



Rewardle

— Holdings Limited —

ACN 168 751 746



Replacement Prospectus

For an initial public offer of 20 million fully paid ordinary shares in the capital of the Company (**Shares**) at an issue price of \$0.20 each to raise \$4 million (**Offer**).
The minimum subscription under the Offer is \$3 million.

Lead Manager



IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you have any queries or do not understand it you should consult your professional advisers without delay.

The Securities offered by this Prospectus should be considered highly speculative.



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This replacement prospectus is dated 20 August 2014 and was lodged with ASIC on that date (**Prospectus**). It replaces the original prospectus lodged with ASIC on 8 August 2014 (**Original Prospectus**). The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

In accordance with Chapter 6D of the Corporations Act, the Original Prospectus was subject to an Exposure Period of 7 days from the date of lodgement of the Original Prospectus with ASIC. This period was extended by ASIC for a further period of 7 days. Applications for Shares under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

The key differences between the Original Prospectus and this Prospectus include formatting and layout amendments, the deletion and reconfiguration of some graphics and diagrams, inclusion in the Chairman's Letter of a brief summary of the key risks involved with an investment in the Company, inclusion of a use of funds table in Section 2.9, and inclusion of the material financial information of the Company's wholly owned subsidiary, Rewardle Pty Ltd in section 2.13. Sections 2.2 and 4.13(i) have also been amended to clarify the Company's business model and its present status, particularly in respect of revenue. Additionally, the Investigating Accountant's Report in Section 8 has been amended to include the correct amount of Performance Options, and a Black-Scholes valuation of the options attaching to the Convertible Note.

A copy of this Prospectus can be downloaded from the website of the Company at www.rewardleholdings.com/prospectus. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom it would not be lawful to make such an offer or invitation. The distribution of this Prospectus (in electronic or hard copy form) in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the Shares, or the Offer, or otherwise permit a public offering of Shares, in any jurisdiction outside Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

This Prospectus contains forward-looking statements which are identified by words such as 'could', 'believes', 'may', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, and its Directors and management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law. These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5 of this Prospectus.

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this prospectus are illustrative only and may not be drawn to scale.

The cover page image is an example only and does not represent an actual Merchant. It has been included for illustrative purposes only, in order to demonstrate the Company's tablet system.

Directors

Ruwan Weerasooriya – Managing Director
Jack Matthews – Non-executive Chairman
Brandon Munro – Non-executive Director

Company Secretary

Ian Hobson

Proposed ASX Code

RXH

Solicitors

Nova Legal
Ground Floor, 10 Ord Street
West Perth WA 6005

Trade Mark Attorney

Watermark Patent and Trade Mark Attorneys
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Subiaco WA 6008

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Sydney NSW 2000

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Email: corporate@rewardle.com
Website: www.rewardleholdings.com

Principal Place of Business

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Melbourne VIC 3000

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West Perth WA 6005
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Facsimile: +61 8 9321 2337

Investigating Accountant

BDO Corporate Finance (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Auditor*

BDO East Coast Partnership
Level 14, 140 William Street
Melbourne VIC 3001

* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

1.

CHAIRMAN'S LETTER

Dear Investor,

There can be little doubt that technology is changing how we connect, share and transact, and Rewardle is positioning itself to be a leading player as the worlds of social media, marketing, mobile and payments converge.

Rewardle acts as a commerce based social network, connecting consumers with their favourite places, based on transactions.

Rewardle is on a mission to provide local SME merchants with the digital engagement tools and business intelligence typically only available to large retail chains by unlocking the power of mobile computing, cloud based software and Big Data analysis.

Put simply, Rewardle has given the traditional “buy 9, get 1 free” paper punch card a digital makeover and extended its utility by adding social media integrations, prepayment and mobile ordering.

Rewardle’s typical clients are your local café, yoga studio, butcher, hairdresser or juice bar. These time poor merchants, with limited operational and marketing support don’t have access to the digital tools of large retail chains but desperately need them to connect with customers in an increasingly digital and connected world.

Rewardle is led by founder and Managing Director, Ruwan Weerasooriya. He and his team bring the Company significant experience in operating technology and media businesses. By employing Lean Startup principles, in a relatively short period of time the management team has established an early mover advantage for the Company across the areas of product development, business process management and Merchant and Member Network development.

Rewardle boasts a growing national network of over 1500 Merchants and around 300,000 Members who have collectively checked-in with Rewardle more than 3,000,000 times as part of a transaction. To date, this has resulted in the Rewardle Platform facilitating over 340,000 reward redemptions ranging from free coffees to beauty treatments, and even discounts on tattoos.

In addition, over \$300,000 of prepaid credit has been loaded onto the Rewardle Platform that is now starting to be used for mobile payments at local SME merchants in a manner that disrupts traditional payment practices and banking networks.

Rewardle’s progress to date has established a number of barriers for new entrants, with arguably the most significant being the powerful Network Effects that accompany the growing Merchant and Member Network that the Company is amassing.

Under the terms of this Prospectus the Company is seeking to raise \$4,000,000 through the issue of 20,000,000 Shares at a price of \$0.20 per Share. The Company has established an Employee Share Option Plan to assist in attracting and retaining current and future employees by providing them with the opportunity to own Shares in the Company.

The funds that the Company is seeking under the terms of this Prospectus will be applied to growth, in particular to enhance the early mover advantage that the Company has established with respect to product development, business process management and Merchant and Member Network development.

The Company is subject to a number of risks which apply to the new industry sector in which the Company operates, and the technology sector generally, including limited operating history, reliance on key personnel and new products, building and maintaining a Merchant and Member Network, programming errors, competition, security breaches, credit card fraud, data loss, directors retaining a significant stake, liquidity and additional requirement for capital. These risks, and others, are further discussed in Section 5.

I encourage you to read the Prospectus carefully and in its entirety, particularly Section 5, which describes the risks involved with an investment in the Company.

Thank you for taking the time to consider joining us on this exciting journey.

On behalf of the Board of Rewardle, I look forward to welcoming you as a Shareholder in the Company.

Yours sincerely



Jack Matthews
Chairman

2.

INVESTMENT OVERVIEW

This section is a summary only and not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. The Securities offered by this Prospectus should be considered highly speculative and this Prospectus should be read and considered in its entirety.

2.1 The Company

The Company was incorporated on 25 March 2014 for the primary purpose of acquiring Rewardle Pty Ltd and raising equity through listing on the Australian Securities Exchange to fund the growth of the Merchant and Member Network. For further information on the Company, please refer to the Industry and Company Overview in Section 4.

2.2 Business model

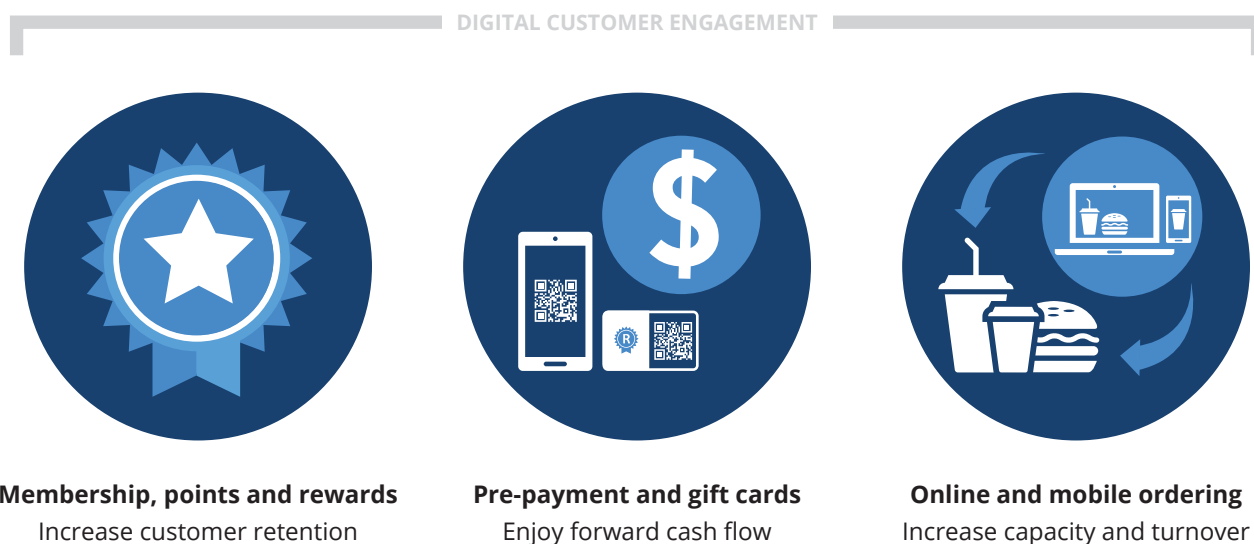
Overview

Rewardle is a Digital Customer Engagement platform for local SME merchants.

Rewardle utilises mobile computing, cloud based software and Big Data analysis to provide local SME merchants with Digital Customer Engagement tools and business intelligence similar to those that are used by large retail brands.

Rewardle has given the traditional “buy 9, get 1 free” paper punch card a digital makeover and extended its utility by adding prepayment, mobile ordering and social media integrations.

Rewardle’s membership, points and rewards system is the basis for the Company’s growing suite of Digital Customer Engagement tools that are designed to assist local SME merchants to effectively use e-mail, social media and mobile marketing to engage more closely with customers and grow their business.



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Key statistics

Rewardle Pty Ltd was founded in September 2011, the first iteration of the Rewardle Platform was released in July 2012, and in early April 2013, the first tablet was deployed within Merchant premises. Since that time, the Company has experienced growth as shown in the following diagrams:

Rewardle Merchant Network

Source: Rewardle Platform, June 30th 2014 Statistics

* Approximate Value

Rewardle Member Network

Source: Rewardle Platform, June 30th 2014 Statistics

* Approximate Value

Rewardle Member Check-Ins

Source: Rewardle Platform, June 30th 2014 Statistics

* Approximate Value

Rewardle's strategy is to continue to foster the Network Effects that are inherent in the business model by initially focusing on Merchant and Member Network growth.

Type of Merchants that are customers

Rewardle works with a diverse range of Merchants across a variety of segments including Merchants in the following categories:



Market Sectors			
Bakeries	Bars	Burger shops	Butcher shops
Cafés	Dry cleaning	Fashion retail	Florists
Grocery stores	Gyms	Hairdressing salons	Ice cream parlors
Juice bars	Pharmacies	Pizza shops	Restaurants
Salad bars	Social groups	Sushi shops	Tattoo studios

Revenue model

Rewardle management has identified 3 revenue opportunities that are at various stages of development.



Prioritising the pursuit of each revenue opportunity will be determined by the board based on ongoing strategic evaluation of the businesses development.

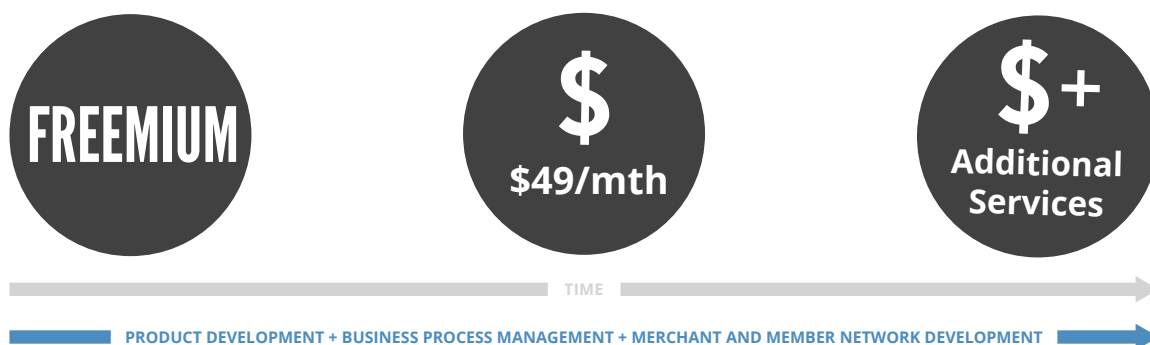
The current focus of the Company is product development and Merchant and Member Network growth to enhance the Company's early mover advantage and the Network Effects inherent of the Rewardle business model.

As at the date of this Prospectus, the Company's only revenue is from those Merchants paying the monthly subscription fee for the Company's Merchant marketing services.

a. Merchant services

Rewardle provides local SME merchants with Digital Customer Engagement tools to assist them in using email, social and mobile marketing to grow their business.

These services are provided on a monthly subscription basis which at present, is priced at \$49 per month. Rewardle's Merchant services are initially offered on a free trial basis allowing the Company to rapidly build market penetration.



In time the Company envisages converting Merchants from free trials to paying subscribers. Rewardle will continue to develop and enhance its suite of marketing tools which may generate new revenue opportunities.

As at the date of this Prospectus, the Company has a Merchant network of 1587, of which 64 Merchants have transitioned into paying subscribers.

At present it has been determined that resources associated with converting trial Merchants to paying subscribers are more valuable when applied to the growth of the Merchant and Member Network which will enhance the Company's early mover advantage and the Network Effects inherent of the Rewardle business model.

b. **Brand partnerships**

Rewardle intends to derive revenue from brands by charging a fee for them to engage with its Merchant and Member Network.

One such approach would be similar to that adopted by loyalty programs such as Qantas Frequent Flyer, Virgin Velocity and Flybuys loyalty programs, that allows for brands to purchase points for distribution to their customer base as incentives.

c. **Payments**

Over recent years, cashless payments via debit and credit cards have accounted for a growing proportion of payments in Australia. More recently, technology has developed to permit payments to be made via mobile devices such as smartphones.

Rewardle intends to derive fees from payment processing. The Company is investigating a variety of approaches for collecting fees from the facilitation of payments between Members and Merchants.

For further information on the Company's business model, please refer to the Industry and Company Overview in Section 4.

2.3 Objectives

The Company's main objectives of the Offer are:

- a. raise capital to accelerate the growth of Rewardle's Merchant and Member Network;
- b. assist in retaining and attracting the services of current and future Company employees by providing them with the opportunity to own Shares and/or Options in Rewardle; and
- c. allow easier access to equity markets if required to fund future growth on the Merchant and Member Network and/or acquisition opportunities.

2.4 Key strengths

Large market	Based on Australian Bureau of Statistics data, Frost & Sullivan identified that 175,069 merchants operate in Retail, Cafes/Restaurants, Pubs, Taverns/Bars, Hair/Beauty sectors where Digital Customer Engagement services such as those offered by Rewardle would be applicable. Frost & Sullivan also noted that including businesses in other sectors, there are likely to be as many as 200,000 SMEs in Australia, operating in industry sectors where rewards programmes are commonly offered.
Early mover advantage	Rewardle has established an early mover advantage with respect to the development of the Rewardle Platform and scaling its Merchant and Member Network.
Market traction	As at 30 th June the Rewardle Merchant and Member Network consisted of 1,587 Merchants and around 300,000 Members.
Accelerating growth profile	In the quarter ending 30 th June 2014, Rewardle's business has demonstrated strong growth across a range of key performance metrics such as Merchant and Member numbers and Check-ins, as shown in Section 2.2 — Key Statistics
Strong management	Rewardle is led by an experienced entrepreneurial team with a successful background in internet and media businesses.
Natural Network Effects	The Rewardle business model has been constructed with inherent Network Effects that serve to accelerate the business' growth and form a natural barrier to entry as the Merchant and Member Network and user engagement grows.
Strong financial position	Based on the assumption that the Offer disclosed in this Prospectus achieves full subscription, Rewardle would have cash balance of approximately \$3.6 million (after expenses) and no debt.

For further information on the Company's strengths, please refer to the Industry and Company Overview in Section 4.

2.5 Key risks

The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the Shares of the Company.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can be effectively managed is limited.

