

31 July 2018

Australian Securities Exchange (**ASX**)
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 the market with its Activities Report for the 3 months ending 30 June 2018 (**Quarter**).

HIGHLIGHTS

- **Wangle signs Affiliate Agreement with SkoolBag**, Australia's leading school communication platform.
- **Company successfully relocates its core operations to Brisbane.**
- Initial round of reviews delivers **\$100k/mth in cost savings**, with additional savings to come in the following months.
- **Entitlement Issue and Shortfall** offers close **fully subscribed** with **gross proceeds of \$3.3M.**

ORGANISATIONAL REVIEW

The Company has undergone an organisational review following the release of Wangle Family Insites (**WFI**) to realign itself with the future commercialisation needs of the business. With the Company shifting focus from core product development to product optimisation and commercial development, the following areas of focus were identified for review:

- Geographical focus (commercial);
- Resource requirements (internal and external); and
- Cost Efficiency (R&D, investments, OPEX).

Geographic Focus

During the review the Company identified that its core customer, partnership and investment opportunities would be better met with a greater presence on Australia's east coast. The Company has therefore undertaken a transformation program to transition its headquarters to Brisbane, with additional key staff working remotely out of Sydney, Melbourne and Perth.

The new structure allows key staff across marketing, product development, education and commercial to work more closely on the execution of the Company's strategies, whilst ensuring maximum exposure to opportunities presented on the east coast.

Resource Requirements

During the review it was recognised that the changing demands of the business required a different mix of both internal and external resource models. With core product development now finalised, the technical resourcing model requires a transition towards Customer & User Experience, Platform Operations and increased network management via technology partners including Amazon Web Services.

The shift in company focus to commercialisation also requires a greater focus on business development resources, in particular within the key cities of Sydney and Melbourne. Key business development staff are therefore being sourced in these cities.

Cost Efficiency

The organisational review also set out to reduce monthly costs to allow the Company to maximise return on investment and to allow resource decisions in support of business development to be made. All aspects of the business have been reviewed (including marketing, development, customer services, network operations, corporate and administration) with significant cost savings found across all areas. It is anticipated that significant savings will be realised in the coming quarters.

WFI – PRODUCT UPDATE

Post the initial launch and successful marketing of WFI, the Company undertook a comprehensive review of initial customer interaction to identify areas requiring further improvement and development.

Customer research, including online surveys and direct telephone interviews, has shown that parents are highly engaged with WFI's research and education based approach which is unique in the cyber-safety market. Parents have also confirmed that their key concern and challenge across all cyber-safety solutions is the overall complexity of setting up solutions across multiple family members and internet devices.

With the core product development complete, the Company has shifted internal development focus to removing complexity from WFI setup and vastly improving the ease of use and delivered value of the solution. Specialist resources have been engaged to manage the user experience optimisation, with a major UX-focused re-release planned for the following quarter.

WFI – PARTNERSHIPS & ENDORSEMENTS UPDATE

Following negotiations during the quarter, the Company entered into an Affiliate Heads of Agreement with SkoolBag in support of its child protection software, Wangle Family Insites.

SkoolBag is Australia's leading school communication platform, used by over 2,700 primary and secondary schools nationally to update over 1 million parents. Its offering includes a mobile app for schools to communicate with parents, white labelled school websites, and eNewsletter distribution to parents.

The purpose of the agreement is to provide WFI educational content, eBooks, and exclusive bespoke content for parents within the SkoolBag platform, including affiliate links to directly to download WFI from the Apple and Android app stores.

The company is continuing discussions with other potential distribution partners including telecommunications and private health insurer companies.

WFI – EDUCATION UPDATE

Recognised cyber-safety expert Robyn Treyvaud has lead the development of high quality educational assets for families as a key competitive differentiator. The production of regular, well-researched articles and substantive eBooks on key issues facing families today provides high value to WFI customers whilst building an asset base for future commercialisation activity.

The eBook series is developing into a major asset with current and future value realisation including the following areas:

- Key lead-generation activity for WFI customer acquisition (13,000+ emails captured);
- Key Search Engine Optimisation benefits for long term WFI awareness and traffic;
- Standalone educational materials for purchase (coming soon); and
- Content syndication via potential partnerships.

