

Q3FY21 Activities Statement

28 April 2021: Cashback ecosystem, Cashrewards Limited (Cashrewards) (ASX:CRW) is pleased to provide its 4C Quarterly Cashflow Report for the quarter ended 31 March 2021.

Highlights

- New member customer growth of 68,319 members, up 99% against pcpc, taking Cashrewards' total member base to 989,587 with the FY21 goal of 1 million members to be well exceeded
- \$2.1m of IPO funds were expended on marketing with a particular focus on the final weeks of the quarter, which underpinned the strong new member growth
- Cash and cash equivalents as at 31 March 2021 of \$33.8 million with no debt
- Net cash used in operating activities of \$4.9 million
- Receipts from customers of \$5.9 million (up 12% vs pcpc). *(Quarterly receipts do not accurately reflect quarterly trading performance per below)*

Cashrewards CEO and Managing Director, Bernard Wilson, said: "The March quarter saw continued positive momentum, with increased receipts on both the previous quarter and the pcpc, and ongoing investment in product and technology".

"Given the early weeks of the March quarter are traditionally a slow retail period due to the summer holiday season, we made the strategic decision to concentrate marketing investment towards the end of the quarter and will do so ongoing into the final three months of the financial year for maximum impact. A highlight of the quarter was our first Cashrewards Day in March, which saw incredible member engagement.

"We expect receipts and investment in marketing, product and technology to continue to grow through the remainder of the second half of FY21.

"We are also continuing our discussions with ANZ Bank on some exciting product development and strategic initiatives. Whilst contractual terms are still being discussed, progress is positive," said Mr Wilson.

Cashflows

Receipts from customers totalled \$5.9 million, up from \$5.3 million in the pcpc, reflecting a 12% increase over this period, a result of the strong increase in online sales, offset by the contraction in Travel due to COVID-19.

The nature of Cashrewards' business model means that quarterly cashflow reports may not accurately reflect quarterly trading performance. Operating cashflows are influenced by seasonal and category trends which impact the timing receipt of both cash inflows and outflows. In addition, whilst Cashrewards' revenue recognition policy recognises revenue on a varying basis for each category, in general revenue is typically recognised on transaction, whereas cash for that transaction is received at a later date.

Use of funds

The Cashrewards Initial Public Offer (the “Offer”) raised \$44.9 million (before costs) and after payments to divesting shareholders. These funds are being invested primarily in:

- marketing to drive brand and category penetration and grow member engagement;
- product, technology and platform development;
- research and development to support continued product development and innovation; and
- key talent acquisition and working capital.

The funds raised under the Offer mean Cashrewards is debt-free and well-funded to execute on its ambitious growth agenda. They are being applied as per the below table, as outlined in Cashrewards’ Prospectus dated 10 November 2020 (“Prospectus”):

Uses of funds	Funds received per prospectus (\$m)	% of Offer funds	Q3 Expenditure (\$m)	% of Funds Received	Cumulative since Offer (\$m)
Marketing	14.0	21.5%	2.0	13.9%	3.7
Ongoing investment in product, technology and platform development	7.6	11.7%	0.7	9.4%	0.9
Working Capital	8.3	12.7%	1.9	23.4%	1.7
Key employee hires	4.0	6.2%	0.5	12.1%	0.6
Research & Development	3.6	5.5%	0.6	16.2%	0.9
Repayment of debt	2.0	3.1%	-	-%	2.0
Costs of the Offer	5.5	8.5%	-	-%	5.7
Payments to Selling Shareholders	20.0	30.8%	-	-%	20.0
Total uses	\$65.0	100.0%	\$5.7		\$35.5

Offer costs were slightly lower than anticipated in the Prospectus. All other costs are aligned with the Company’s expected use of funds as outlined in its Prospectus.

This announcement was approved by Cashrewards’ CEO Bernard Wilson, on behalf of the Cashrewards Board.

For more information, please contact:

Investors

Bernard Wilson
Chief Executive Officer
E: investors@cashrewards.com

Media

James Tait
T: +61 400 304 147
E: jtait@respublica.com.au

About Cashrewards¹

Australian-owned and operated, Cashrewards is a cashback centred e-commerce ecosystem, where members browse brands and offers and receive cashback on transactions by shopping online or in-store.

Cashrewards provides almost one million Members with a broad array of Cashback offers via its 1,600+ Merchant Partners including Adidas, Amazon.com.au, Apple, Booking.com, Cellarmasters, Chemist Warehouse, Dan Murphy's, Dell, Expedia, Myer, Nike, The Iconic, and Microsoft.

This ecosystem has driven more than \$2.5 billion of TTV for Merchant Partners since its inception, translating into more than \$110 million of Cashback for Members.

Cashrewards was the first Pledge 1% business to list on the ASX with childrens' charity the Starlight Foundation the key beneficiary. Since making the pledge, Cashrewards has donated more than \$800,000 to the Foundation, helping more than 20,000 sick children and their families.

¹ All data in this section last updated at conclusion of H1FY21