Set out below are specific risks that the Company is exposed to. **Further risks associated with an investment in the Company are outlined in Section 5.**

Risk	Summary	Section
Limited operating history	Rewardle has limited relevant operating history in the development of a points and rewards platform and the unproven potential of its proposed new business model makes any evaluation of the business or its prospects difficult.	5.2(c)
Reliance on key personnel	The Company's operational success will depend substantially on the continuing efforts of senior executives (in particular, Ruwan Weerasooriya).	5.2(d)
Reliance on new products	The Company's ability to grow Rewardle's Merchant and Member Network and generate revenue will depend in part on its ability to create successful new products.	5.2(g)
Building and maintaining a Merchant and Member Network	Rewardle's business plan is dependent on building a Merchant and Member Network that remain engaged with the Rewardle Platform.	5.2(h)
Programming errors, bugs, or vulnerabilities	The Company's products may contain programming errors, which could harm its brand and operating results.	5.2(o)
Competition	The Company will compete with other businesses and companies. Effective competition may reduce the scale of the Merchant and Member Network and operating margins that may be obtained from Rewardle's products.	5.2(q)
Security breaches	If Rewardle's security measures are breached, or if its products are subject to cyber-attacks that restrict user access to its products, its products may be perceived as less secure than competitors and users may stop using Rewardle's products.	5.2(t)
Credit card fraud or payment gateways disruption	It is possible that the Rewardle business will in the future include the capacity to accept or process credit card transactions or other payment mechanisms. In such a case, Rewardle will be at risk of fraud by its members.	5.2(u)
Data loss, theft or corruption	Rewardle stores data with a variety of third party service providers. Hacking or exploitation of some unidentified vulnerability in its network could lead to loss, theft or corruption of data.	5.2(v)
Directors retain a significant stake	Following completion of the Offer (assuming full subscription), the Directors will retain approximately 76.34% of the issued capital of the Company.	5.2(w)
Liquidity and realisation risk	There can be no guarantee that an active market in the Shares will develop or that the price of the Shares will increase.	5.2(x)
Additional requirements for capital	The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in the future.	5.2(z)

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company and you should refer to the additional risk factors in Section 5 of this Prospectus before deciding whether to apply for Shares pursuant to this Prospectus.

2.6 The Offer

The Company invites applications for 20,000,000 Shares at an issue price of \$0.20 each in order to raise \$4,000,000.

The minimum subscription under the Offer is \$3 million which would result in the issue of 15,000,000 Shares.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue.

The Company has appointed DJ Carmichael as the Lead Manager for the Offer pursuant to the Lead Manager Mandate outlined in Section 10.6.

Key information relating to the Offer and references to further details are set out in this Investment Overview below. For further details of the Offer, please refer to Section 3.

2.7 Indicative timetable*

Event	Date
Lodgement of Prospectus with the ASIC	20 August 2014
Opening Date	8.00am WST on 25 August 2014
Closing Date	5.00pm WST on 12 September 2014
Despatch of holding statements	16 September 2014
Expected date for quotation on ASX	2 October 2014

* The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without notice.

2.8

Purpose of the Offer

The purpose of the Offer is to facilitate an application by the Company for admission of the Company to the official list of ASX and position the Company to seek to achieve the objectives set out above in Section 2.3.

2.9

Use of funds

The Company intends to apply funds raised from the Offer, over the first two years following admission of the Company to the Official List of ASX as follows:

Use of funds	Year 1		Year 2	
	Minimum subscription	Full subscription	Minimum subscription	Full subscription
Growth of Merchant & Member Network & associated administration	570,175	898,392	700,229	980,229
Software development	224,194	314,194	233,751	323,751
Corporate overhead	439,872	439,872	453,251	453,251
Convertible Note interest ¹	0	150,838	0	0
Expenses of the offer ²	378,527	439,472	0	0
Total	1,612,769	2,242,769	1,387,231	1,757,231

¹ It is the Company's intention to repay the Convertible Note interest in cash if the Offer is fully subscribed. In the event that the Offer is not fully subscribed, the Company intends to convert the Convertible Note interest into Shares, in accordance with the terms of the Convertible Note Agreements set out in Section 10.2.

² For full details of the expenses of the Offer, refer to section 11.7.

The above is a statement of current intentions as of the date of this Prospectus, and:

- a. as per the Company's Lean Startup business development approach, on an ongoing basis the Board will review its Merchant and Member Network growth strategy, which may impact its use of funds, taking into consideration the development of revenue opportunities, further capital raising opportunities, and market conditions;

- b. the Directors are satisfied that the minimum subscription of \$3,000,000 provides the Company with sufficient working capital to meet its objectives as set out in Section 2.3; and
- c. as with any budget, intervening events (such as those noted in the Risk Factors in Section 5) and new circumstances have the potential to affect the manner in which the funds are ultimately applied.

As a result of the above qualifications, the Board reserves the right to alter the way funds are applied.

2.10 Capital structure

The capital structure of the Company following completion of the Offer (assuming full subscription) is summarised below¹:

Shares²

	Number
Shares currently on issue	77,500,000
Shares to be issued on conversion of the Convertible Notes ³	18,500,000
Shares to be issued pursuant to the Offer (assuming full subscription)	20,000,000
Total Shares on completion of offer	116,000,000

Options⁴

	Number
Options currently on issue	17,875,000
Options to be issued pursuant to Lead Manager Mandate	1,500,000
Total Options on completion of the Offer	19,375,000

MD Performance Options and Employee Performance Options⁵

	Number
MD Performance Options currently on issue	10,000,000
Employee Performance Options currently on issue	10,000,000
Total MD Performance Options and Employee Performance Options on completion of the Offer	20,000,000

¹ Refer to the Investigating Accountant's Report set out in Section 8 of this Prospectus for further details.

² The rights attaching to the Shares are summarised in Section 11.1 of this Prospectus.

³ The Company intends to convert the Convertible Notes into Shares once the Company obtains conditional approval for Official Quotation from the ASX and pursuant to the terms of the Convertible Note Agreement specified in Section 10.2.

⁴ Each Option will be unquoted and is exercisable at 20 cents on or before 30 June 2017.

⁵ Refer to section 11.2(b) and (c) for further details.

2.11 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Offer (assuming full subscription) are set out in the respective tables below.

As at the date of the Prospectus

Shareholder	Shares	Options	% (undiluted)	% (fully diluted) ⁴
Ruwan Weerasooriya ^{1,2,3}	75,000,000	9,375,000	96.77	88.47

¹ 500,000 Shares held by Marmalade Holdings Pty Ltd an entity controlled by Ruwan Weerasooriya and 74,500,000 Shares held by Ruwan Weerasooriya.

² Ruwan Weerasooriya also holds 10,000,000 MD Performance Options, refer to section 11.2(b) for further details.

³ Marmalade Holdings Pty Ltd, an entity controlled by Ruwan Weerasooriya, holds a Convertible Note which the Company intends to convert upon receiving conditional approval for Official Quotation from the ASX. Upon conversion of the Convertible Note, Marmalade Holdings will receive 12,500,000 Shares.

⁴ Assuming no conversion of the Convertible Notes or Options and that no MD Performance Options or Employee Performance Option milestones have been achieved.

On completion of the Offer (assuming the Company elects to convert the Convertible Notes and no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offer)

Shareholder	Shares	Options	% (undiluted)	% (fully diluted) ³
Ruwan Weerasooriya ^{1,2}	87,500,000	9,375,000	75.43	71.56

¹ 13,000,000 Shares held by Marmalade Holdings Pty Ltd, an entity controlled by Ruwan Weerasooriya, and 74,500,000 Shares held by Ruwan Weerasooriya.

² Ruwan Weerasooriya also holds 10,000,000 MD Performance Options, refer to section 11.2(b) for further details.

³ Assuming no conversion of Options and no MD Performance Options or Employee Performance Option milestones have been achieved.

The Company will announce to the ASX details of its top-20 Shareholders (following completion of the Offer) prior to the Shares commencing trading on ASX.

2.12 Restricted securities

Subject to the Company being admitted to the Official List, certain Shares and Options on issue prior to the Offer will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

It is estimated that 75,997,500 Shares will be subject to escrow as follows:

- a. 75,616,667 shares for 24 months from the date of Official Quotation (primarily held by Directors and management); and
- b. 380,834 shares for 12 months from the date of issue (primarily held by seed investors).

It is estimated that:

- c. 14,925,000 Options will be subject to escrow for 24 months from the date of their issue (primarily held by Directors and promoters); and
- d. 3,450,000 Options will be subject to escrow for 12 months from the date of their issue (held by seed investors).

It is estimated that 10,000,000 MD Performance Options will be subject to escrow for 24 months from the date of Official Quotation.

The Company will announce to the ASX full details (quantity and duration) of the Shares and Options required to be held in escrow prior to the Shares commencing trading on ASX.

2.13 Financial information

Rewardle Holdings Ltd (ACN 168 751 746)

The Company was only recently incorporated (25 March 2014) and has no operating history and limited historical financial performance.

As a result, the Company is not in a position to disclose any key financial ratios other than its balance sheet which is included in the Investigating Accountant's Report in Section 8 of this Prospectus.

Financial information for the Company's wholly owned subsidiary Rewardle Pty Ltd is set out below.

Rewardle Pty Ltd (ACN 153 419 133)

This section contains the unaudited historical financial information for 2012 and 2013 and the reviewed historical financial information for the 9 months to 31 March 2014 for Rewardle Pty Ltd (the **Financial Information**) that the Directors consider relevant to investors. The Financial Information is presented in an abbreviated form and does not contain all the disclosures that are usually contained in an annual report prepared in accordance with the Corporations Act. This Financial Information section contains the unaudited historical income statements of Rewardle Pty Ltd for the years ended 2012 and 2013 and the reviewed 9 months to 31 March 2014.

BDO Corporate Finance (WA) Pty Ltd has prepared an Investigating Accountants' Report which incorporates the reviewed financial information for Rewardle Pty Ltd for the nine months to 31 March 2014, in Section 8.

The following table provides a summary of the historical unaudited income statements and statement of financial position of Rewardle Pty Ltd for the financial years ended 2012, 2013 and reviewed 9 months to 31 March 2014. As Rewardle Pty Ltd is a private entity with minimal revenue, commonly incorporated financial ratios are not applicable or are immaterial, and have not been included. The income statements and statement of financial position should be read in conjunction with all other information contained in this Prospectus.

	FY 2012 Unaudited Actual	FY 2013 Unaudited Actual	9 months to 31 March 2014 Reviewed Actual
Total Revenue	0	9,985	28,766
Operating expenses	(53,678)	(766,954)	(1,198,288)
EBITDA	(53,678)	(756,969)	(1,169,522)
Depreciation	0	(191,786)	(355,543)
EBIT	(53,678)	(948,755)	(1,525,065)
Interest income (expense)	0	0	0
NPBT	(53,678)	(948,755)	(1,525,065)
Tax	0	0	0
NPAT	(53,678)	(948,755)	(1,525,065)
Total Assets	1,586	109,384	69,831
Total Liabilities	55,164	1,111,717	2,597,229
Net Assets	(53,578)	(1,002,333)	(2,527,398)

2.14 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

2.15 Dividend policy

The Company anticipates that significant expenditure will be incurred in the development of its business and the growth of the Merchant and Member Network. These activities, together with the possible acquisition of interests in other business or technology, are expected to dominate the two year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

2.16 Directors and key personnel

Below is brief background of the Company's Directors and key management. Please review the more detailed biographies at Section 9.1

Ruwan Weerasooriya – Managing Director

Ruwan Weerasooriya is the founder and Managing Director of Rewardle. Over 20 years he has consistently stayed at the forefront of the disruption caused by the advent and proliferation of the Internet. He has established, built and operated a range of technology and media related businesses with multiple successful outcomes including trade sales to ASX listed industry leaders. In 2013 he was named in the Top 50 Australian Startup Influencers by Startupdaily.com.au. He established Rewardle in 2012 to provide local SME merchants with the digital customer engagement tools and business intelligence typically only available to large retail chains by unlocking the power of mobile computing, cloud based software and big data analysis.

Jack Matthews – Non-Executive Chairman

Jack Matthews brings extensive knowledge of the evolving digital media landscape, strong commercial networks and experience in executing and successfully integrating digital business acquisitions. He has held a number of senior leadership positions within the digital media and subscription television industries in Australia and New Zealand. Since 2006 Jack played an integral role in the success of Fairfax's digital strategy, first as CEO of Fairfax Digital and most recently as CEO of Fairfax Metropolitan Media.

Brandon Munro – Non-Executive Director

Brandon Munro is a corporate lawyer by profession with executive experience in the private equity, mining, infrastructure and IT sectors. Brandon brings regulatory, governance, mergers and acquisitions and capital markets knowledge to the team. Brandon is the Managing Director of ASX-listed Kunene Resources Ltd.

Peter Pawlowitsch – Corporate Development

Peter Pawlowitsch is a Certified Practising Accountant with extensive experience as a director and officer of ASX-listed entities. He brings to the team experience in operational management, business administration and project evaluation in the IT, hospitality and mining sectors during the last 15 years.

Jason Potter– Chief Technology Officer

Jason Potter is a computer engineer by profession and has over 20 years' experience in the internet and IT sector, developing skills across a broad range of technology disciplines with extensive experience in financial services and digital media technology implementation. He is a founding member of the Rewardle team and has previously worked with Ruwan Weerasooriya at Method + Madness, TouchTaxi and CafeScreen.

2.17 Corporate governance

To the extent applicable, in light of the Company's size and nature, the Company has adopted The Corporate Governance Principles and Recommendations (2nd Edition) as published by ASX Corporate Governance Council (Recommendations).

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined in Section 9.2 of this Prospectus and the Company's compliance and departures from the Recommendations are set out in Section 9.3 of this Prospectus.

In addition, the Company's full Corporate Governance Plan is available from the Company's website www.rewardleholdings.com.

2.18 Disclosure of interests

The Company has paid no remuneration to its Board since incorporation to the date of this Prospectus and no remuneration will be paid or accrue until such time as the Company is admitted to the Official List.

For each of the Directors, the proposed annual remuneration for the financial year following the Company being admitted to the Official List together with the relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

Director	Remuneration (\$)	Shares	Options ¹	MD Performance Options ²	Convertible Notes (\$) ³
Jack Matthews	40,000	66,667	1,150,000	Nil	40,000
Ruwan Weerasooriya	163,500	75,000,000	9,375,000	10,000,000	2,500,000
Brandon Munro	40,000	383,333	1,300,000	Nil	80,000

¹ Each Option is unquoted and exercisable at 20 cents on or before 30 June 2017.

² Refer section 11.2(b) for further details.

³ The Company intends to convert the Convertible Notes into Shares once the Company obtains conditional approval for Official Quotation from the ASX and pursuant to the terms of the Convertible Note Agreement specified in Section 10.2.

2.19 Agreements with Directors or related parties

The Company's policy in respect of related party arrangements is:

- a. a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- b. the Director who has a material personal interest should not be present while the matter is being considered by the Board at the meeting and must not vote on the matter.

Convertible Note Agreements

The Company has entered into Convertible Note Agreements with its Directors, and also with unrelated parties to assist in the initial funding of the Company's public offer process. The Company has obtained shareholder approval under the related party provisions of the Corporations Act in respect of the Convertible Note Agreements with its Directors. The full terms of Convertible Notes are outlined in Section 10.2.

Executive Services Agreement – Ruwan Weerasooriya

The Company has entered into an executive services agreement for the services to be provided by its Managing Director, Ruwan Weerasooriya. The full terms of this executive services agreement are outlined in Section 10.3.

Non-Executive Services Agreement – Brandon Munro

The Company entered into an agreement to appoint Mr Brandon Munro as Non-Executive Director of the Company. The full terms of this executive services agreement are outlined in Section 10.9.

Non-Executive Services Agreement – Jack Matthews

The Company entered into an agreement to appoint Mr Jack Matthews as Non-Executive Chairman of the Company. The full terms of this executive services agreement are outlined in Section 10.10.

Deeds of indemnity, insurance and access

The Company has entered into a deed of indemnity, insurance and access with each of its Directors and the Company Secretary. Under these deeds, the Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect board papers in certain circumstances.

Premises Lease for the Company's principal place of business

On 15 July 2014, the Company entered into a lease for its principal place of business on Flinders Street in Melbourne which commenced on 1 July 2014. Ruwan Weerasooriya, a Director of the Company, is the lessor under the lease. The material terms of the lease are as follows:

- a. Rental for the first year of the term is \$24,750 (plus GST) (at a rate of \$225 per square metre);
- b. On each anniversary of the lease commencement date, the rent will be increased in accordance with the Consumer Price Index published by the Australian Bureau of Statistics;
- c. The Company must pay outgoings in respect of the premises of approximately \$9,350 (plus GST) (at a rate of \$85 per square metre) for the first year of the term; and
- d. The initial term of the lease is for one year and will expire on 30 June 2015 (inclusive). There are two further option terms of one year each.

The Premises Lease otherwise contains terms considered standard for a document of this nature.

For further details of the material contracts to which the Company is party to, please refer to section 10.

3.

DETAILS OF THE OFFER

3.1 The Offer

Pursuant to this Prospectus, the Company invites applications for 20,000,000 Shares at an issue price of \$0.20 each in order to raise \$4,000,000.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue.

For other key information in relation to the Offer, please refer to the Investment Overview in Section 2.

3.2 Minimum subscription

If the minimum subscription to the Offer of \$3,000,000 has not been raised within four months after the date of this Prospectus, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

3.3 Applications

Applications for Shares under the Offer must be made using the Application Form.

Applications for Shares must be for a minimum of 10,000 Shares and thereafter in multiples of 1,000 Shares and payment for the Shares must be made in full at the issue price of \$0.20 per Share.

