

30 April 2018

Australian Securities Exchange
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

WANGLE QUARTERLY MARKET UPDATE

Wangle Technologies Limited (Wangle or the Company) (ASX:WGL) is pleased to provide an update including the marketing progress of its recently launched parent control platform, **Wangle Family Insites (WFI)**.

Highlights

- Marketing activity has generated 18,000 WFI downloads
- WFI Lead Generation activity has built a 13,000 customer email database
- Identified setup challenges for customers has driven a product focus on UX and configuration simplicity
- New "Scheduling" feature added to WFI to help parents manage screen-time
- Partnership discussions underway with a focus on telecommunications, health insurance providers and parent-focused products
- WFI Education program to be further developed for additional revenue opportunities
- Underlying VPN network optimisation has further improved network performance and driven additional operating cost savings
- Organisational review underway to enable shift in focus from development to commercialisation, and to review overall Company cost structure

WFI – Marketing Update

The WFI distribution strategy follows three distinct stages; a direct to consumer stage to help build brand and awareness of the key issues facing children online, followed by partnership development to develop scalable distribution, and finally international expansion once scalability has been proven.

From launch in late November the first stage marketing program has focussed on two distinct consumer goals; brand (education & awareness), and direct downloads. The strategy has involved direct marketing via digital channels, with a focus on social media for education & awareness, and search network marketing for direct download campaigns.

Results – Brand, Awareness, Lead Capture

- Facebook Page: 6,600 Likes
- Facebook Reach (last 28 days): 167,000
- Facebook Post Engagements (last 28 days): 12,000
- Facebook Video Views (last 28 days): 20,000
- SEO Visitors MoM Growth: Nov-Dec 15%, Dec-Jan 148%, Jan-Feb 109%, Feb-Mar 121%
- Email Database Growth: 13,000 email addresses

Results – Direct Downloads

iOS Downloads: 4,800

Android Downloads: 13,800

In support of direct digital activity the Company engaged The Agenda Group to help accelerate press awareness of the Company's activities, particularly on the east coast. The Agenda Group has been working with the Company on a longer term strategy to maximise the ability to generate continued mainstream media presence, building on previous PR momentum generated including coverage across the following media:

- Television: Today Tonight (Ch7), Studio10 (Ch10)
- Radio: ABC (Life Matters), Triple M, LAFM, Hit FM, Sea FM Tas, 5AA Adelaide, Joy FM
- News/Online: ABC News, Mamamia, Perth Now, News.com.au, Adelaide Now, 9Honey, TechInvest, Talking Lifestyle, The Daily Drive, Herald Sun, The Advertiser

WFI – Product Update

Whilst marketing efforts have driven significant lead-capture and WFI download numbers ranging from \$7.50-14.50 per download across platforms, early metrics and customer survey feedback have shown the setup process of WFI on devices has been challenging for customers, limiting the active user base successfully completing setup and impacting the final numbers of customers reaching free trial status.

In response the development team has focused on simplifying the account and device setup processes, with a major UX-focused release on the 5th April addressing the most critical of these identified areas, with an improvement in setup completion across platforms shifting from 18.7% in Jan-Feb, to 39.9% in April post-release. The Company is now focused on a full customer experience review with major improvements and simplifications planned for coming releases.

Customers completing the free trial stage are converting to paid subscriptions at a blended rate of 30%, substantially higher than an initial expected forecast rate of 20%. These metrics are backed by customer survey responses that show that once customers are able to install and use WFI, they are engaged by the platform and in particular the rich educational content being provided. This supports further Company investment into high quality content and educational resources.

Customers have also requested additional functionality to help manage screen-time, leading to the development and release of WFI's "Scheduling" feature, which allows parents and carers to set specific time-windows for internet access to be available. The Scheduling feature has been finished and was made available to customers as part of the 5th April release.

WFI – Partnerships & Endorsements Update

In line with the WFI roll-out strategy, discussions with potential partners is underway with multiple verticals, including telecommunications companies, private health insurers and parent-focused business'. Whilst discussions have taken longer than anticipated, the funnel of potential partners is developing well.

Wangle representatives and advisors have also engaged with various levels of government and additional education industry groups, with a view to build stronger endorsements for WFI across Australia.

WFI – Education Update

Integral to the marketing strategy, the Education team lead by cyber safety expert Robyn Treyvaud have been developing a catalogue of high-quality educational resources. The WFI eBook series now has three major ebooks in circulation (Cyber Safety, Cyber Bullying, and Social Media) with a further two already in production for future release.

The ebook series is utilised via lead-generation activity across all marketing channels and has been a significant contributor to our email database development. In addition, schools and community groups have started linking their communities to the WFI resources, which is helping to position the Company strongly as a leader in the cyber-safety industry.

The Education team is currently finalising a strategy to build additional value streams for current and future produced education content, with a more detailed commercial plan to be released in the next quarter.

VPN – Product Update

Significant network performance enhancements have been achieved through optimisation work on the VPN layer, with internal testing identifying greater platform stability and network speed improvements of up to 27%. The improvements in network capability improve customer experience, whilst also decrease the operating cost of the underlying network via efficiency gains.

An additional review of the network setup and scaling configuration has also identified further cost savings. The identified changes were finalised in March with savings to commence from April.

Organisational Review

The launch of WFI marks a key change in the Company's operating requirements, with a subsequent shift in focus from core product development to user experience and product commercialisation.

