

## Chairman's Address to AGM

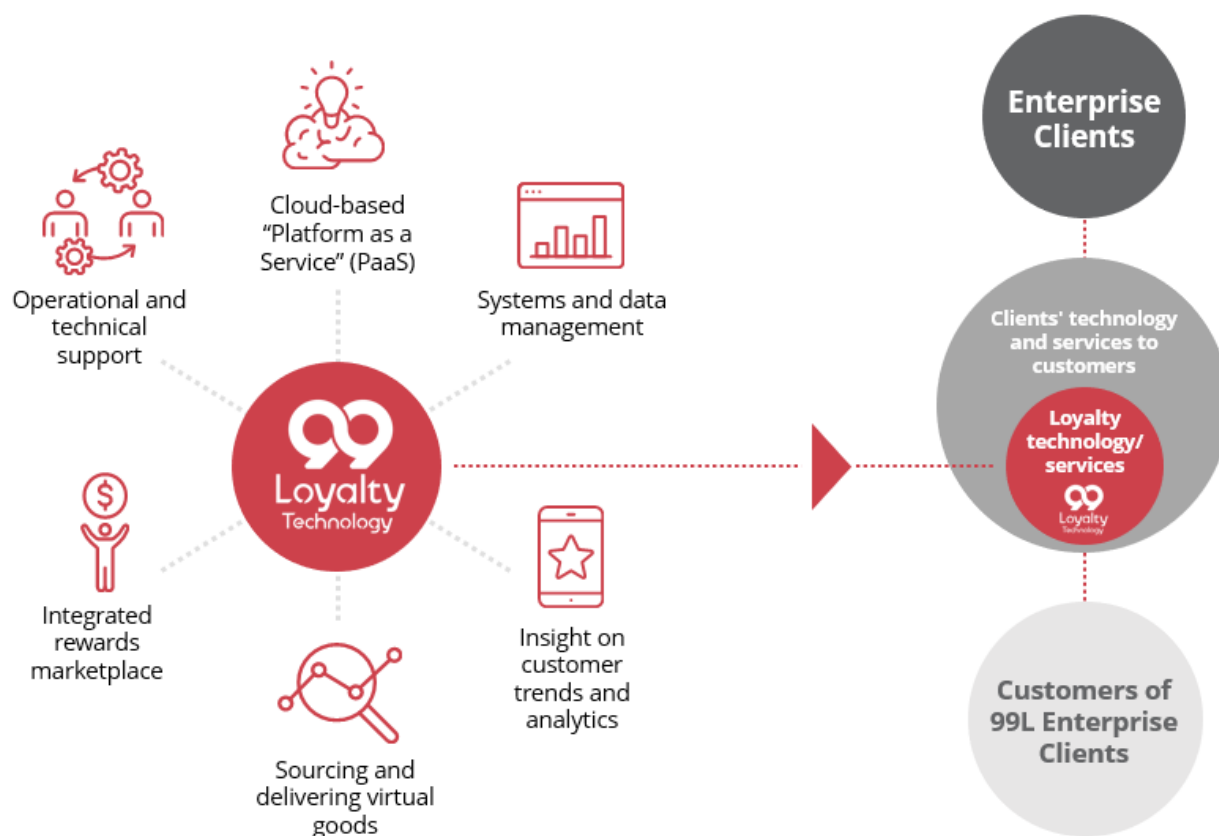
Dear Investors,

As Chairman of 99 Loyalty Limited (**ASX:99L**) (**99 Loyalty Technology** or the **Company**) I would like to provide a brief update on the Company's progress throughout FY2020 and also communicate our future growth plans.