Completed Application Forms and accompanying cheques, made payable to "Rewardle Holdings Limited – Share Offer Account" and crossed "Not Negotiable", must be mailed or delivered to the address set out on the Application Form by no later than the Closing Date.

The Company reserves the right to close the Offer early.

3.4 ASX Listing

The Company applied to ASX within 7 days after the date of the Original Prospectus for admission to the Official List and for Official Quotation of the Shares, other than those existing Shares that the ASX is likely to treat as "restricted securities" (as that term is defined in the ASX Listing Rules). For information on the Shares which are likely to be treated as restricted securities, please refer to Section 2.12.

If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

3.5 Issue of Shares

Subject to the minimum subscription to the Offer being reached and ASX granting conditional approval for the Company to be admitted to the Official List, issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

The Directors will determine the allottees of all the Shares in their sole discretion. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

3.6 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia it is your responsibility to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

3.7 Oversubscriptions

No over subscriptions will be accepted.

3.8 Not underwritten

The Offer is not underwritten.

3.9 Commissions payable

The Company reserves the right to pay a commission of up to 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a tax invoice from the licensed securities dealer or Australian financial services licensee.

3.10 Queries

Any queries regarding the Offer should be directed to the Company Secretary, on +61 8 9388 8290.

Any queries regarding the Application Form should be directed to Automic Registry Services on +61 8 9324 2099.



4.

INDUSTRY AND COMPANY OVERVIEW

4.1 Introduction

Rewardle's provides local SME merchants with the similar Digital Customer Engagement and business intelligence tools to those used by larger companies.

The Rewardle membership, points and rewards platform is the basis for the company's growing suite of Digital Customer Engagement tools that are designed to assist local SME businesses with e-mail, social media and mobile marketing.

Rewardle's membership, points and rewards platform replaces the traditional paper stamp or punch card systems that are commonly used by consumer-facing SMEs with a digital membership, points and rewards platform.

In addition to the membership, points and rewards platform Rewardle is developing a growing suite of Digital Customer Engagement tools for local SME merchants that includes pre-payment/giftcards, online/mobile ordering and social media integrations.

Typical merchants that adopt the Rewardle platform include cafes, restaurants, hair and beauty salons, pubs/bars, gyms, grocery stores, day spas, pharmacies, juice bars, quick service food outlets and cinemas.

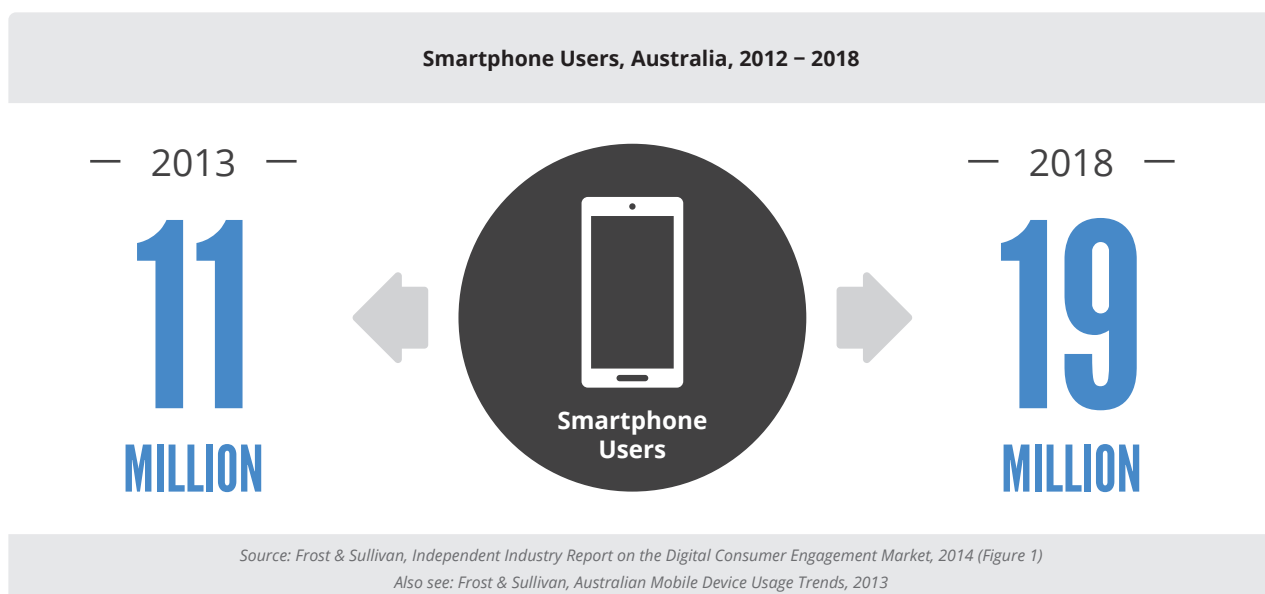
Rewardle's approach to developing the business and commercial model has been developed taking into consideration a number of industry trends and observations as outlined in this Section 4.

Please refer to Sections 4.2 to 4.12 for information on industry trends and observations, and Section 4.13 for information on how Rewardle takes these industry trends and observations into account in their business.

4.2 Smartphones

a. *Smartphone adoption*

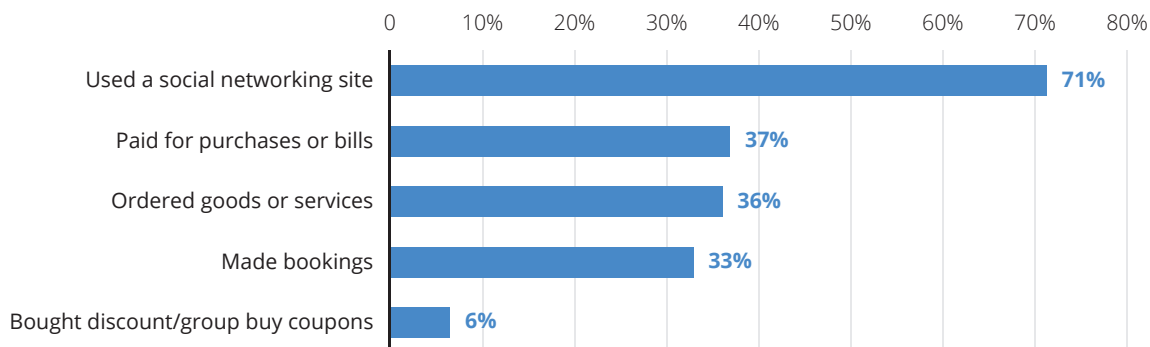
Australia has an extremely high penetration of mobile phone ownership and smartphones are rapidly growing in popularity primarily due to falling handset prices and faster, more reliable mobile networks.



b. **Smartphone use**

Smartphones are increasingly being used for a wide range of activities, including engaging with social media, making bookings and ordering/paying for goods and services including the collection of offers and deals.

Proportion of Mobile Phone Users that have Undertaken Specified Transactional Activities



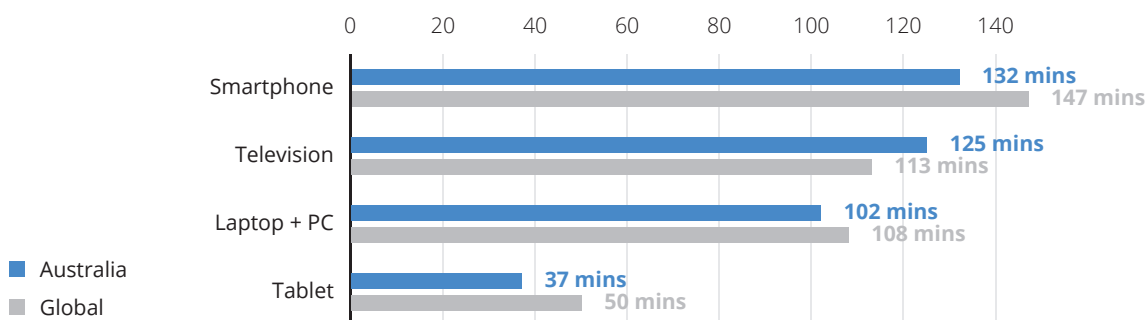
Source: Frost & Sullivan, *Independent Industry Report on the Digital Consumer Engagement Market, 2014 (Figure 2)*

Also see: Sensis, *e-Business Report, 2013*

c. **The smartphone marketing opportunity**

MillwardBrown found that a typical global multiscreen user consumes just under 7 hours of screen media daily with smartphones occupying 35% of consumer screen time and representing the largest single screen medium. Results for Australian respondents were largely in line with the global averages.

Multiscreen Media Consumption per Day

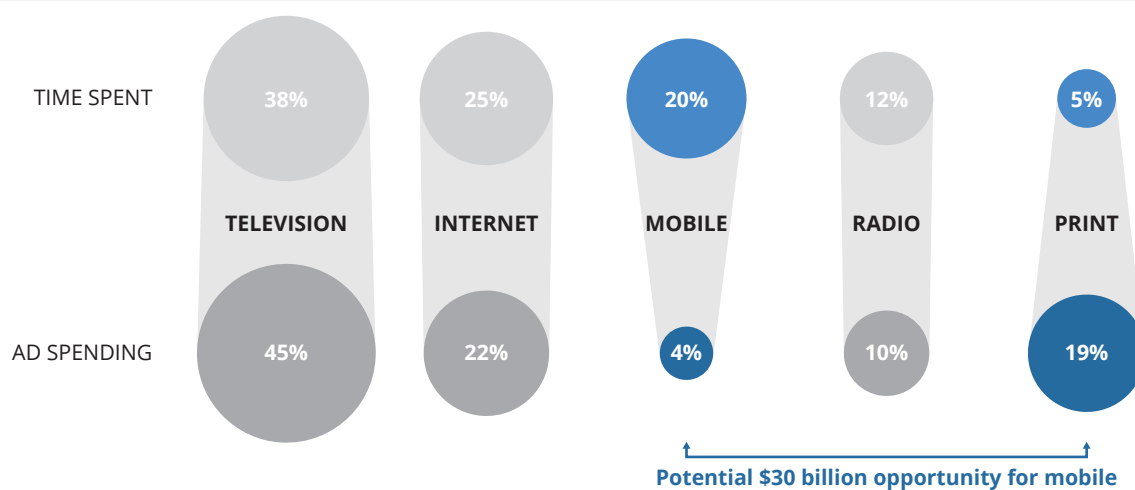


Source: MillwardBrown – AdReaction, *Marketing in a Multiscreen World, Global Report 2014 (Page 10)*

A significant disparity was identified between time spent on mobile devices and mobile media investment levels leading Millward Brown to forecast that mobile media spend will grow rapidly over coming years as marketers reallocate budgets to better align with consumers media consumption.

High profile internet industry commentator Mary Meeker identified that in the USA, the redistribution of advertising spend to align percentage of advertising dollars spent with percentage of time spent with the medium could amount to a \$30 billion opportunity for mobile advertising.

USA % Advertising Spend vs. % Audience Time with Channel



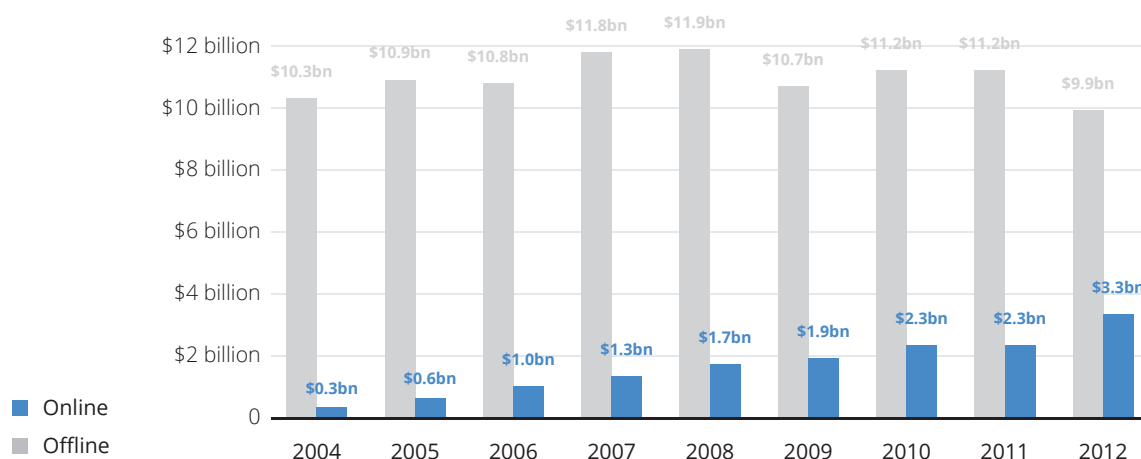
Source: Internet Trends 2014 – Code Conference (kpcb.com/InternetTrends - Slide 15)

4.3 Media and marketing

a. Growth of online media

Australian businesses are increasingly using the online media to advertise and promote. Online media expenditure has grown from approximately 4% in 2004 to 25% in 2012.

Advertising Expenditure in Australia by Channel, 2004 – 2012



Source: Frost & Sullivan, *Independent Industry Report on the Digital Consumer Engagement Market*, 2014 (Figure 4)
Also see: Australian Communications and Media Authority, *Communications Report*, 2011-12 and 2012-13

Over the next five years online advertising expenditure is forecast to grow significantly faster than the more mature offline advertising channels (free-to-air TV, pay TV, radio, magazines, outdoor, cinema and print directories).

Growth of Online Media in Australia

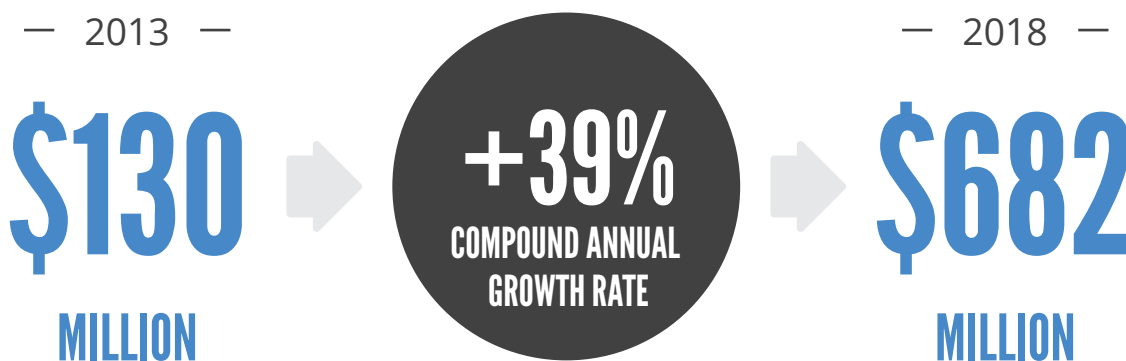


Source: Frost & Sullivan, Independent Industry Report on the Digital Consumer Engagement Market, 2014 (Page 8)
 Also see: Frost & Sullivan, The Australian Online Advertising Market. Year End Overview & Outlook 2013

b. *Growth of mobile media*

Mobile advertising is one of the fastest growing segments in the Australian online advertising market. Strong growth is predicted over the next five years due to an increasing number of advertisers adopting mobile advertising as an integral part of their digital engagement strategy.

Growth of Mobile Media in Australia



Source: Frost & Sullivan, Independent Industry Report on the Digital Consumer Engagement Market, 2014 (Page 8-9)
 Also see: Frost & Sullivan, Australian Online General and Mobile Advertising report, 2013

4.4 Payments

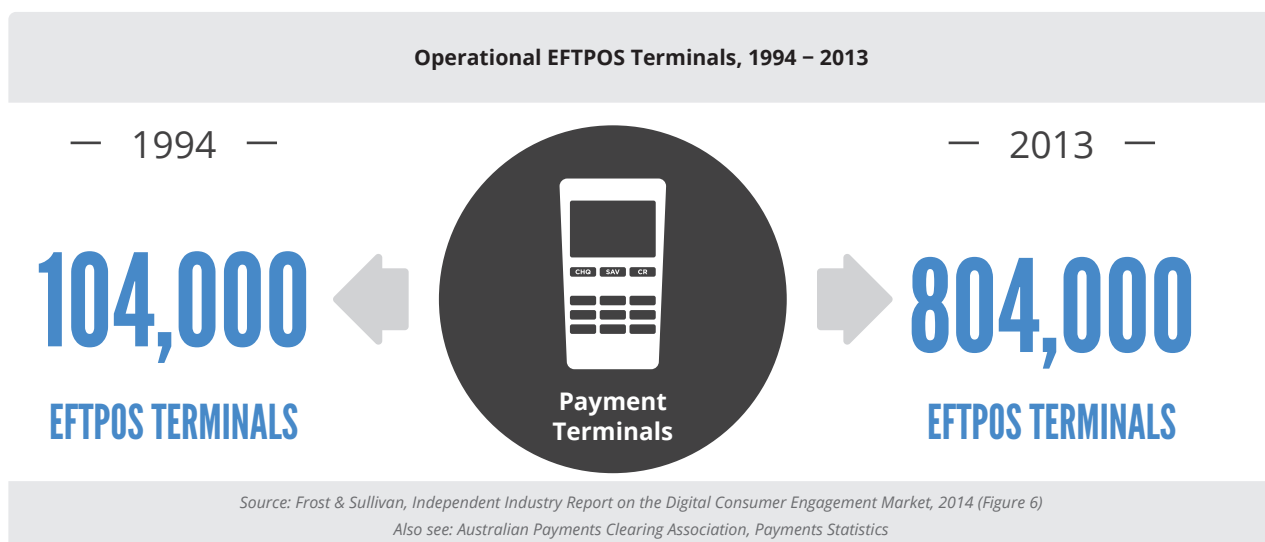
a. *Austalian payment landscape*

In 2013, the total sales for the cafes, restaurants and take-away food sectors were almost \$36 billion. For further information, refer to page 15 of the Independent Industry Report in Section 7.

