

**31 October 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 31 September 2018 (**Quarter**).

### **HIGHLIGHTS**

- Successful submission of the 2018 Research and Development Tax Incentive Scheme claim (**R&D Scheme**) with circa \$1.2 million received by the Company in October.
- Wangle commences affiliate agreement with SkoolBag, Australia's leading school communication platform, to provide embedded content and links to the Family Insights App.
- Mr Mathew Walker appointed as Corporate Director to the Wangle Board.
- The Company successfully concluded the Entitlement Issue and Shortfall fund raising exercise with full subscription to its share issue.
- Wangle in final preparations for the re-launch and rebrand of cyber security platform, Family Insights.

### **2018 R&D SCHEME**

The Company's tax advisor Maxim Private Advisory Pty Ltd assisted Wangle in identifying circa \$2.8 Million in eligible expenditure within the 2017/2018 Financial Year. Under the R&D Scheme, 43.5% of this eligible expenditure can be claimed as refunds, with circa \$1.2 Million to be paid back to the Company as cash. The refund for the claim was received by the Company in October 2018.

### **AFFILIATE & EMBEDDED CONTENT AGREEMENT WITH SKOOLBAG**

In July the Company announced it had entered into an Affiliate Heads of Agreement with SkoolBag, Australia's leading school communication platform, to provide embedded educational content including affiliate links to the Family Insights platform to over 1 million parents currently using the platform.

The Company developed bespoke educational content for the SkoolBag platform which is currently being rolled out to Australian schools as part of a staged SkoolBag upgrade to its platform.

## **APPOINTMENT OF CORPORATE DIRECTOR – MR MATHEW WALKER**

The Company appointed Mr Mathew Walker to the Board as Corporate Director in July, with the specific focus areas of investor engagement, capital raising and business development.

Mr Walker is a businessman and entrepreneur with extensive experience in the management of public and private companies, corporate governance and in the provision of corporate advice. In a career spanning three decades, Mr Walker has served as Executive Chairman or Managing Director for public companies with operations in North America, South America, Africa, Eastern Europe, Australia and Asia.

The Company also accepted the resignation of Mr James Robinson as director.

## **CLOSURE OF ENTITLEMENT ISSUE AND SHORTFALL PLACEMENT FULLY SUBSCRIBED**

In July the Company announced the closure of the placement of shortfall securities, fully subscribed, to finalise its non-renounceable entitlement issue announced to the ASX on 11 May 2018.

## **FAMILY INSIGHTS – 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.

In line with feedback gathered from parents, teachers and children, the Company actioned each area of improvement in parallel to enable a full re-launch of the App in October 2018. Key features developed included; configuration review and general UX improvements, updated dashboard information, inclusion of new merchandising space within the App, the inclusion of a new child-state dashboard and a new optional feature allowing children to view and track the location of their parent's device using GPS.

Following feedback from customers, the family cyber security platform dropped the 'Wangle' prefix and updated the product name and logo to **Family Insights**.

## **CHANGE TO CEO AND MD'S CONTRACT**

Mr Smith was appointed to Chief Executive Officer (**CEO**) and Managing Director (**MD**) in January 2017 and has been instrumental in the redevelopment of the Wangle VPN App, the development of the Wangle Family Insights App, and the Company's restructure and transition to Brisbane, Queensland.

Further to Listing Rule 3.16.4, attached as an Appendix is a summary of Remuneration of Mr Smith.

- ENDS -

**For further information, please contact:**

**Wangle Technologies**

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MD and CEO  
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**Wangle Technologies**

Loren King  
Company Secretary  
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**ABOUT FAMILY INSIGHTS**

Family Insights (FI) 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, FI 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.

FI 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 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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## ANNEXURE A

In accordance with ASX Listing Rule 3.16.4, the Company makes the following disclosures in respect to the changes of the key terms of the agreement between the Company and its Managing Director and Chief Executive Officer, Mr Sean Smith.

### Remuneration

Mr Smith's remuneration package as Managing Director and Chief Executive Officer has been structured as follows:

- Salary Package of \$284,700 per annum inclusive of base salary, superannuation contributions and taxes.
- Four short term incentives bonuses equal to \$15,000 each, to the total of \$60,000, payable upon achievement of the following four milestones:
  - Completion of the Company's transition to Brisbane;
  - Successful lodgement & receipt of R&D Grant;
  - Relaunch of the Family Insights child cyber safety platform; and
  - Successful acquisition of an additional business.

### Termination

The Company or Mr Smith may at any time terminate the employment by giving to the other notice of 3 months' notice in writing.

After either the Company or Mr Smith having given the required notice, the Company may at any time terminate the employment by paying the Employee the sum equal to the amount of the Employee's Total Remuneration that would have accrued to the Employee during the balance of the required notice period.

## 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")**

30 September 2018

<b>Consolidated statement of cash flows</b>	<b>Current quarter (Sept 2018) \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2	2
1.2 Payments for:		
(a) research and development	(622)	(622)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(31)	(31)
(d) leased assets	-	-
(e) staff costs	(15)	(15)
(f) administration and corporate costs	(316)	(316)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	3
1.5 Interest and other costs of finance paid	(3)	(3)
1.6 Income taxes paid	-	-
1.7 Government tax incentives (R&D Rebate)	-	-
1.8 Other (ATO GST Refund)	(89)	(89)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,071)</b>	<b>(1,071)</b>

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Consolidated statement of cash flows	Current quarter (Sept 2018) \$A'000	Year to date (3 months) \$A'000
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
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)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>
<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	2,177	2,177
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	(323)	(323)
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)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>1,854</b>	<b>1,854</b>

<b>Consolidated statement of cash flows</b>	<b>Current quarter (Sept 2018) \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	242	242
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,071)	(1,071)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,854	1,854
4.5 Effect of movement in exchange rates on cash held	-	-
<b>4.6 Cash and cash equivalents at end of quarter</b>	<b>1,025<sup>1</sup></b>	<b>1,025</b>

<sup>1</sup>During October, Wangle Operations Pty Ltd received a Research and Development (R&D) Tax Incentive Scheme cash rebate from the Australian Tax Office of \$1,215,315.

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter (Sept 2018) \$A'000</b>	<b>Previous quarter (Jun 2018) \$A'000</b>
5.1 Bank balances	129	178
5.2 Call deposits	896	64
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,025<sup>1</sup></b>	<b>242</b>

<sup>1</sup>During October, Wangle Operations Pty Ltd received a Research and Development (R&D) Tax Incentive Scheme cash rebate from the Australian Tax Office of \$1,215,315.

<b>6. Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	107
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. <b>Payments to related entities of the entity and their associates</b>	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. <b>Financing facilities available</b> <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.		
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9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	435
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	99
9.4 Leased assets	-
9.5 Staff costs	67
9.6 Administration and corporate costs	164
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>765</b>

10. <b>Acquisitions and disposals of business entities</b> <b>(items 2.1(b) and 2.2(b) above)</b>	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: 31 October 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.