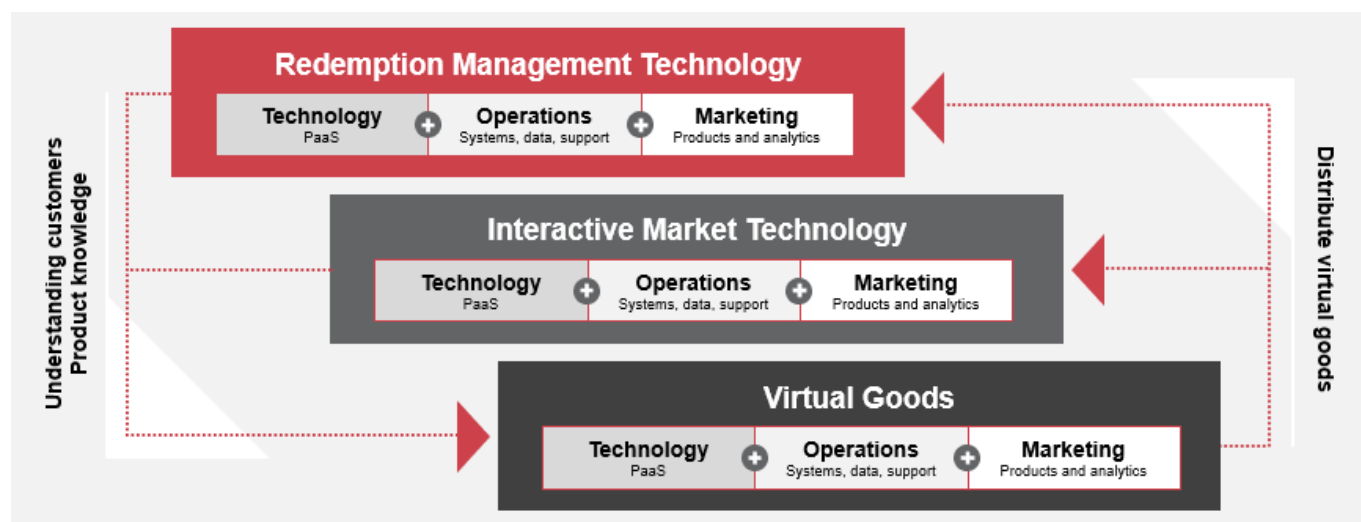
As many of you know, I have had a long association with 99 Loyalty Technology, and this will be my eighth year as Chairman since we listed on the ASX in 2013. I have over 34 years of experience in the Australian financial services industry, with extensive knowledge in securities, deal structuring and business strategy. Over the past 15 years I have spent significant time in China originating inbound and outbound investment activities which places me in a strong position to guide 99 Loyalty Technology as it contributes to the technology that is fueling the digitisation of financial services in China.

### Company Introduction

99 Loyalty Technology is very proud to be able to deliver the platform and insights that enables China's leading banks and insurance companies to enhance customer loyalty and win new business.



99 Loyalty Technology is a business to business (B2B) enterprise technology solution with greater than 200 enterprise clients. It delivers the “technology behind the scenes”, integrating seamlessly into our client’s own ecosystem. This allows users to interact in the client’s ecosystem as per normal, with an enhanced experience. The enterprise client benefits from access to a full suite of technology services – which includes from security to full analysis to virtual goods.



Our Redemption Management Technology helps clients acquire and retain customers through loyalty programs. 99 Loyalty Technology provides the technology platform to manage rewards points, manage points redemptions, and the sourcing and delivery of rewards within the client’s own digital assets. This service is predominantly used by Chinese banks.

Our Interactive Marketing Technology helps clients acquire and retain customers through interactive marketing campaigns. 99 Loyalty Technology provides the technology platform that includes drawing customers into the client’s app, gamification of app activities, and the sourcing and delivery of rewards for that activity. This service is predominantly used by Chinese insurance companies. Importantly 99 Loyalty Technology is also licensed to use its technology platform for brokering insurance policies in China.

The sustained growth in mobile internet use in China has completely shifted the battleground for China’s banks and insurers. Our highly synergistic service lines produce a significant amount of data that leads to an access advantage for 99 Loyalty Technology across all service types.

## Virtual Goods

Virtual goods are non-physical objects that include digital coupons, e-vouchers, credits, in-game items, and virtual currency. China’s virtual goods market is one of the world’s largest and fastest growing. Consumer demand has led to virtual goods becoming a powerful “marketing currency” that service providers may use to enhance customer acquisition and retention. This led to the emergence of third-party platform operators, acting as a “gateway” that sources virtual goods with scale advantage and distributes them via a technology platform (such as a loyalty rewards program) seamlessly inside the mobile app of a client.



#### **Leisure & Entertainment**

Membership credits and in-app currencies to access streams (music, TV, live sport etc)



#### **Games**

In-game items such as upgrades, unlock characters, virtual accessories, outfits, game levels etc



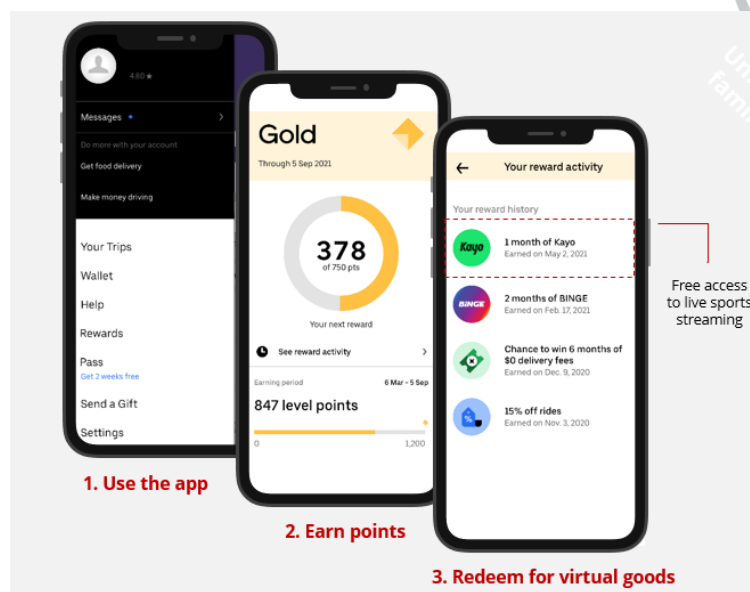
#### **Telecommunications**

Top-up credits (talk and data)