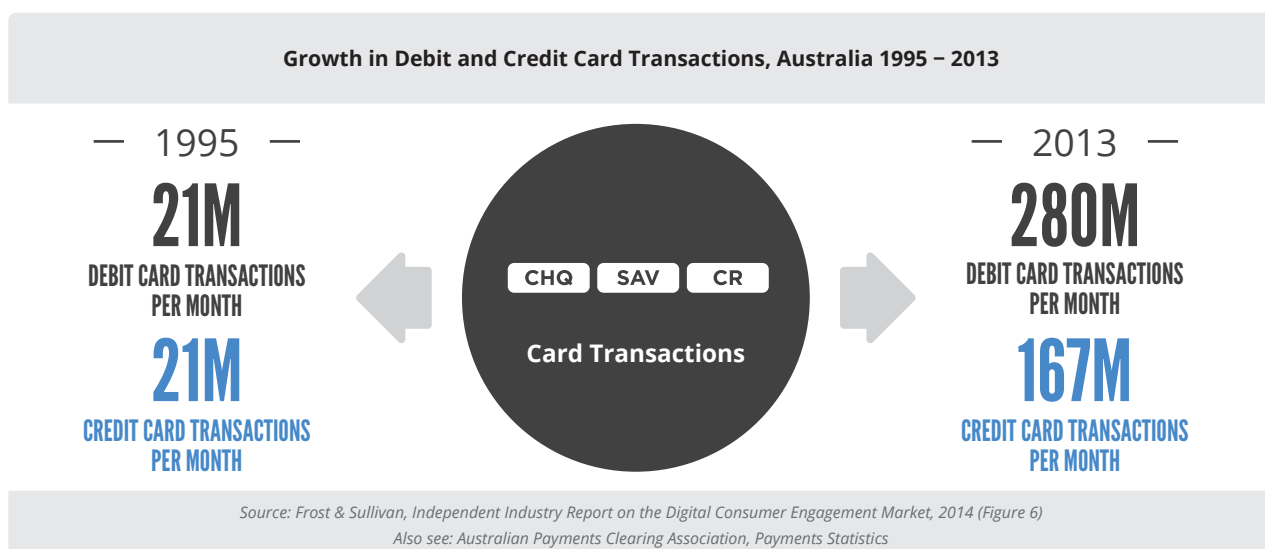
b. **Transactions are going cashless**

Consumers use a variety of payments methods at merchants, including cash or use of credit or debit cards that are processed via an EFTPOS terminal at the merchant.

Over recent years, more merchants have installed EFTPOS terminals, allowing them to offer an alternative to cash payments. Around 800,000 EFTPOS terminals are currently in use in Australia.

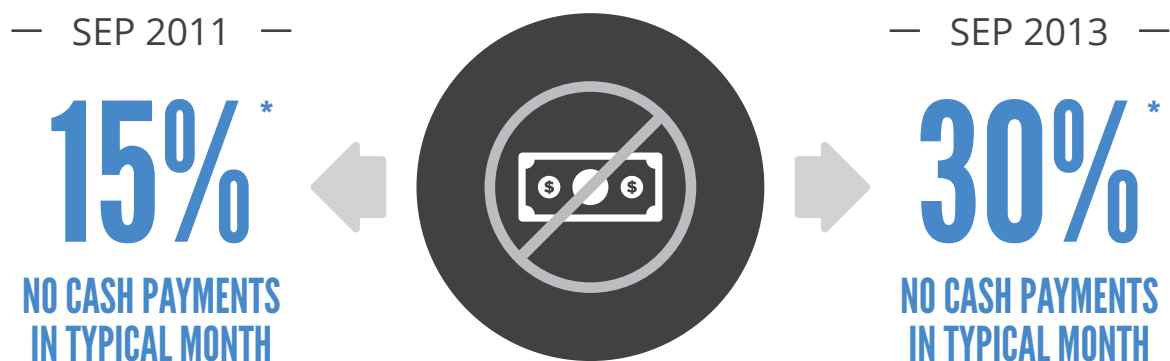


During this period, the number of transactions made by consumers using a credit or debit card has increased.



With greater access to non-cash payment methods Australian consumers are reporting reducing the number of transactions for which they use cash.

Australian Consumers Reporting No Use of Cash in Typical Month



Source: Frost & Sullivan, Independent Industry Report on the Digital Consumer Engagement Market, 2014 (Page 16)
Also see: Australian Payments Clearing Association, Payments Statistics

* Approximate Values

c. Contactless cards

A major driver behind the replacement of cash with card-based transactions has been the roll-out of contactless payment technology which saves time for consumers and merchants, especially for small value transactions where cash has previously been widely used. Contactless cards and payment terminals are increasing in prevalence and use.

Uptake of Contactless Cards in Australia



Source: Frost & Sullivan, Independent Industry Report on the Digital Consumer Engagement Market, 2014 (Page 16)
Also see: Australian Payments Clearing Association, Payments Statistics

d. Payment via smartphones

Smartphones have the potential to be used as a payment device at contactless terminals, by using near field communication (NFC) technology that can be either embedded in the smartphone or provided via a separate smart sticker that can be attached to the smartphone.

Australian banks have also announced trials or roll-outs of smartphone-enabled contactless payments (as shown below).

Mobile Payments Status of Major Banks in Australia

ANZ	Commonwealth Bank	National Australia Bank	Westpac
Announced an NFC pilot for Android devices with ANZ employees in 2012. Trial is still ongoing.	Has launched mobile payment service with embedded NFC payments through Samsung Galaxy S4 and Pay Tag stickers for other phones.	Working on mobile payments for iOS and Android, but yet to release specific details.	Has announced plans to roll out mobile payments in 2014 through partnership with Visa.

Source: Frost & Sullivan, Independent Industry Report on the Digital Consumer Engagement Market, 2014 (Table 6)

Also see: Computerworld, January 29th, 2014

Additionally, mobile point-of-sale platforms are being developed and offered by companies in competition with traditional banks.

For example, ASX-listed Mint Wireless has invested in developing bank grade payments technology and infrastructure that has allowed it to become a multi-channel and multi-national payments organisation. Mint Wireless enables corporate enterprises, developers or merchants to accept credit and debit card payments on iOS, Android, Windows and various older mobile phone platforms.

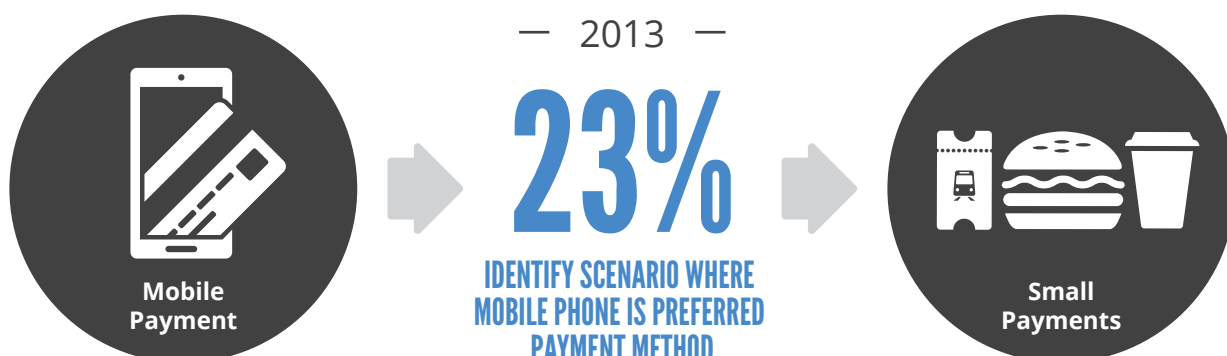
The Mint Wireless platform is being used by Australian accounting software company MYOB in its MYOB PayDirect offering, a smartphone-based mobile payments solution that enables business owners to take payments, send receipts and manage their invoicing and contacts on-the-go.

In addition to Australian companies, several international technology companies including Google, Paypal, Square, LevelUp and Intuit have also announced initiatives around payments.

e. *The mobile payments opportunity*

There is an emerging opportunity for enabling mobile payments for merchants who offer low-value items to consumers, such as retailers, cafes and restaurants and other consumer service providers.

Australian Mobile Phone Users Propensity to Make Payments with Mobile Phone



Source: Frost & Sullivan, Independent Industry Report on the Digital Consumer Engagement Market, 2014 (Page 17)

Also see: HP-RFI Australian Payments Research, Edition 5, September 2013

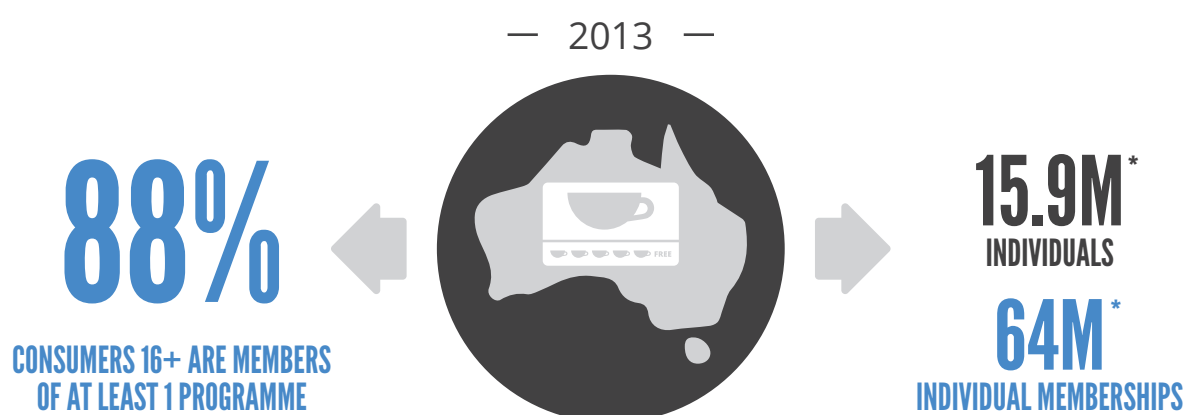
4.5 Membership, loyalty and rewards

a. Rewards programmes

Rewards programmes are widely offered and over recent years, membership of rewards programmes by consumers has increased.

In the USA there were an estimated 2.65 billion individual loyalty program memberships in 2012 which equates to an average of approximately 11 programme memberships per adult. This represented an annual growth rate of almost 9% from the estimated fewer than 1 billion in 2000. While widespread, membership of rewards or loyalty programmes in Australia has not yet developed to the same extent as the USA.

Loyalty Programme Membership in Australia, 2013



Source: Frost & Sullivan, Independent Industry Report on the Digital Consumer Engagement Market, 2014 (Page 13)

Also see: Directivity and Citrus, 2013, Consumer Study into Australian Loyalty Programmes

* Approximate Estimated Values

b. Leading Australian programmes

The largest loyalty programmes in Australia by scheme membership are summarised below:

Largest Australian Rewards / Loyalty Programmes

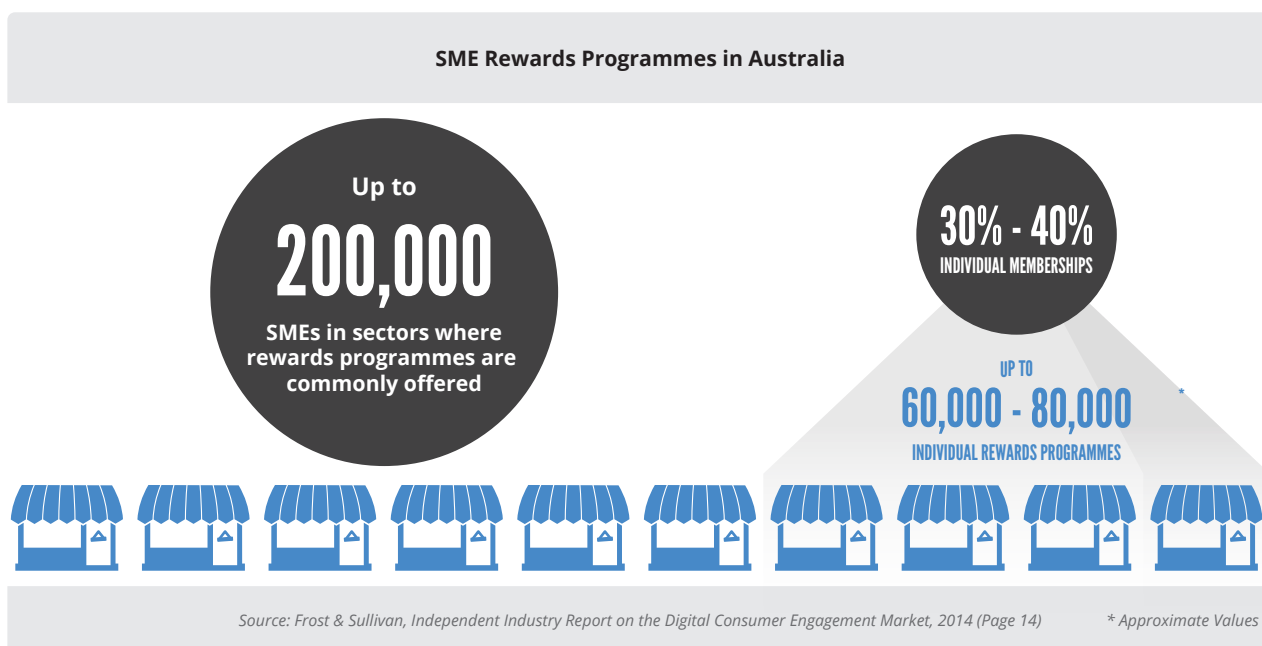
Programme	Owner	Estimated Membership
Frequent Flyer	Qantas Airways	9.0 million members
Flybuys	Coles Supermarkets	6.9 million members
Everyday Rewards	Woolworths Limited	6.5 million members
Sister Club	Priceline (API)	3.9 million members
Velocity	Virgin Australia Airlines	3.7 million members

Source: Frost & Sullivan, Independent Industry Report on the Digital Consumer Engagement Market, 2014 (Table 4)

Whilst a few large schemes have several million individual members each, the majority of rewards programmes in Australia are managed by small merchants, generally serving only a local area. These reward schemes may often have only a few hundred members or less, and are often non-IT enabled, based on punch or stamp card processes.

c. **Use of rewards programmes by Merchants**

Frost and Sullivan estimates that between 60,000 to 80,000 of an estimated 200,000 SME's across retail, cafés & restaurants and personal services such as hair dressers & beauty salons offer individual rewards programmes.



d. **The digital opportunity for rewards, membership and loyalty programmes**

The vast majority of merchant rewards programmes in Australia are non-digital and single merchant based, generally using punch or stamp cards to record consumer purchases. Frost & Sullivan established that there is a trend towards digital, multi-merchant rewards programs driven by the advantages offered for both consumers and merchants (as shown below).

Advantages of Digital, Multi-Merchant Rewards Programmes	
Consumer Advantages	Merchant Advantages
Reduces the number of separate cards needed	Reduces workflow for merchant at point-of-sale (e.g. eliminates punching or stamping card)
Minimises the number of transactions when card is not with the consumer	Eliminates costs of printing and maintaining paper-based cards
Points are stored in the cloud and cannot be lost	Collaboration with other merchants (e.g. cross-promotion)
Allow rewards to be accumulated across multiple merchants in a single programme, offering a wider choice of rewards	Greater engagement with customers, especially through digital channels (email, mobile phone, etc...)