WFI eBooks Currently in Circulation

1. *Cyber Safety: The Essential Guide to Protect Your Children Online.*
2. *Hot to Tackle Cyberbullying: A Practical Guide for Parents.*
3. *How Social Media Affects Young Minds: A Guide for Modern Parents.*
4. *Caught in the Net: What Parents Need to Know About Internet Addiction.*
5. *Online Grooming: What Parents Need to Know About Grooming & Online Predators.*
6. *Trust, Spyware & Parenting: Helping Parents to Make Informed Decisions About Online Safety.*

CORPORATE UPDATE

As announced on 11 May 2018, the Company issued 5,000,000 fully paid ordinary shares (**Shares**) to Dr Neale Fong and 35,000,000 free-attaching unquoted options to acquire Shares (**Options**), exercisable at \$0.025 each on or before 31 August 2018, to participants in the Company's 8 March 2018 placement. The Company previously announced that it would be seeking quotation of these options but due to an administration error at ASX the \$0.025 class of options were never quoted. Subsequently, the Board opted not to proceed with their quotation due to the current market conditions and the high cost of quoting the options.

Further, the Company advised that the vesting conditions of the Company's Unquoted Options exercisable at \$0.15 each were not satisfied and accordingly those Options lapsed.

The Company announced that its non-renounceable entitlement issue (**Entitlement Offer**) was closed on Friday 15 June 2018. Under the Entitlement Offer, eligible shareholders were offered the opportunity to subscribe for one (1) share (**New Shares**) for every one (1) existing share held, at an issue price of \$0.003 per New Share, together with one (1) free attaching option, exercisable at \$0.01 and expiring on 30 June 2021, for every one (1) New Share subscribed for and issued (**New Options**).

Subsequent to the end of the quarter, the placement of the remaining shortfall securities (**Shortfall**) was managed by the broker and lead manager of the Entitlement Issue, CPS Capital Group Pty Ltd, who successfully placed all 848,650,970 shares to raise gross proceeds of \$2,545,953. The Board will seek shareholder approval at the Company's forthcoming Annual General Meeting for the participation of its directors in the Shortfall.

LEGAL UPDATE

During the quarter 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) to ASX that was not effective given the Company had been suspended for more than 5 trading days in the previous 12 months. The Company was successful in obtaining orders from the Federal Court of Australia on the 7th of June seeking declaratory relief and ancillary orders relating to prior trading in shares from the Placements.

- ENDS -

For further information, please contact:

Wangle Technologies
Sean Smith
MD and CEO
p: +618 6489 1600

Wangle Technologies
Loren King
Company Secretary
p: +618 6489 1600
info@wan.gl

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.

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")

June 2018

Consolidated statement of cash flows	Current quarter (Jun 2018) \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	5	12
1.2 Payments for:		
(a) research and development	(589)	(2,516)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(118)	(995)
(d) leased assets	-	-
(e) staff costs	(35)	(149)
(f) administration and corporate costs	(228)	(656)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	3
1.5 Interest and other costs of finance paid	(5)	(23)
1.6 Income taxes paid	-	-
1.7 Government tax incentives (R&D Rebate)	-	1,115
1.8 Other (ATO GST Refund)	3	3
1.9 Net cash from / (used in) operating activities	(966)	(3,206)

Consolidated statement of cash flows	Current quarter (Jun 2018) \$A'000	Year to date (12 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	720	2,680
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	-	-
3.5 Proceeds from borrowings	181	181
3.6 Repayment of borrowings	(181)	(181)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	(26)	(118)
3.10 Net cash from / (used in) financing activities	694	2,562

Consolidated statement of cash flows	Current quarter (Jun 2018) \$A'000	Year to date (12 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	514	903
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(966)	(3,206)
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)	694	2,562
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of quarter	242¹	242

¹ Since the end of the quarter the Company has issued 725,650,970 fully paid ordinary shares (**Shares**) at \$0.003.

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 (Jun 2018) \$A'000	Previous quarter (Mar 2018) \$A'000
5.1 Bank balances	178	109
5.2 Call deposits	64	405
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)	242¹	514

¹ Since the end of the quarter the Company has issued 725,650,970 fully paid ordinary shares (**Shares**) at \$0.003.

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	89
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.	

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	250,000 ¹	-
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.		
-			

¹ Relates to the unsecured loan agreement with Golden State Capital, LLC as announced on 11 May 2018.

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	320
9.2	Product manufacturing and operating costs	-
9.3	Advertising and marketing	119
9.4	Leased assets	-
9.5	Staff costs	67
9.6	Administration and corporate costs	180
9.7	Other (provide details if material)	241 ¹
9.8	Total estimated cash outflows	927²

¹ Capital raising costs incurred in relation to the Shortfall Placement announced on 26 July 2018 and detailed in the attaching June quarter Activities Report.

² Since the end of the quarter, the Company has issued 725,650,970 fully paid ordinary shares (**Shares**) at \$0.003.

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	-	-

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:


.....
Company Secretary

Date: 31 July 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.