An organisational review is underway to enable the shift in focus with three core areas of review as the major focus:

- organisational structure and review of internal & external capabilities
- geographical focus for both the organisational structure and commercialisation activity
- full review of operating expenditure and capital investment

Finance & Corporate

As announced to the ASX on 8 March 2018, the Company has appointed CPS Capital Group Pty Ltd (**CPS**) as Lead Manager and Broker to a Placement and Entitlement Issue to raise a total of approximately \$2.31 million. During the quarter the Placement was settled and the Company is working with CPS and its other legal and professional advisors

to finalise the details, prospectus and other documentary requirements for the Entitlement Issue, which will be sent to eligible shareholders shortly.

Subsequent to the end of the quarter, the Company became aware that at the time of an issue of shares in December 2017 (Placement) made without a disclosure document the Company gave a cleansing notice pursuant to section 708A(5)(e) of the Corporations Act 2001 (Cth) (Act) to ASX that was not effective given the Company had been suspended for more than 5 trading days in the previous 12 months. Therefore, these shares remain subject to secondary trading restrictions under the Act.

Whilst it has received no related complaints, the Company is taking all necessary steps to rectify any such breaches on an expedited basis and will shortly lodge a prospectus (Prospectus) to cleanse all shares issued under the Placement that have not been sold so that subsequent trading is not subject to secondary trading restrictions under the Act.

Once the Prospectus is lodged, the Company will file an application with the Federal Court of Australia seeking declaratory relief and ancillary orders relating to prior trading in those shares from the Placement that have been sold, so that on-sale prior to the issue of the Prospectus will be validated and will not attract any civil liability. The Company understands that there are reasonable prospects that the validating orders will be made.

The ASX has advised that the Company's securities will not be reinstated to trading until such time as orders are made by the Federal Court of Australia.

- ENDS -

For further information, please contact:

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Wangle Technologies

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ABOUT WANGLE FAMILY INSITES

Wangle Family Insites (WFI) offers parents a unique approach to ensuring the safe use of the internet by children and teenagers. By utilising Wangle's world class VPN network, backed by the research insights of childhood development research organization Telethon Kids Institute, WFI monitors mobile network patterns in real time and advises parents of potential threats as well as providing greater details and resources to parents on the threats identified.

WFI is available with a free 30 day trial via the Apple and Android App stores on a monthly or annual family subscription, and will initially target Australia's 6 million families before a planned international expansion.

ABOUT WANGLE TECHNOLOGIES

Wangle Technologies has developed patented algorithms that not only optimise, compress and secure the data flow to mobile devices, but facilitate real time analysis of network patterns and usage behaviours. Wangle's technology provides compelling value to consumers, service providers and enterprises looking for innovative low cost solutions for managing network capacity and use.

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Wangle Technologies Limited

ABN

80 096 870 978

Quarter ended ("current quarter")

March 2018

Consolidated statement of cash flows	Current quarter (Mar 2018) \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3	7
1.2 Payments for		
(a) research and development	(466)	(1,927)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(477)	(877)
(d) leased assets	-	-
(e) staff costs	(23)	(114)
(f) administration and corporate costs	(122)	(428)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	2
1.5 Interest and other costs of finance paid	(7)	(18)
1.6 Income taxes paid	-	-
1.7 Government tax incentives (R&D Rebate)	-	1,115
1.8 Other (ATO GST Refund)	-	-
1.9 Net cash from / (used in) operating activities	(1,091)	(2,240)

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Consolidated statement of cash flows	Current quarter (Mar 2018) \$A'000	Year to date (9 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	(2)
(e) other non-current assets	-	(15)
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) 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	-	(17)
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	560	1,960
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(92)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
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	560	1,868

Consolidated statement of cash flows	Current quarter (Mar 2018) \$A'000	Year to date (9 months) \$A'000
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	1,045	903
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,091)	(2,240)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(17)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	560	1,868
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of quarter	514*	514

**As announced on 8 March 2018 and detailed in the attaching March quarter Activities Report, the Company will be undertaking a non-renounceable entitlement issue to be finalised before the end of the next quarter. Please refer to these announcements for further details.*

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter (Mar 2018) \$A'000	Previous quarter (Dec 2017) \$A'000
5.1 Bank balances	109	134
5.2 Call deposits	405	911
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)	514*	1,045

**As announced on 8 March 2018 and detailed in the attaching March quarter Activities Report, the Company will be undertaking a non-renounceable entitlement issue to be finalised before the end of the next quarter. Please refer to these announcements for further details.*

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	91
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
Payment of director's fees, rent, administration expenses and reimbursements.	

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7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
-		

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
-			

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	475
9.2	Product manufacturing and operating costs	-
9.3	Advertising and marketing	183
9.4	Leased assets	-
9.5	Staff costs	52
9.6	Administration and corporate costs	155
9.7	Other (provide details if material)	-
9.8	Total estimated cash outflows	865*

**As announced on 8 March 2018 and detailed in the attaching March quarter Activities Report, the Company will be undertaking a non-renounceable entitlement issue to be finalised before the end of the next quarter. Please refer to these announcements for further details.*

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	-	-
10.2	Place of incorporation or registration	-	-
10.3	Consideration for acquisition or disposal	-	-
10.4	Total net assets	-	-
10.5	Nature of business	-	-

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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.

Sign here:



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Company Secretary

Date: 30 April 2018

Print name: Loren A. King

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.

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