Source: Frost & Sullivan, Independent Industry Report on the Digital Consumer Engagement Market, 2014 (Page 14)

e. **Monetisation of reward programmes**

Operators of rewards programmes can use a number of approaches to generate revenue, including charging membership fees for consumers and providing chargeable services to merchants participating in the programme, such as data analytics.

However, the main revenue source is through sale of rewards (often known as loyalty units) to merchants participating in the scheme, who then provide them to their customers. There are several examples of loyalty programmes that have achieved significant revenue streams.

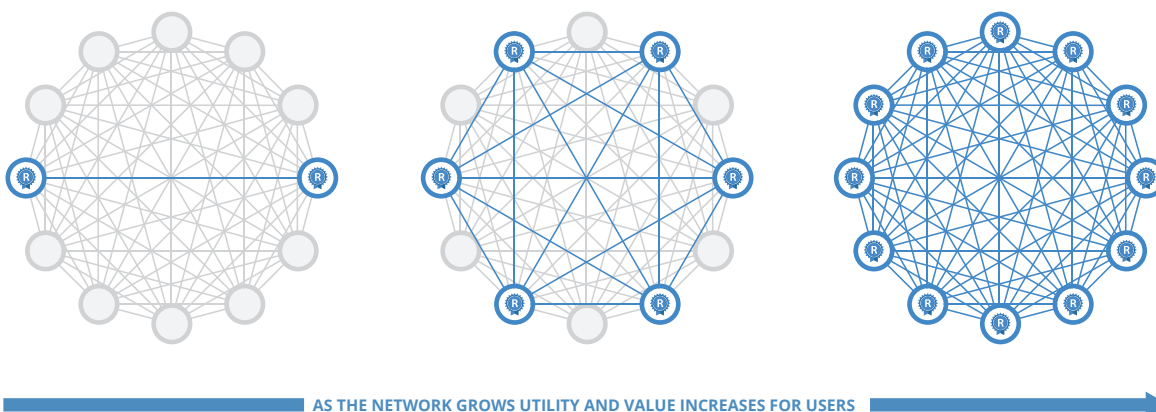
Monetisation of Leading Rewards Programmes, 2013



Source: Frost & Sullivan, *Independent Industry Report on the Digital Consumer Engagement Market*, 2014 (Page 14-15)
 Also see: *Qantas Annual Report 2013*, *AIMIA Annual Report*, 2013

Disclaimer: The Company is not endorsed or affiliated with Qantas or AIMIA in any way. The above diagram is for illustrative purposes only. For further information, please refer to the Independent Industry Report in Section 7.

4.6 Social networks

a. **Network Effect**

The Network Effect is the effect that one user of a good or service has on the value of that product to other people. Over time, the Network Effect can create a bandwagon phenomenon as the network becomes more valuable and more people join, in a positive feedback loop.

When a Network Effect is present, the value of a product or service is dependent on the number of others using it. Metcalfe's law is often used to explain and quantify the Network Effect.

b. *Metcalfe's law*

Metcalfe's law states that the value of a telecommunications network is proportional to the square of the number of connected users of the system (n^2). This mathematically expressed as $n(n - 1)/2$.¹

Originally proposed by Robert Metcalfe, the founder of networking equipment company 3Com, Metcalfe's law was originally presented in terms of "compatible communicating devices" (for example, telephones) rather than users.

More recently the law has been carried over to describe users and networks and Metcalfe's Law is used to explain the Network Effect that has driven the rapid growth and value of social networking services such as Facebook, Instagram and Twitter.

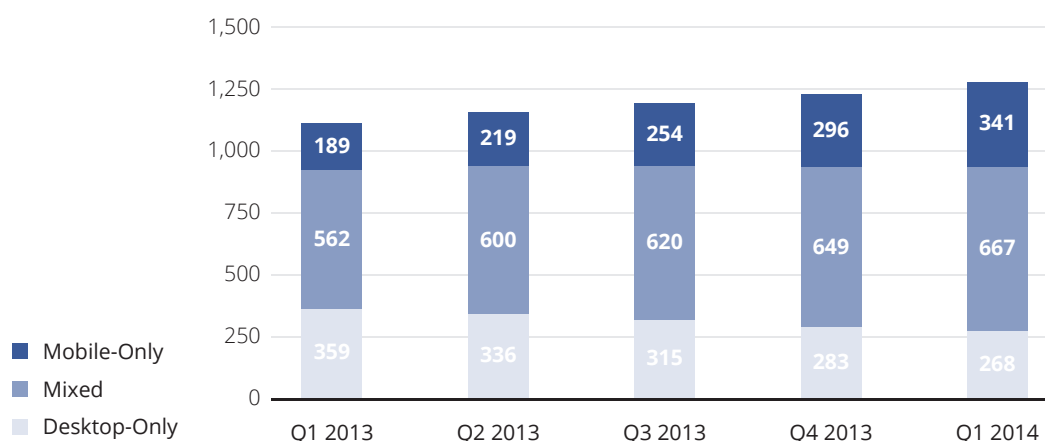
c. *Social networks*

A social network is usually understood to mean an individual-centred service where each user establishes a profile or membership and then connects with other users.

Social networking services typically connect users with groups who share interests, activities, backgrounds, or real-life associations and the platform is used to share ideas, pictures, posts, activities, events, interests and other information with people in the network.

Network Effects can be seen in the rapid growth of social networks such as Facebook, Instagram, Twitter and LinkedIn as they have become exponentially more useful and valuable as the number of users has grown. Mobile devices are becoming increasingly used for social networking activity as can be seen below.

Facebook Mobile vs. Desktop Users



Source: <http://techcrunch.com/2014/04/27/the-age-of-mobile-only/>

¹ https://www.princeton.edu/~achaney/tmve/wiki100k/docs/Metcalfe_s_law.html

4.7 Big Data



Disclaimer: The Company is not endorsed or affiliated with these social networks or platforms in any way. The above diagram is for illustrative purposes only.

Big Data is the popular term used to describe the collection and analysis of growing volumes of structured and unstructured data being generated by electronic activities.

In 2012, Gartner defined Big Data as high volume, high velocity, and/or high variety information assets that require new forms of processing to enable enhanced decision making, insight discovery and process optimization.

Big Data can be used to uncover hidden opportunities which can be leveraged to drive informed business decisions, innovation and enhanced consumer experiences through personalised and targeted offerings. In the rapidly evolving digital economy, Big Data represents an enormous opportunity for businesses looking to remain relevant and differentiate themselves.

a. ***Brands are embracing the Big Data opportunity***

Major brands are well resourced with sophisticated marketing techniques and are taking advantage of Big Data analysis.

For example, Target USA used historical buying data for all the ladies who had signed up for Target baby registries and compared it with purchasing behaviour of customers to better target catalogue and coupon offers. In 2012 it was reported that Target in North American was able to predict that a teenage, female customer was pregnant before her father was aware.²

² <http://www.forbes.com/sites/kashmirhill/2012/02/16/how-target-figured-out-a-teen-girl-was-pregnant-before-her-father-did/>

So Target started sending coupons for baby items to customers according to their pregnancy scores. Duhigg shares an anecdote — so good that it sounds made up — that conveys how eerily accurate the targeting is. An angry man went into a Target outside of Minneapolis, demanding to talk to a manager:

“My daughter got this in the mail!” he said. “She’s still in high school, and you’re sending her coupons for baby clothes and cribs? Are you trying to encourage her to get pregnant?”

The manager didn’t have any idea what the man was talking about. He looked at the mailer. Sure enough, it was addressed to the man’s daughter and contained advertisements for maternity clothing, nursery furniture and pictures of smiling infants. The manager apologized and then called a few days later to apologize again.



Target knows before it shows.

(Nice customer service, Target.)

“On the phone, though, the father was somewhat abashed. “I had a talk with my daughter,” he said. “It turns out there’s been some activities in my house I haven’t been completely aware of. She’s due in August. I owe you an apology.”

Source: <http://www.forbes.com/sites/kashmirhill/2012/02/16/how-target-figured-out-a-teen-girl-was-pregnant-before-her-father-did/>

Domestically, it was reported that Woolworths analysed its insurance company’s car crash data base and its Everyday Rewards statistics to reveal which consumers were best to target for insurance.³

AdNews

Woolworths: No ads, just data

By Wenlei Ma | 5 September 2013

[Comment](#)

One of the country’s biggest advertisers, Woolworths, said it doesn’t need big splashy ad campaigns to launch its insurance offering. Because its database tells it the people it needs to target directly.

Woolworths Limited director of group retail services Penny Winn said the company has been deliberately shying away from traditional mass advertising for its new insurance business.



Woolworths’ combined insurance statistics database and frequent shopper database found those who buy milk and red meat are better insurance risks than those who have pasta, rice and liquor in their shopping baskets. As a result, Woolworths are able to target those good insurance risk customers directly with better insurance offers.

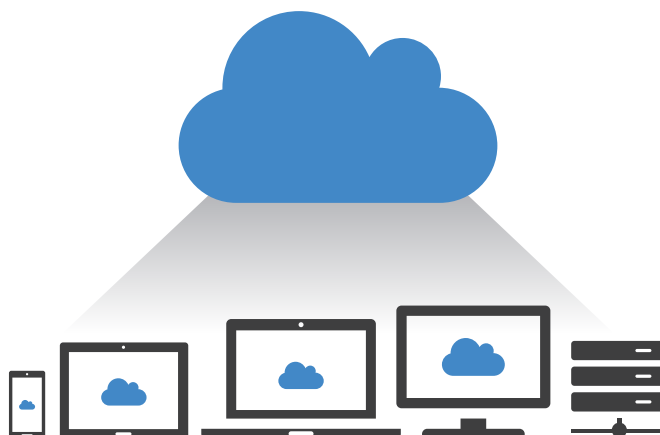
“What we’ve been able to do is take our insurer’s car crash database and overlay it with our Woolworth’s Rewards database. I rarely see actuaries get excited but they were very excited about what we found because it was so statically significant,” said Winn.

“Because you see, customers who drink lots of milk and eat lots of red meat are very, very, very good car insurance risks versus those who eat lots of pasta and rice, fills up their petrol at night, and drink spirits. What that means is we’re able to tailor an insurance offer that targets those really good insurance risk customers and give them a good deal via direct channels instead of above-the-line [advertising]. And it helps to avoid the bad insurance risks.”

Source: <http://www.adnews.com.au/adnews/woolworths-no-ads-just-data>

³ <http://www.smh.com.au/digital-life/digital-life-news/supermarket-spies-big-retail-has-you-in-its-sights-20130915-2trko.html>

4.8 Cloud computing



While traditional computing relies on local computing resources, Cloud Computing is a model for delivering computing services where computing resources are supplied over the Internet from a remotely hosted server via web-based tools and applications.

Cloud Computing allows users to access data and run applications from anywhere, on any device by using the server based processing power to store data and run applications. When compared to traditional software delivery, the benefits of Cloud Computing are generally considered to be substantially lower cost of computing service delivery and faster/on demand commissioning of computing services.

Cloud Computing has become possible and popular due to increased computing power being available at decreasing costs. It is rapidly changing the nature of software service delivery and disrupting many sectors by democratising the distribution of software and computing services.

4.9 Omni-channel customer engagement



Disclaimer: The Company is not endorsed or affiliated with these social networks or platforms in any way. The above diagram is for illustrative purposes only.

Modern retailing requires technology platforms that integrate marketing and operations to deliver a consistent and continuously enhanced customer experience irrespective of the customer engaging in-store, online, via social media or mobile device.

Retailers are developing strategies to connect with a new generation of tech savvy shoppers who are connecting across multiple touch points, this is broadly referred to as “Omni-channel” strategy.

Omni-channel customer engagement is starting to be seen in the mainstream advertising for large retail brands encouraging customers to engage via in-store, online and mobile.

4.10 High st going high tech

a. *SME's are expected to embrace Digital Customer Engagement*

Digital Customer Engagement involves the use of digital channels such the web, email, social media and mobile to interact with customers. This can include activities such as communications, promotions, transactions and after-sales feedback.

While SMEs typically lag behind large sophisticated retailers who are well advanced with the implementation of Digital Customer Engagement strategies, in late 2013, as part of its A Smarter Planet series, IBM predicted that over the next 5 years SME's will start to implement systems similar to larger retailers which will profoundly impact the local shopping experience.

b. *The SME addressable market*

Frost & Sullivan established that a Digital Customer Engagement solution is applicable to over 175,000 SMEs across a wide range of industry sectors including many retailers, providers of food & beverage such as cafes & restaurants, and personal services such as hair dressers & beauty salons.

SME by Industry Sector

Industry Sector	Number of SMEs
Retail	133,028
Cafes and Restaurants	13,987
Pubs, Taverns and Bars	3,454
Hair and Beauty	24,600



Source: Frost & Sullivan, Independent Industry Report on the Digital Consumer Engagement Market, 2014 (Table 3)
Also see: Australian Bureau of Statistics, accessed May 2014; Service Skills Australia, Hairdressing & Beauty, Environmental Scan, 2013

c. *The SME market represent significant potential Digital Customer Engagement spend*

Based on Yellow, Social Media Report, 2013 it can be inferred that SMEs have an average total marketing spend of more than \$14,000 per annum.

SME Marketing Spend

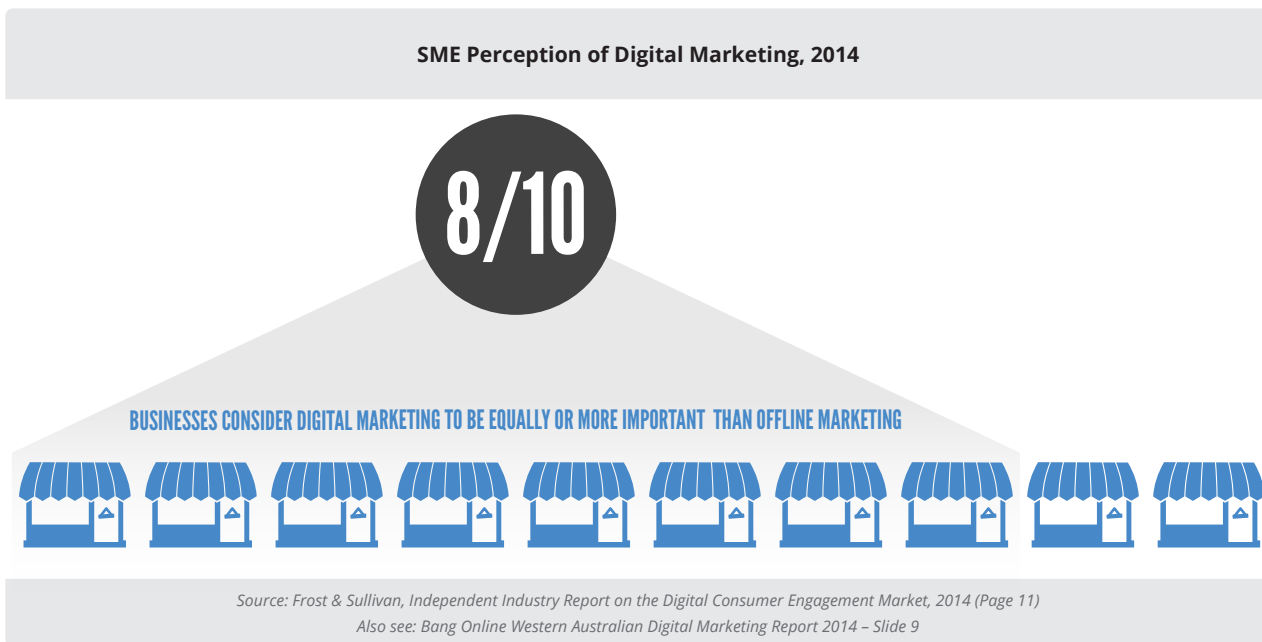
Size	Avg social media budget	Avg marketing budget allocated to social media	Inferred extrapolated avg marketing budget
Small business	\$1,970	13.7%	\$14,380*
Medium business	\$11,780	9.5%	\$124,000*
Large business	\$79,750	4.9%	\$1,627,550*



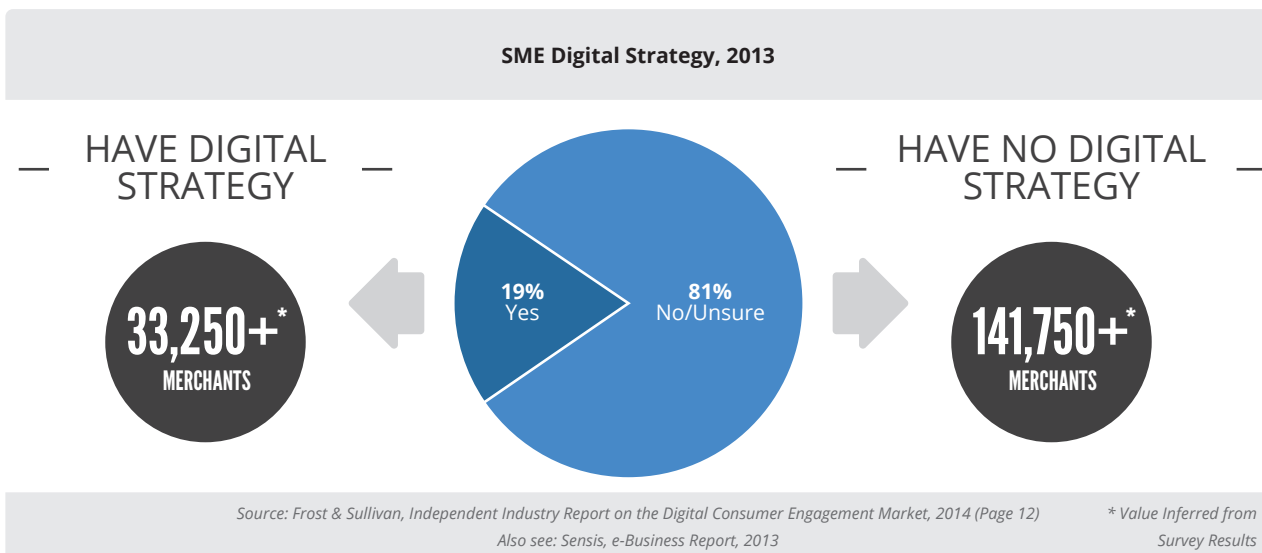
Source: Frost & Sullivan, Independent Industry Report on the Digital Consumer Engagement Market, 2014 (Table 2) * Inferred Extrapolated Value

d. **SME marketing spend is migrating to digital**

SMEs are viewing digital marketing to be equally or more important than traditional marketing and promotional channels such as local newspapers, letter box drops, community sponsorships and directories.



