Auditor's Independence Declaration

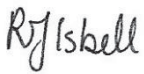
To the Directors of Wrkr Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review Wrkr Limited for the period ended 31 December 2021, 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



R J Isbell
Partner – Audit & Assurance

Sydney, 28 February 2022

Wrkr Ltd
(Formerly known as Integrated Payment Technologies Limited)
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021



		Consolidated	
	Note	31 Dec 2021	31 Dec 2020
		\$	\$
Revenue			
Service fees	4	1,763,327	630,985
R&D income		33,832	33,832
		<u>1,797,159</u>	<u>664,817</u>
Less transaction costs		(264,055)	(212,705)
		<u>1,533,104</u>	<u>452,112</u>
Gross margin			
Government grants	5	-	100,000
Interest revenue calculated using the effective interest method		144	1,957
Expenses			
Employee benefits expense		(2,147,990)	(666,497)
Consulting fees		(358,960)	(225,304)
Depreciation and amortisation expense	6	(1,359,808)	(475,980)
Conference and marketing expense		(82,000)	(39,655)
Premises expense		(51,091)	(36,200)
Patents		(3,025)	(6,357)
Share-based payments	11	(115,324)	52,743
ASX listing costs		(25,919)	(19,588)
Other expenses		(385,366)	(203,742)
Finance costs	6	(119)	(2,139)
		<u>(2,996,354)</u>	<u>(1,068,650)</u>
Loss before income tax expense			
Income tax expense		-	-
		<u>-</u>	<u>-</u>
Loss after income tax expense for the half-year attributable to the owners of Wrkr Ltd		(2,996,354)	(1,068,650)
Other comprehensive income for the half-year, net of tax		-	-
		<u>-</u>	<u>-</u>
Total comprehensive income for the half-year attributable to the owners of Wrkr Ltd		(2,996,354)	(1,068,650)
		<u><u>(2,996,354)</u></u>	<u><u>(1,068,650)</u></u>
		Cents	Cents
Basic earnings per share	10	(0.245)	(0.195)
Diluted earnings per share	10	(0.245)	(0.195)

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

		Consolidated	
	Note	31 Dec 2021	30 June 2021
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		1,167,436	2,731,435
Trade and other receivables		351,055	608,201
Contract assets		233,777	-
Total current assets		<u>1,752,268</u>	<u>3,339,636</u>
Non-current assets			
Plant and equipment		18,173	15,633
Intangibles	7	16,534,154	17,530,589
Total non-current assets		<u>16,552,327</u>	<u>17,546,222</u>
Total assets		<u>18,304,595</u>	<u>20,885,858</u>
Liabilities			
Current liabilities			
Trade and other payables		593,099	362,133
Deferred R&D government grant		34,107	67,664
Employee benefits		546,479	454,668
Total current liabilities		<u>1,173,685</u>	<u>884,465</u>
Non-current liabilities			
Employee benefits		46,991	36,444
Total non-current liabilities		<u>46,991</u>	<u>36,444</u>
Total liabilities		<u>1,220,676</u>	<u>920,909</u>
Net assets		<u>17,083,919</u>	<u>19,964,949</u>
Equity			
Issued capital		44,032,967	44,032,967
Share option reserve		390,115	274,791
Accumulated losses		(27,339,163)	(24,342,809)
Total equity		<u>17,083,919</u>	<u>19,964,949</u>

Wrkr Ltd
(Formerly known as Integrated Payment Technologies Limited)
Consolidated statement of changes in equity
For the half-year ended 31 December 2021



Consolidated	Issued capital \$	Share option reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	22,690,408	74,775	(20,633,763)	2,131,420
Loss after income tax expense for the half-year	-	-	(1,068,650)	(1,068,650)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(1,068,650)	(1,068,650)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	3,284,138	-	-	3,284,138
Share-based payments (note 11)	-	(52,743)	-	(52,743)
Balance at 31 December 2020	<u>25,974,546</u>	<u>22,032</u>	<u>(21,702,413)</u>	<u>4,294,165</u>
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)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 11)	-	115,324	-	115,324
Balance at 31 December 2021	<u>44,032,967</u>	<u>390,115</u>	<u>(27,339,163)</u>	<u>17,083,919</u>

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

Wrkr Ltd
(Formerly known as Integrated Payment Technologies Limited)
Consolidated statement of cash flows
For the half-year ended 31 December 2021