#### **Lifestyle**

Digital coupons for restaurants, hotels, and shops



### **Market Opportunity**

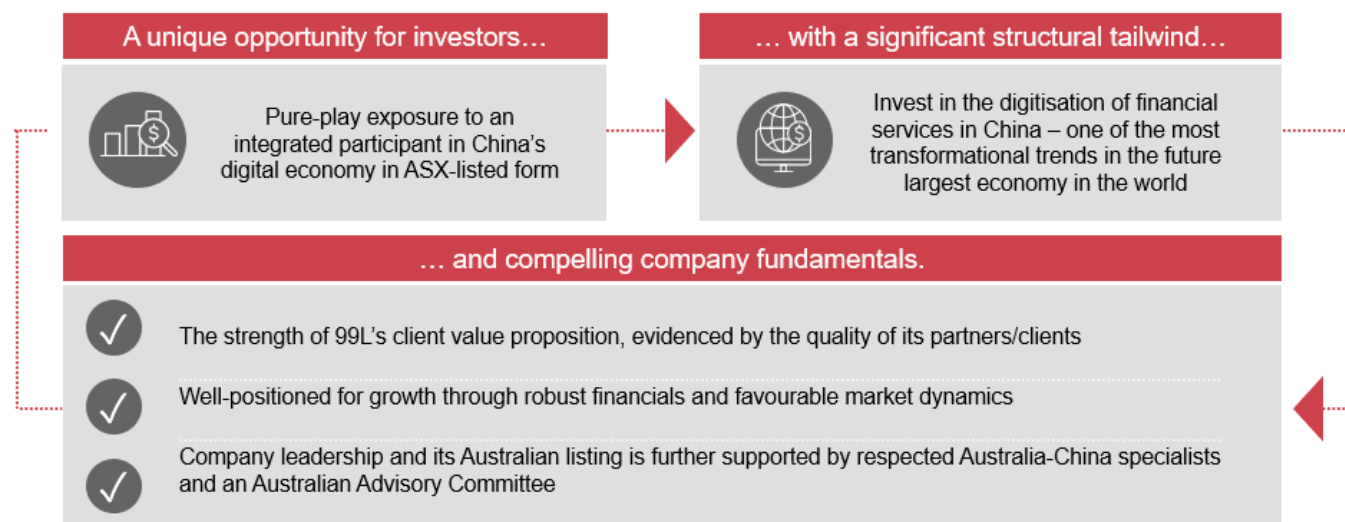
The fundamentals supporting 99 Loyalty Technology's core businesses are highly attractive. Smartphone usage in China has been growing steadily over the past five years and is forecast to continue. China's overall digital economy is poised to deliver continued growth with strong public policy support.

99 Loyalty Technology has established long-term relationships with the major financial services companies in China and is a proven specialist in engaging with partners in the finance sector. The Company has built a strong track record for execution capability and security which has gained the trust of its enterprise client base.

The company also has over one hundred and eighty (180) patents, copyrights, qualifications, and licenses to operate in China across a range of technologies and activities.



## Investment Highlights

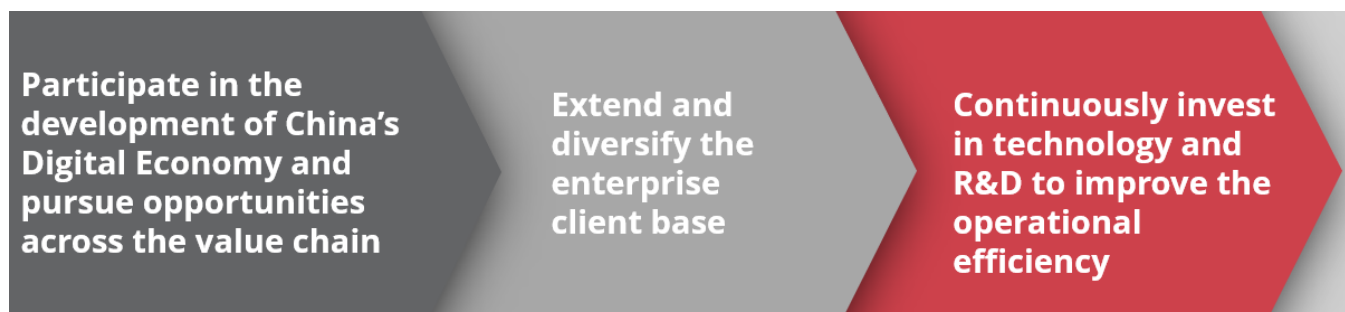


## Growth Strategy and Road Map

99 Loyalty Technology is looking to participate in the development of China's Digital Economy and pursue opportunities across the value chain. The team in China is actively studying the trends of China's Digital Economy development and participating in the construction of digital life ecosystems for enterprise clients and their consumers.