Frost & Sullivan anticipates that SMEs will increasingly use digital channels to engage with customers and it has been reported that SMEs are increasingly establishing a digital strategy.



e. **Under resourced and supported**

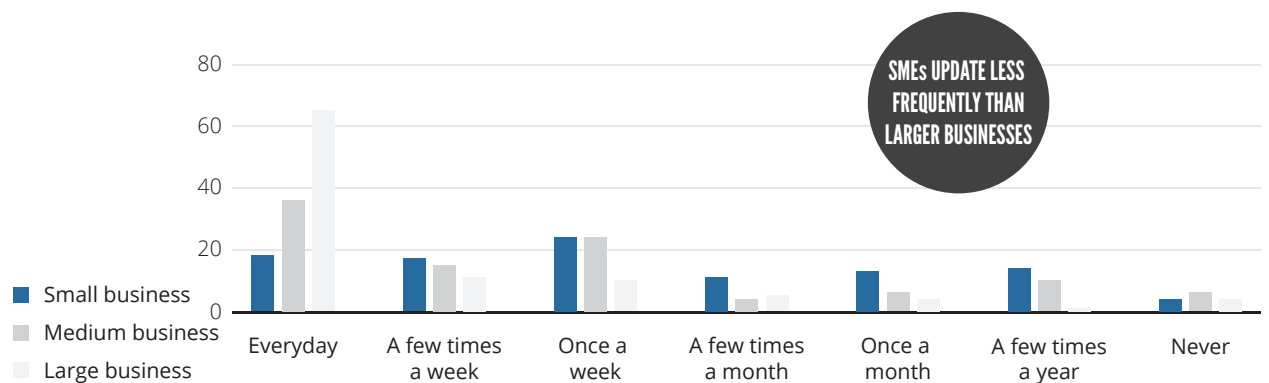
Limited financial resources and knowledge are the main barriers for SMEs investing more in digital marketing.⁴ Many SMEs lack the marketing resources and support of larger organisations with much of the responsibility for digital strategy implementation and management falling to the business owner. This is evident in the management and frequency of their Social Media presence as illustrated below.

Who is Responsible for a Business' Social Media Presence in 2013?

Responsibility	Small business	Medium business	Large business
Marketing department	11%	43%	66%
Business owner/manager	72%	40%	8%
Communications department	4%	8%	10%
IT department	10%	7%	3%
External firm	3%	3%	3%
Editor	0%	0%	0%
Human resources department	0%	0%	2%

Source: Yellow Pages, Social Media Report, 2013

Frequency of Social Media Updating by Size of Business



Source: Yellow Pages, Social Media Report, 2013

While SMEs are following in the steps of larger retail brands and increasingly adopting digital channels to engage and interact with their customers the cost and complexity of deploying such platforms is likely to pose a barrier for the SMEs.

Frost & Sullivan concluded that the market for Digital Customer Engagement services to SMEs will grow creating an opportunity for suppliers who can offer a cohesive platform and professional support to assist them in establishing and taking advantage of the benefits of Digital Customer Engagement.

4.11 Landscape and valuations

Many digital engagement companies exist that serve various user needs. A number of these companies have valuations in excess of \$US1 billion.

Valuations and Other Business Metrics of Digital Engagement Businesses

Company	Other Metrics	Market Valuation (\$US)	Company	Users	Market Valuation (\$US)
Yelp	67,000 Active Merchants	4.16 billion	Facebook	1.19 billion	152.1 billion
Grubhub	29,000 Food Outlets	2.43 billion	Twitter	230 million	21.94 billion
Open Table	31,000 Restaurant Customers	1.57 billion	LinkedIn	259 million	18.50 billion

Source: Frost & Sullivan Independent Industry Report on the Digital Customer Engagement Market (Page 18)

4.12 Innovation

a. *Software is eating the world*

In 2011, Marc Andreessen, co-founder & partner of venture capital firm Andreessen-Horowitz, stated that “*software is eating the world*”.⁵

He proposed “that we are in the middle of a dramatic and broad technological and economic shift in which software companies are poised to take over large swathes of the economy.”

The disruption that he describes is led by macro-global trends towards proliferation of high speed internet connectivity, mobile computing and cloud based data storage and computing power.

b. *Technology adoption life cycle*

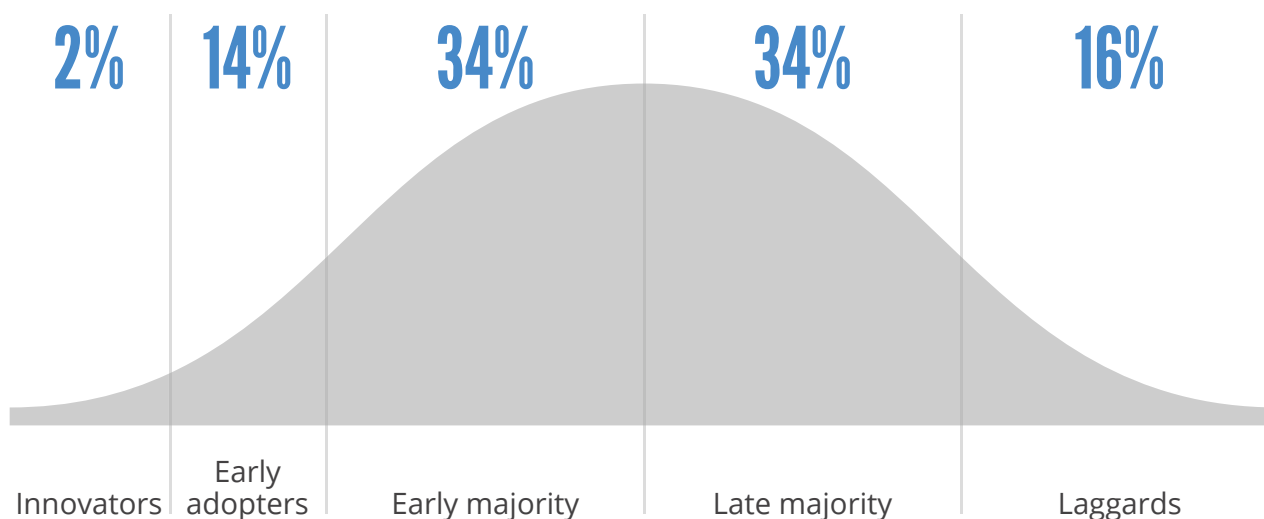
Diffusion of innovations is a theory that was popularised by professor of communications studies, Everett Rogers when he published his book, *Diffusion of Innovations*; in 1962. It seeks to explain how, why, and at what rate new ideas and technology spread through cultures.⁶

The technology adoption life cycle is based on diffusion of innovations and seeks to explain how new technology products and services goes through an adoption life cycle in which certain audience segments adopt the innovation before others are willing to do so.

Understanding the technology adoption life cycle helps start-up enterprises offering new products to appropriately allocate resources as they develop their market and engage with the various audience segments.

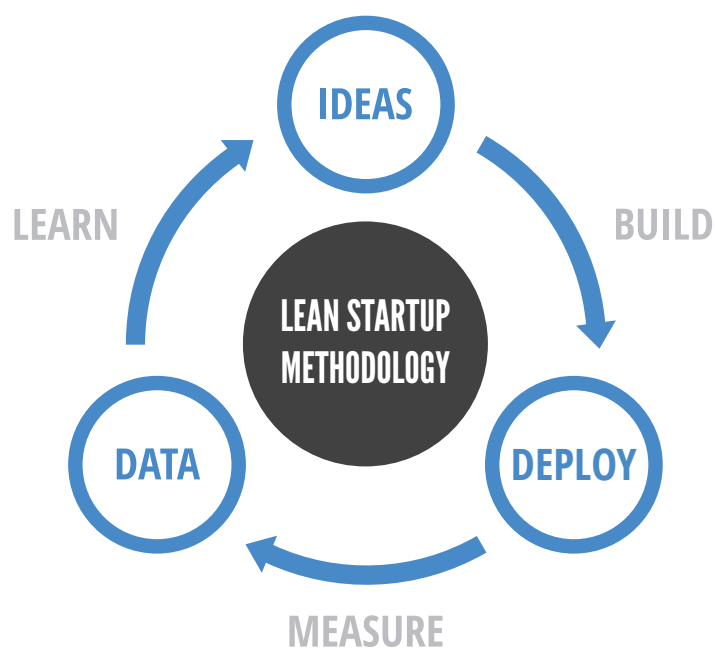
⁵ See: <http://online.wsj.com/news/articles/SB10001424053111903480904576512250915629460>

⁶ See: <http://web.stanford.edu/class/symbys205/Diffusion%20of%20Innovations.htm>



Segment	Profile
Innovator	Technology enthusiasts who pursue new technology out of a pure interest in innovation.
Early adopter	Visionaries who embrace new technology for the opportunity to create a competitive advantage.
Early majority	Pragmatists who adopt new technology once there are well-established references and its value has been proven.
Late majority	Conservatives who are similar to the early majority, but resist change and therefore require additional support and reassurance to adopt new technology.
Laggard	Sceptics who resist new technology and only buy new technology as a last resort.

c. *Lean Startup*



Originally proposed in 2011 by author Eric Reis, Lean Startup is a project development methodology that has increasingly been adopted by early stage technology ventures and internal innovation projects within established enterprises.⁷

⁷ See: <http://theleanstartup.com/principles>

Lean Startup Philosophy

Lean Startup philosophy seeks to stream line and increase value producing practices during product development and constantly asks “should” a product or service be developed rather than “how” should a product or service be developed.

Rather than requiring large amounts of funding, elaborate business plans and perfect product documentation Lean Startup methodology seeks to assess the specific demands of users and how that demand can be met as efficiently as possible.

Lean Startup is based on the principle that customer feedback during product development is integral to the process, and ensures that the producer does not invest time designing features or services that customers do not want.

Lean Startup Methodology Overview

Lean Startup provides a framework to creating and managing projects based on a scientific approach. It directs development, assisting in identifying when to alter course, and when to persevere-and grow with maximum acceleration.

Rather than relying on success from the launch of a single, complete product, Lean Startup advocates the releasing a minimum viable product that is not yet complete.

The company can then make use of customer feedback to help further tailor their product to the specific needs of its customers.

d. Freemium

Freemium is used to describe a business model that offers both free and premium versions of product/services to customers.⁸

It involves offering a basic version for free that allows the user to try and engage with the product/service and this is followed up with a more advanced or premium offering with additional services, features or value to the user.

The Freemium business model is increasingly popular with technology start-ups seeking to gain early traction with users. The model is particularly relevant and most effective when applied to:

- Opportunities with large addressable markets
- Platform based opportunities with relatively low incremental cost of service provision for new users
- Products/services where the value of the service to users increases with use and time.
- Products/Services with inherent Network Effects

Freemium business models are typically capital intensive during the initial scaling phase but enjoy high margins once break even points have been achieved.

⁸ See: <http://mashable.com/category/freemium/>

4.13 About the Company

a. *Digital Customer Engagement for local SME merchants*

Rewardle is a Digital Customer Engagement platform for local SME merchants.

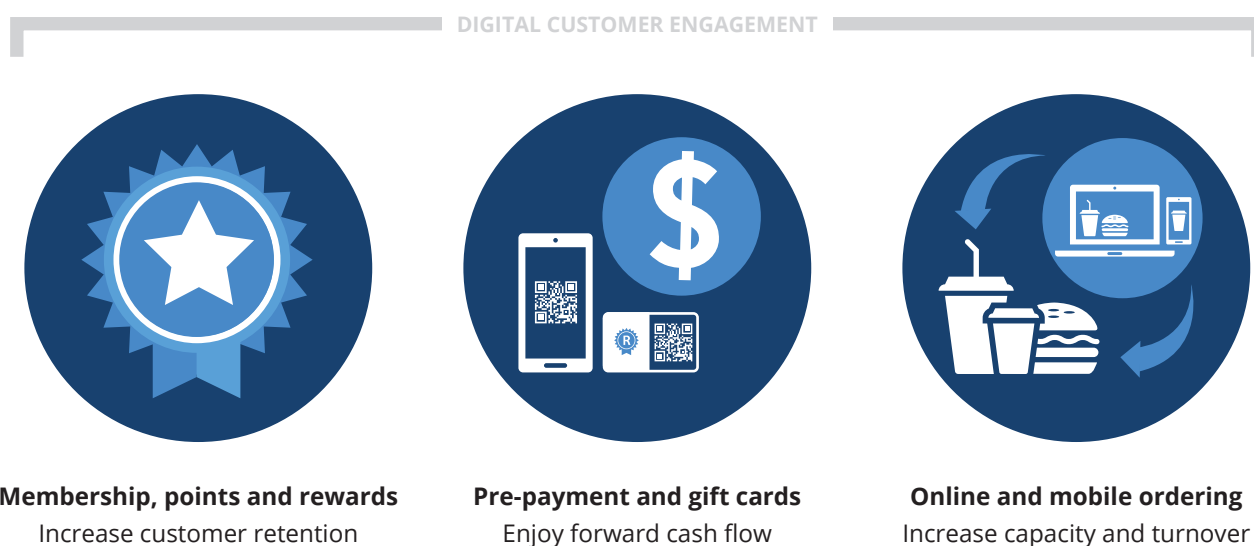
Rewardle utilises mobile computing, cloud based software and Big Data analysis to provide local SME merchants with Digital Customer Engagement tools and business intelligence similar to those that are used by large retail brands.



b. *The Rewardle offering*

Rewardle has given the traditional “buy 9, get 1 free” paper punch card a digital makeover and extended its utility by adding prepayment, mobile ordering and social media integrations.

Currently Rewardle offers a membership, points and rewards system, stored value/gift cards, social media integrations, online/mobile ordering and payment. It is envisaged that the range of services will continue to develop and grow over time.

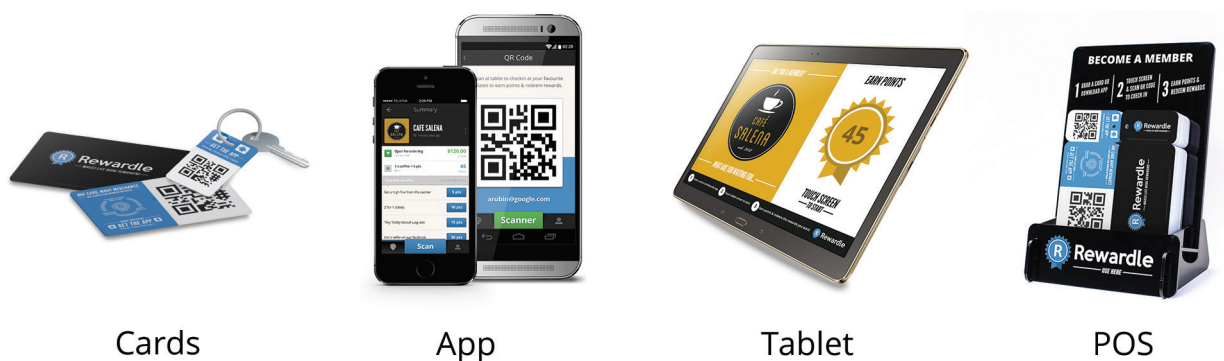


c. *Membership, points and rewards*

Rewardle's membership, points and rewards system is the basis for the company's growing suite of Digital Customer Engagement tools that are designed to assist local SME merchants to effectively use e-mail, social media and mobile marketing to engage more closely with customers and grow their business.