	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	1,932,581	649,791
Payments to suppliers and employees (inclusive of GST)	(3,130,692)	(1,759,448)
Acquisition related expenses	-	(132,792)
	<u>(1,198,111)</u>	<u>(1,242,449)</u>
Interest received	144	1,781
Interest and other finance costs paid	(119)	(2,139)
	<u>(1,198,086)</u>	<u>(1,242,807)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(5,783)	(3,544)
Payments for intangibles	(360,130)	(210,787)
	<u>(365,913)</u>	<u>(214,331)</u>
Cash flows from financing activities		
Proceeds from issue of shares	-	2,316,302
Share issue transaction costs	-	(88,164)
Repayment of shareholder loans	-	(750,000)
	<u>-</u>	<u>1,478,138</u>
Net cash from financing activities		
	<u>(1,563,999)</u>	<u>21,000</u>
Net increase/(decrease) in cash and cash equivalents	2,731,435	990,954
Cash and cash equivalents at the beginning of the financial half-year		
	<u>1,167,436</u>	<u>1,011,954</u>
Cash and cash equivalents at the end of the financial half-year		

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 Integrated Payment Technologies Limited) 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.

On 25 November 2021, the Company changed name from Integrated Payment Technologies Limited to Wrkr Ltd, with WRK as the new ASX listing code, following the full rebrand as approved by the shareholders on the Annual General Meeting held on 25 November 2021.

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 28 February 2022. 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 2021 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 2021 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.

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 2021, the Group recorded a loss before income tax benefit of \$2,996,354 (31 December 2020: loss of \$1,068,650); showed net cash outflows from investing activities of \$365,913 (31 December 2020: \$214,331) and net cash outflows from operating activities of \$1,198,086 (31 December 2020: \$1,242,807). The net assets of the Group as of 31 December 2021 were \$17,083,919 (30 June 2021: \$19,964,949).

As at 31 December 2021, the Group had cash and cash equivalents of \$1,167,436 (30 June 2021: \$2,731,435).

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 Group continuing to:

- improve the operating performance of the business to generate positive operating cash flows;
- proactively manage cash flow requirements, including deferring certain capital expenditures, to ensure that funds are available when required; and/or
- obtain funding if and where required, with a preference towards funding via a debt facility rather than an equity issue to prolong any shareholder dilution.

Should the Group not achieve these outcomes, there may be uncertainty whether the Group would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include adjustments relating to the recoverability or classification of the recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

Contract assets

Contract assets are recognised when the Group has transferred goods or services to the customer but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

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 2021	31 Dec 2020
	\$	\$
<i>Major product lines</i>		
Wrkr Pay	787,313	630,985
Wrkr Platform	976,014	-
	<u>1,763,327</u>	<u>630,985</u>
<i>Timing of revenue recognition</i>		
Services transferred at a point in time	1,140,864	444,695
Services transferred over time	622,463	186,290
	<u>1,763,327</u>	<u>630,985</u>

Note 5. Government grants

	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$	\$
Government grants (COVID-19)	-	100,000

Government grants (COVID-19)

During the half-year, the Group received payments from the Australian Government amounting to \$nil (31 December 2020: \$100,000 as part of its 'Boosting Cash Flow for Employers' scheme in response to the COVID-19 pandemic). Eligible employers with aggregated annual turnover of less than \$50 million are eligible to receive payments of between \$20,000 and \$100,000 which are credited against amounts owed on an activity statement and based on PAYG withheld on employee's salary and wages for the period July to September 2020. Such amounts have been recognised as government grants in the financial statements, are non-taxable, and are recorded as income once there is reasonable assurance that the Group will comply with any required conditions which is practically at the time that a liability for PAYG withholding tax is incurred and salaries are paid.

Note 6. Expenses

	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Plant and equipment	2,768	5,370
Office equipment	475	-
Total depreciation	3,243	5,370
<i>Amortisation</i>		
Intellectual property	104,415	43,968
Patents and trademarks	29,573	15,414
Software	1,126,677	411,228
Client relationships	95,900	-
Total amortisation	1,356,565	470,610
Total depreciation and amortisation	1,359,808	475,980
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	119	2,139
<i>Leases</i>		
Short-term lease payments	51,091	36,200
<i>Superannuation expense</i>		
Defined contribution superannuation expense	180,694	56,823