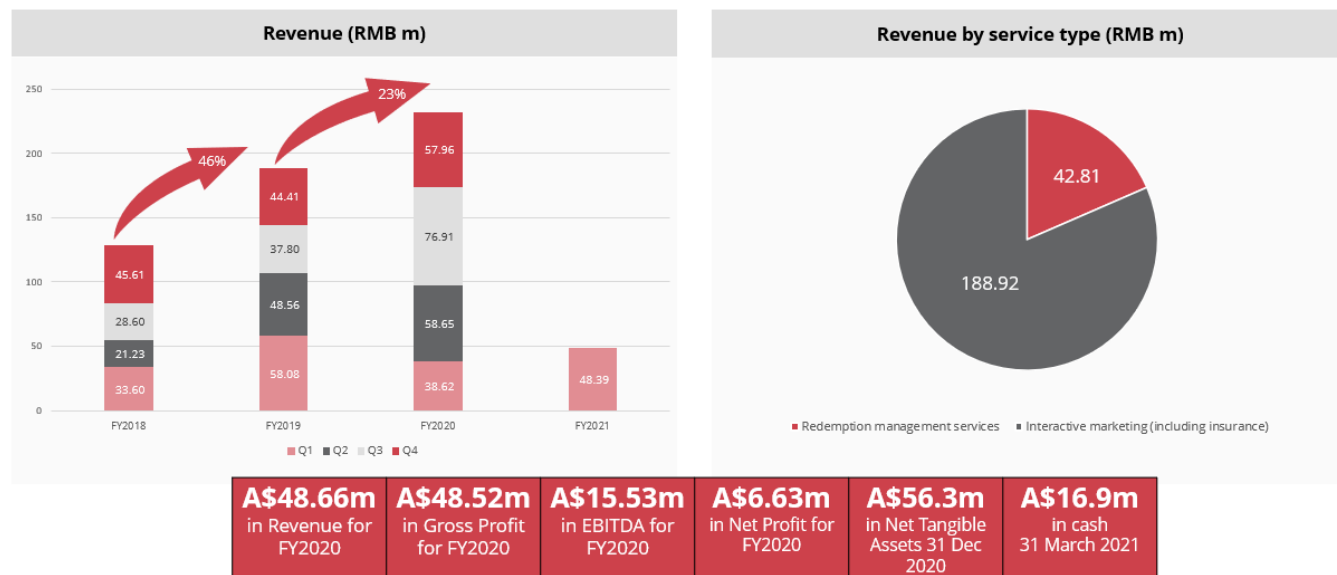
Our team continues to extend and diversify the enterprise client base across China. We are consistently attracting more enterprise clients with their evolving demands for customer satisfaction, as we assist in achieving their loyalty marketing goals. We provide best-fit solutions and services integrated with "Technology + Operation + Marketing".

99 Loyalty Technology is committed to investing in technology and R&D to improve the operational efficiency and fulfill the demands of our enterprise clients. As we monitor technology trends we will look to augment our capabilities with new technology to better serve our enterprise client's needs.



We remain focused on further broadening the scope of our virtual products with financial products, building on the success already seen with the use of insurance products. The Company will continue to design and introduce the latest financial products into the product portfolio for use in our redemption management and interactive marketing services.

## Financial Highlights FY2020



99 Loyalty Technology was pleased to have delivered revenue for FY2020 of RMB 231.7m (AUD 48.7m). This represents an increase of 23% compared with FY2019 despite the impacts COVID-19. The company delivered a positive FY2020 EBITDA of RMB 73.9m (AUD 15.5m) and NPAT of RMB 31.6m (AUD 6.6m).

Q1 2021 has continued the growth trend with RMB 48.4m (AUD 9.7m) in revenue, a 25% increase on Q1 2020. The Company's cash position of AUD 16.9m (31st March 2021) and Net Tangible Assets of AUD 56.3m (31st December 2020, approximately AUD 0.05 per CDI) provides a balance sheet that is well positioned to pursue growth opportunities.

Thank you to our CDI holders for your support during FY2020 and we look forward to keeping you updated on the Companies activities as we continue to make progress in the coming period.

Regards



**Ross Benson**

**Chairman**

Released with authority of the board.

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