Rewardle replaces the traditional paper stamp or punch card systems that are commonly used by consumer-facing small-to-medium size enterprises (SMEs) with a digital membership, points and rewards platform.

What's included



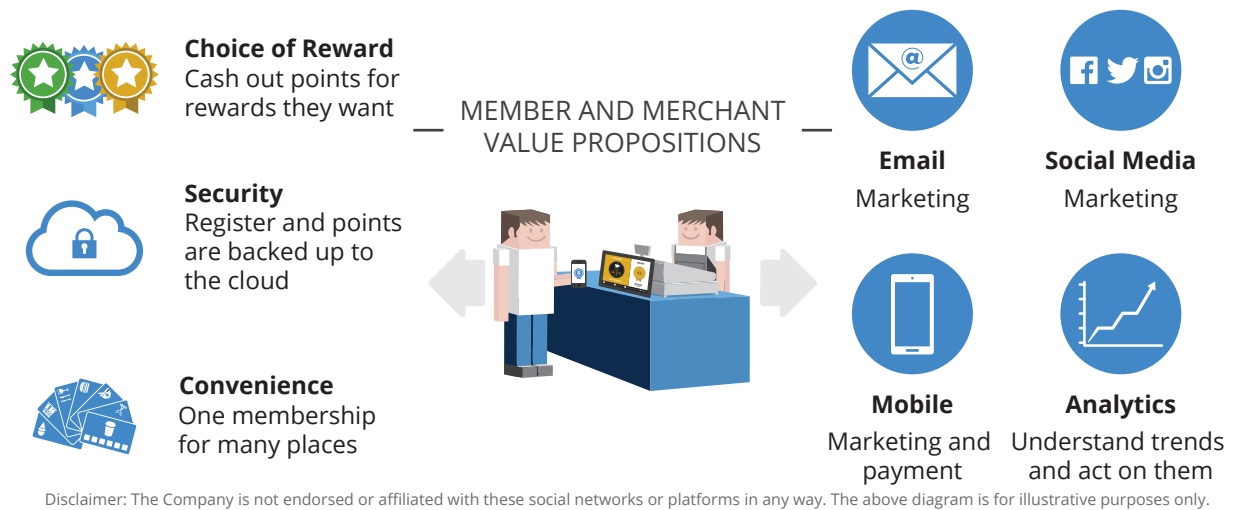
How it works

Merchants place customer facing Rewardle tablet on their counter that acts as a kiosk. During visits, customers check-in on the tablet using a card or the Rewardle smartphone app to collect points and redeem rewards.



Member and Merchant benefits

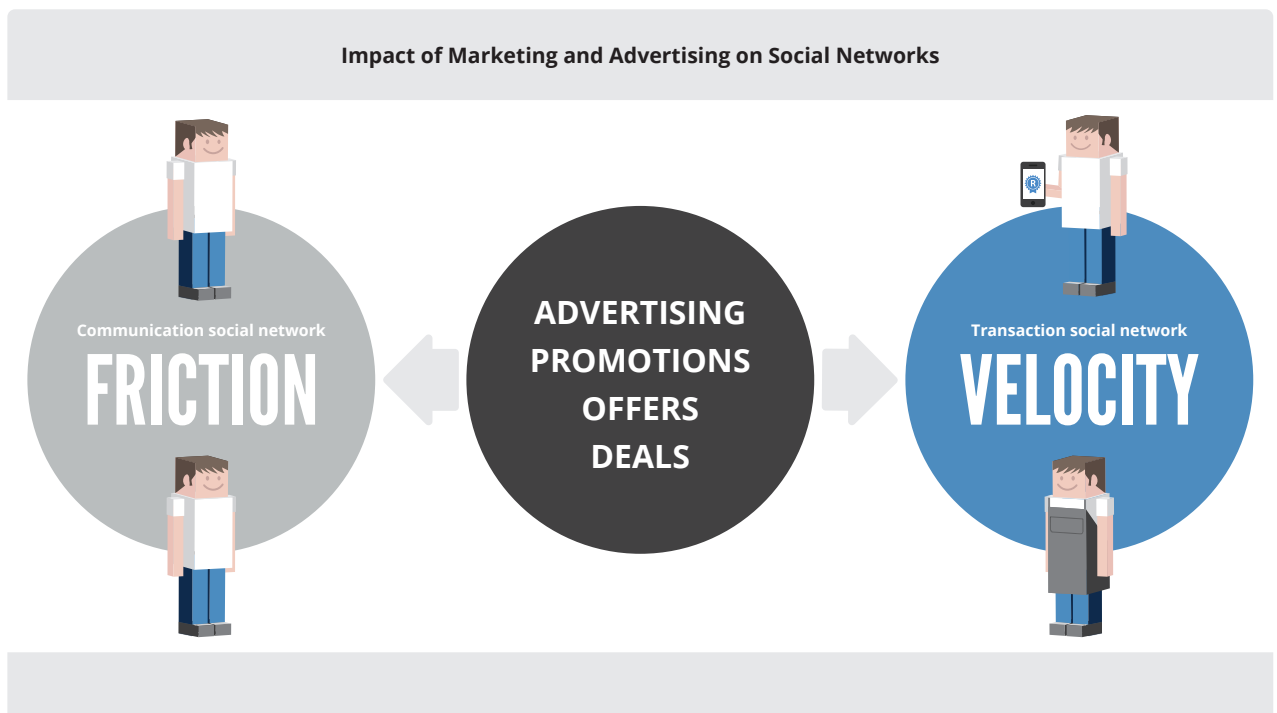
Rewardle gives customers choice over the reward they receive, security of never losing points and convenience of a single membership carried in the cloud for all their favourite local places. Merchants gain stronger customer engagement, establish digital lines of communication and gain valuable insight that they can act on to grow their business.



d. **Rewardle is a new type of social network**

While social networks such as Facebook, Instagram, Twitter and LinkedIn are based on communication between users, Rewardle is a social network based on transactional exchanges between members and merchants.

For communication based social networks the insertion of advertising and promotions adds friction to the core purpose and risks alienating users, for a transactional based social network like Rewardle, promotions and offers are expected, build engagement and drive velocity.

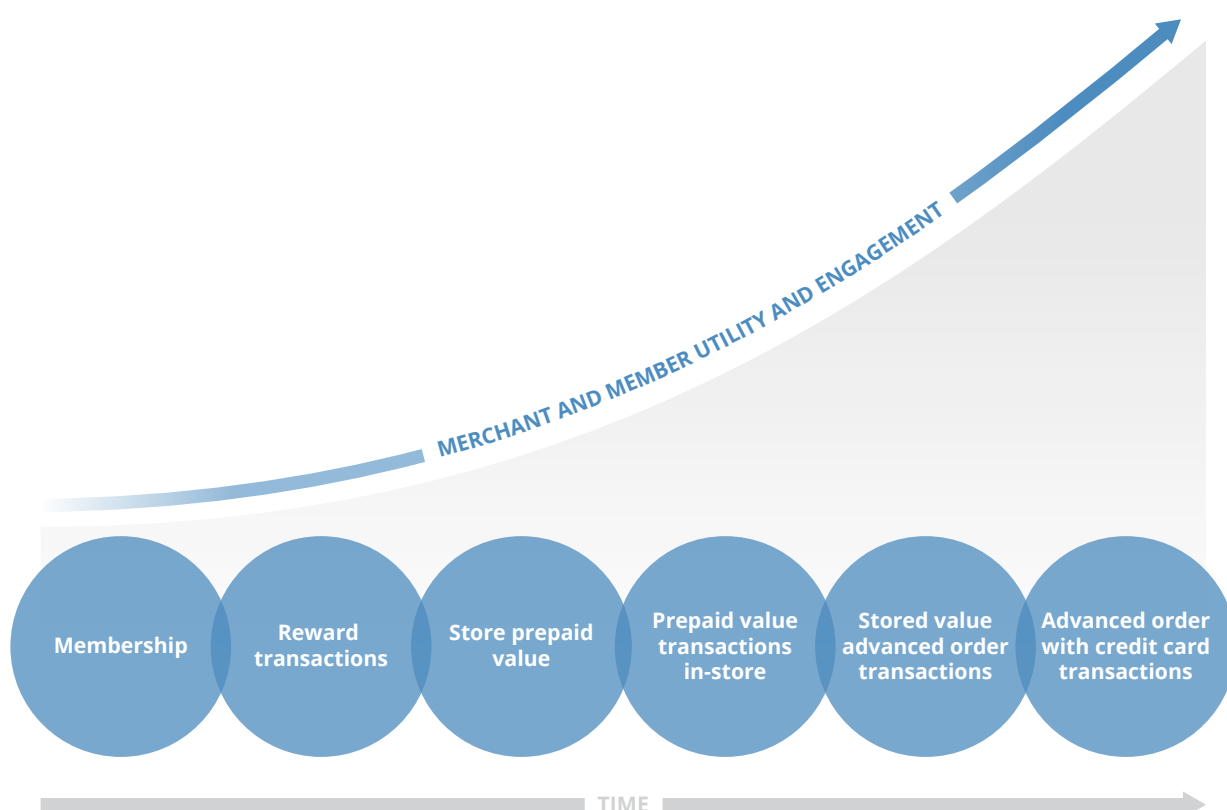


e. *Business development approach*

Rewardle is operating in a highly fragmented, dynamic marketplace that is undergoing substantial disruption due to the evolving digital landscape.

To ensure Rewardle remains nimble and responsive the Company has adopted Lean Startup and Freemium business model principles which allows the Company to address the dual priorities of product development and Merchant and Member Network growth. In this regard, the Company will continue with its targeted and strategic marketing campaigns and strategies.

Following the principles of the technology adoption lifecycle model (as described in Section 4.12(b) above), Rewardle seeks to initially engage the Merchant and Member Network via membership, points and rewards system. The relationship is then extended over time to include other services.⁹



The Company believes that each subsequent stage enhances the experience and will add value to both Merchant and Member, enhancing the utility of Rewardle.

The Rewardle Platform has been designed with inherent Network Effects such that a bandwagon effect develops over time as the Merchant and Member Network grows.¹⁰

f. *Progress to date*

In July 2012 the Company released a beta version of the product that allowed local SME merchants to operate a digital membership, points and rewards system. Over the subsequent 9 months the Company incorporated feedback to establish product technical and commercial viability.

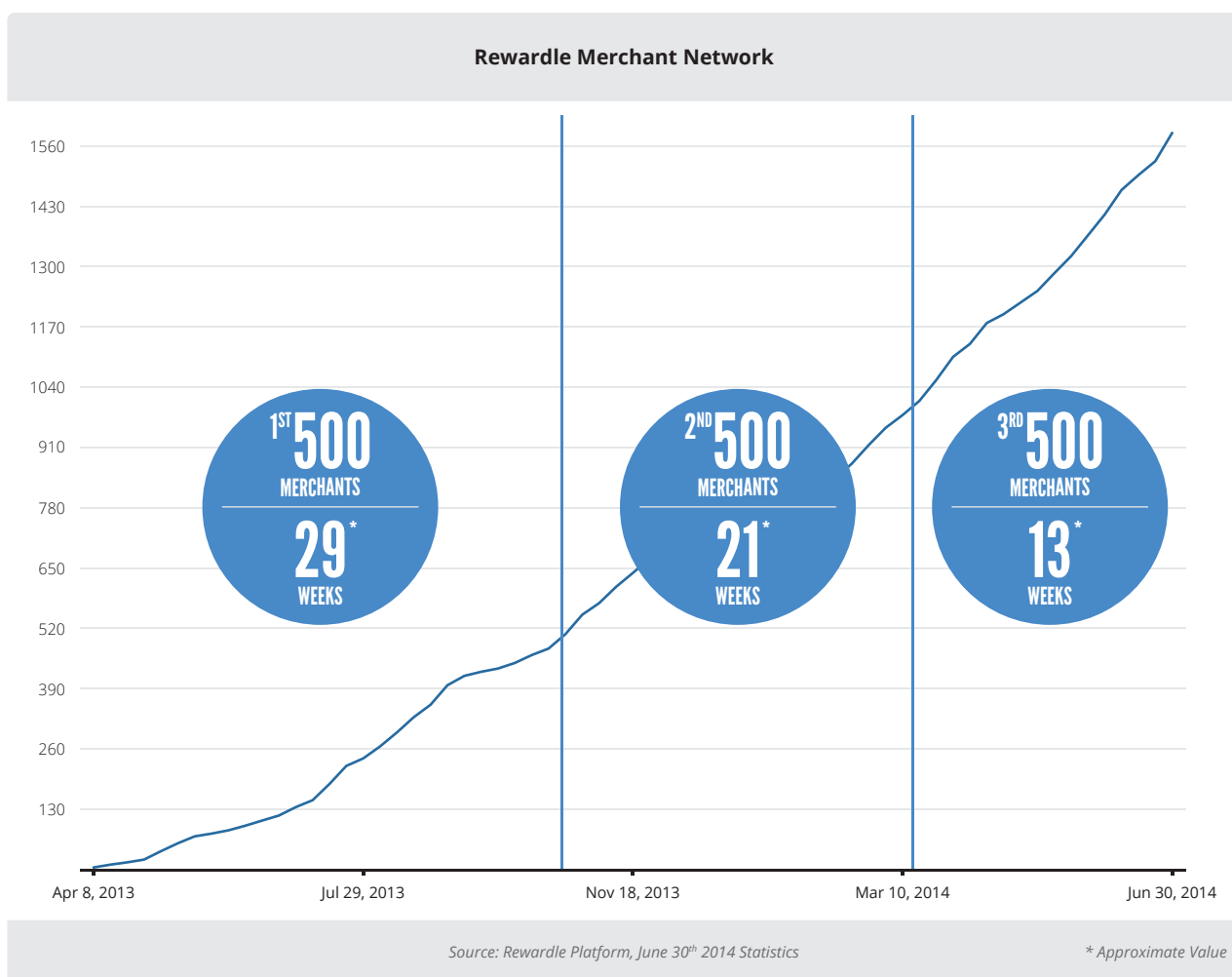
⁹ See: <http://www.chasminstitute.com/methodology/technologyadoptionlifecycle/tabid/89/default.aspx>

¹⁰ See: https://www.princeton.edu/~achaney/tmve/wiki100k/docs/Metcalfe_s_law.html

During the first week of April 2013 the Company released the first iteration of its tablet, card and app based membership, points and rewards system. Since this time the Company has made progress in product development, business process management and Merchant and Member Network growth.