Note 7. Intangibles

	Consolidated	
	31 Dec 2021	30 June 2021
	\$	\$
<i>Non-current assets</i>		
Goodwill - at cost	11,921,492	11,921,492
Less: Impairment	(6,755,549)	(6,755,549)
	<u>5,165,943</u>	<u>5,165,943</u>
Intellectual property - at cost	1,054,611	1,054,611
Less: Accumulated amortisation	(246,675)	(142,260)
	<u>807,936</u>	<u>912,351</u>
Patents and trademarks - at cost	1,079,981	1,067,201
Less: Accumulated amortisation	(177,796)	(148,223)
Less: Impairment	(320,960)	(320,960)
	<u>581,225</u>	<u>598,018</u>
Software - at cost	14,006,453	13,659,103
Less: Accumulated amortisation	(3,211,453)	(2,084,776)
Less: Impairment	(1,667,133)	(1,667,133)
	<u>9,127,867</u>	<u>9,907,194</u>
Other intangible assets - at cost	68,000	68,000
Client relationships - at cost	6,082,600	6,082,600
Less: Accumulated amortisation	(4,375,365)	(4,279,465)
Less: Impairment	(924,052)	(924,052)
	<u>783,183</u>	<u>879,083</u>
	<u><u>16,534,154</u></u>	<u><u>17,530,589</u></u>

Reconciliations

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

	Goodwill	Intellectual property	Patents and trademarks	Software	Brand name	Client relationship	Total
	\$	\$	\$	\$	\$	\$	\$
Consolidated							
Balance at 1 July 2021	5,165,943	912,351	598,018	9,907,194	68,000	879,083	17,530,589
Additions	-	-	12,780	347,350	-	-	360,130
Amortisation expense	-	(104,415)	(29,573)	(1,126,677)	-	(95,900)	(1,356,565)
Balance at 31 December 2021	<u>5,165,943</u>	<u>807,936</u>	<u>581,225</u>	<u>9,127,867</u>	<u>68,000</u>	<u>783,183</u>	<u>16,534,154</u>

Note 8. Dividends

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

Note 9. Contingent liabilities

The Group had no material contingent liabilities at 31 December 2021 or 30 June 2021.

Note 10. Earnings per share

	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$	\$
Loss after income tax attributable to the owners of Wrkr Ltd	(2,996,354)	(1,068,650)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	1,223,443,971	547,276,430
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,223,443,971	547,276,430
	Cents	Cents
Basic earnings per share	(0.245)	(0.195)
Diluted earnings per share	(0.245)	(0.195)

59,700,000 share options in respect to share-based payments have been excluded from the above calculation for diluted earnings per share at 31 December 2021 (31 December 2020: 15,000,000) as their inclusion would be anti-dilutive due to the loss for the half-year.

Note 11. Share-based payments

Employee Share Option Plan

On 26 November 2021, the Group issued 45,000,000 new options under the Employee Share Option Plan Scheme.

The option terms are (subject to the Employee Share Option Plan rules):

- each option gives the right to subscribe for or acquire one ordinary share in the Company;
- nil consideration is payable for the option grant;
- exercise price is 2.7 cents (\$0.027) per option; with the holder given the following choice:
 - (i) exercise the options in the traditional manner, in which case, pay the exercise price and receive 1 ordinary share for each option exercised; or
 - (ii) elect a cashless exercise alternative, in which case, the Company will only issue the number of ordinary shares as are equal in value to the positive difference between the exercise price otherwise payable for the options and then the market value of the shares at the time of exercise (determined as the volume weighted average market price of the Company's shares sold on the ASX on the 5 business days immediately prior to the exercise date);
- option vests in 3 tranches below subject to the satisfaction of the exercise conditions:
 - (i) Tranche 1 will vest on 31 August 2022;
 - (ii) Tranche 2 will vest on 31 August 2023; and
 - (iii) Tranche 3 will vest on 31 August 2024.
- exercise period begins at the relevant vesting date for each respective tranche options and ends 4 years after the grant date.

Total expense arising from share-based payment transactions recognised as of 31 December 2021 was \$115,324 (31 December 2020: reversals of \$52,743).

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
26/11/2021	26/11/2025	\$0.023	\$0.027	143.00%	-	0.25%	\$0.019

Note 12. Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially neutral for the Group up to 31 December 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation continues to develop and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 31 December 2021 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 2021 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

A handwritten signature in black ink, appearing to be 'Emma Dobson', written over a horizontal line.

Emma Dobson
Non-Executive Chair

28 February 2022
Sydney

Independent Auditor's Review Report

To the Members of Wrkr Ltd

Report on the review of 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 2021, 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 Wrkr Ltd's financial position as at 31 December 2021 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.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss of \$2,996,354 during the half year ended 31 December 2021 and net cash outflows from operating activities of \$1,198,086. As stated in Note 2, these

events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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.

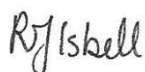
Auditor's responsibility

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 2021 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



R J Isbell
Partner – Audit & Assurance

Sydney, 28 February 2022



Wrkr Ltd

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