Merchant network growth:

Rewardle's Merchant network growth is accelerating, as shown in the graph below:



Merchant network distribution:

Rewardle has established a national network of local SME merchants across a diverse range of retail vertical markets:



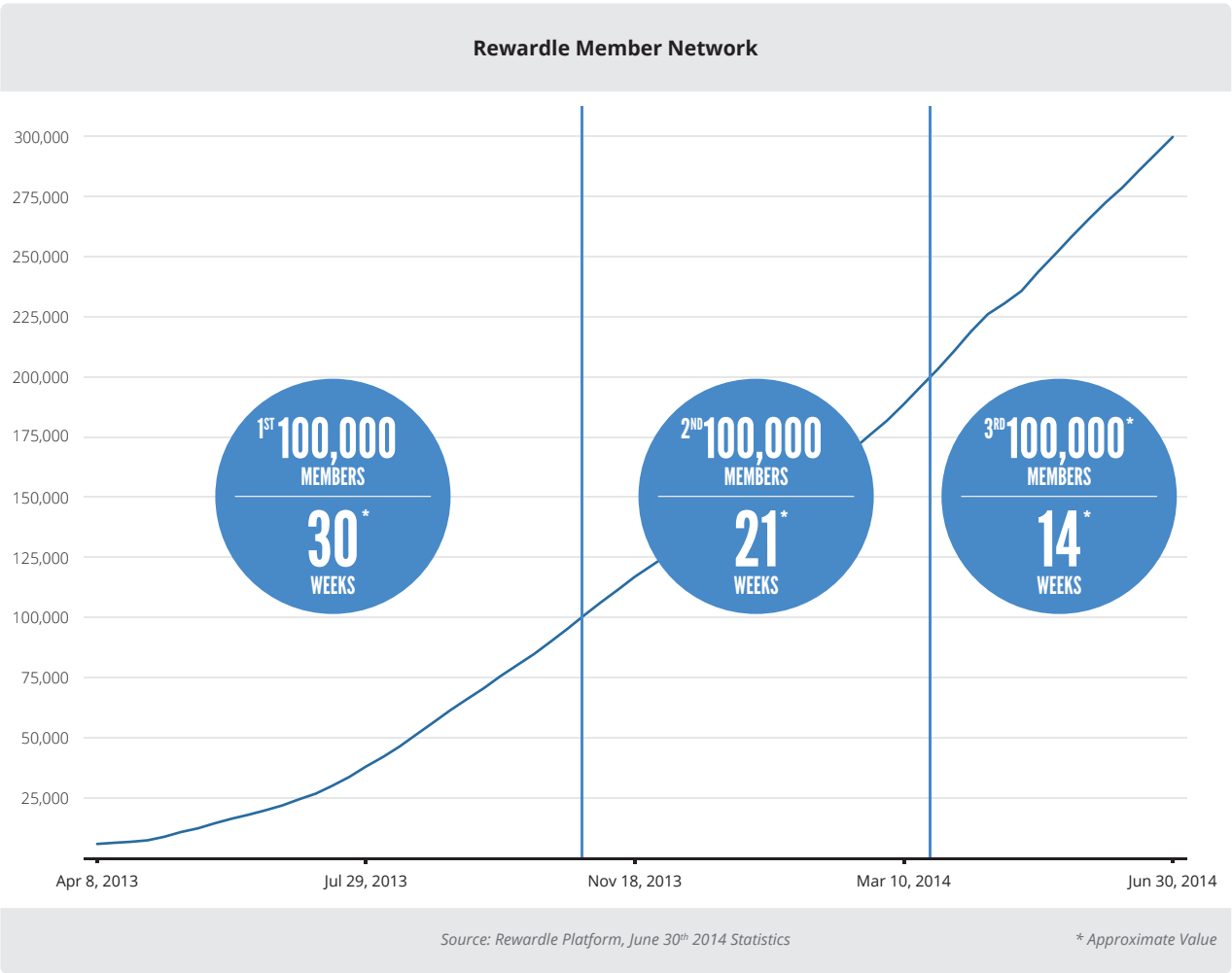
Market Sectors			
Bakeries	Bars	Burger shops	Butcher shops
Cafés	Dry cleaning	Fashion retail	Florists
Grocery stores	Gyms	Hairdressing salons	Ice cream parlors
Juice bars	Pharmacies	Pizza shops	Restaurants
Salad bars	Social groups	Sushi shops	Tattoo studios

Merchant Network Effect:

The Rewardle membership, points and rewards system has been designed with inherent Network Effects such that the growth of the Merchant and Member Networks serves to create a bandwagon effect and accelerate the growth of the Merchant and Members Network. This is evident in the increasing inbound requests from Merchants and referrals from Members that the Company has experienced.

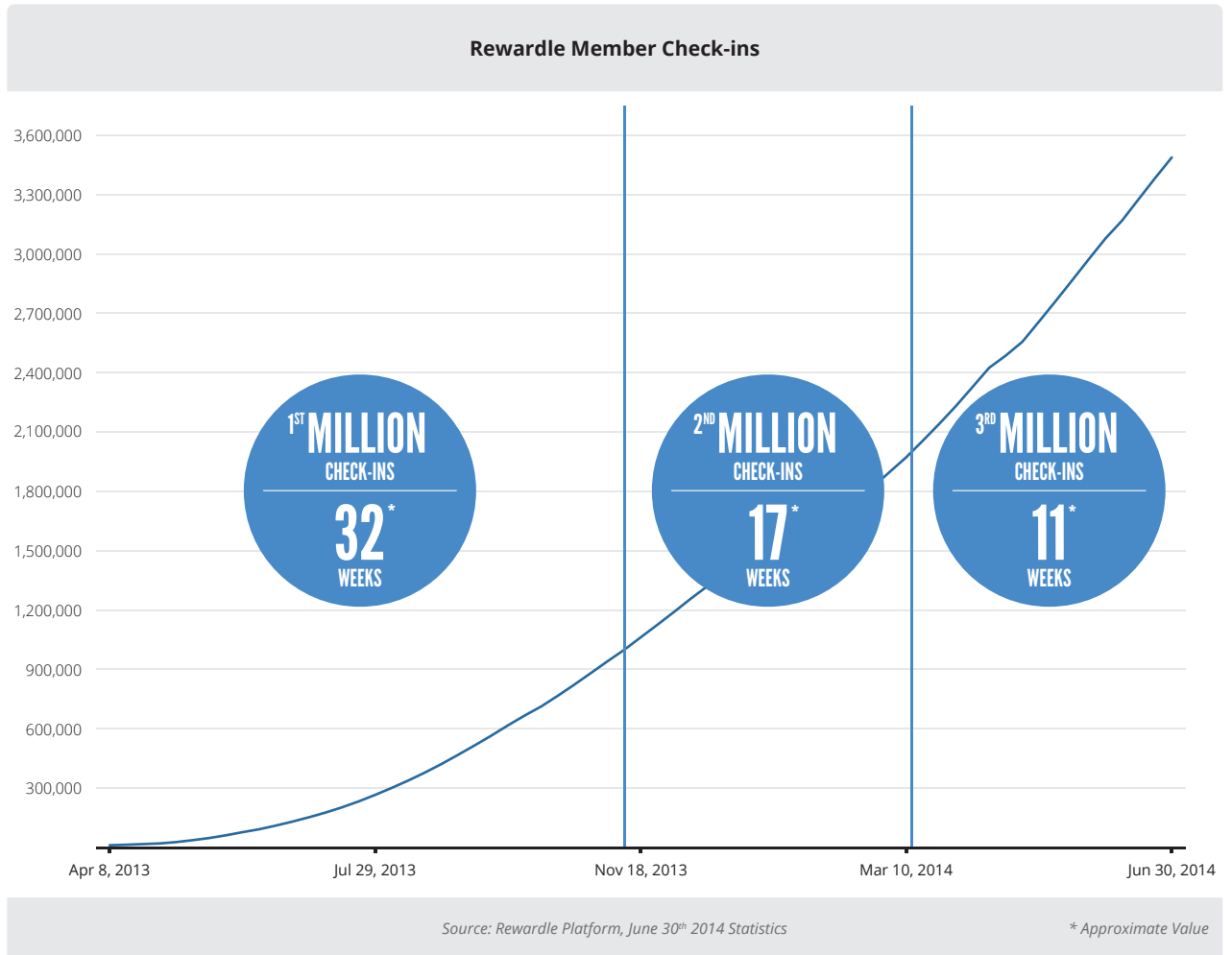
Membership growth:

Rewardle’s model requires both Merchants and Members engagement for success. Member network growth is accelerating at a comparable rate to Merchant network growth, as shown in the graph below:



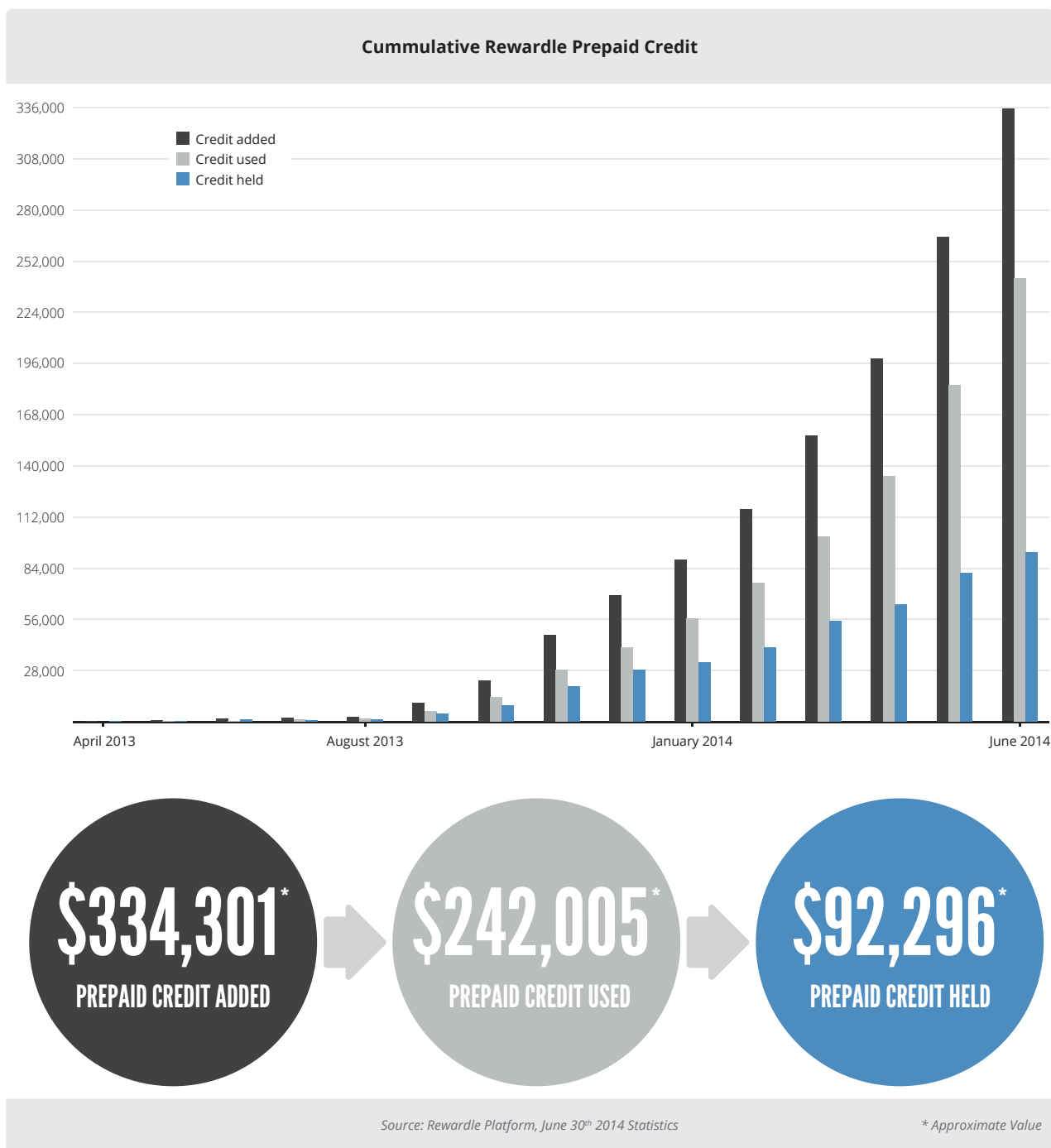
Total Check-ins:

It is important that membership growth flows through to engagement with the Rewardle Platform during transactions. This is represented by Check-ins where points are collected or redeemed.



g. *Prepaid Credit and giftcards*

Through establishing trust and frequency of use through membership, Rewardle has been able to transition into a payments facilitation service.

h. *Mobile payment*

Rewardle has recently enabled the use of Prepaid Credit for purchasing via the Rewardle smartphone apps. This facility will be progressively rolled out across the Rewardle Merchant and Member Network.

Rewardle is currently integrating with a variety of partners involved with the broader payments eco-system including payments processors and point of sale providers.

i. Revenue opportunities

Rewardle management has identified 3 revenue opportunities that are at various stages of development.



Prioritising the pursuit of each revenue opportunity will be determined by the board based on ongoing strategic evaluation of the businesses development.

The current focus of the Company is product development and Merchant and Member Network growth to enhance the Company's early mover advantage and the Network Effects inherent of the Rewardle business model.

As at the date of this Prospectus, the Company's only revenue is from those Merchants paying the monthly subscription fee for the Company's Merchant marketing services.

Merchant services

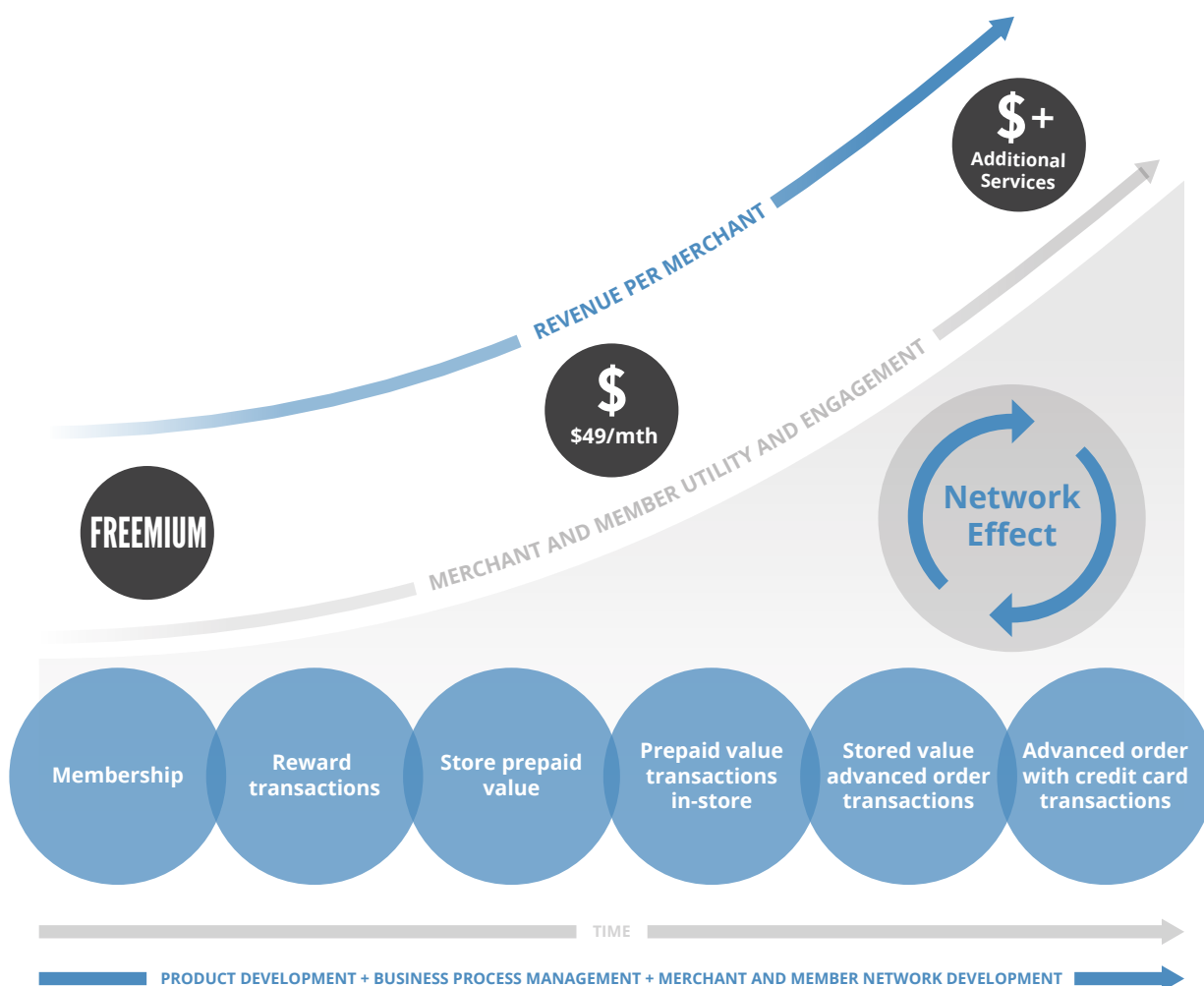
Rewardle provides local SME merchants with Digital Customer Engagement tools to assist them in using email, social and mobile marketing to grow their business.

These services are provided on a monthly subscription basis which at present, is priced at \$49 per month. Rewardle's Merchant services are initially offered on a free trial basis allowing the Company to rapidly build market penetration.

In time the Company envisages converting Merchants from free trials to paying subscribers. Rewardle will continue to develop and enhance its suite of marketing tools which may generate new revenue opportunities.

As at the date of this Prospectus, the Company has a Merchant network of 1587, of which 64 Merchants have transitioned into paying subscribers.

At present it has been determined that resources associated with converting trial Merchants to paying subscribers are more valuable when applied to the growth of the Merchant and Member Network which will enhance the Company's early mover advantage and the Network Effects inherent of the Rewardle business model.



Brand partnerships

Rewardle intends to derive revenue from brands by charging a fee for them to engage with its Merchant and Member Network.

One such approach would be similar to that adopted by loyalty programs such as Qantas Frequent Flyer, Virgin Velocity and Flybuys loyalty programs, that allows for brands to purchase points for distribution to their customer base as incentives.

Payments

Over recent years, cashless payments via debit and credit cards have accounted for a growing proportion of payments in Australia. More recently, technology has developed to permit payments to be made via mobile devices such as smartphones.

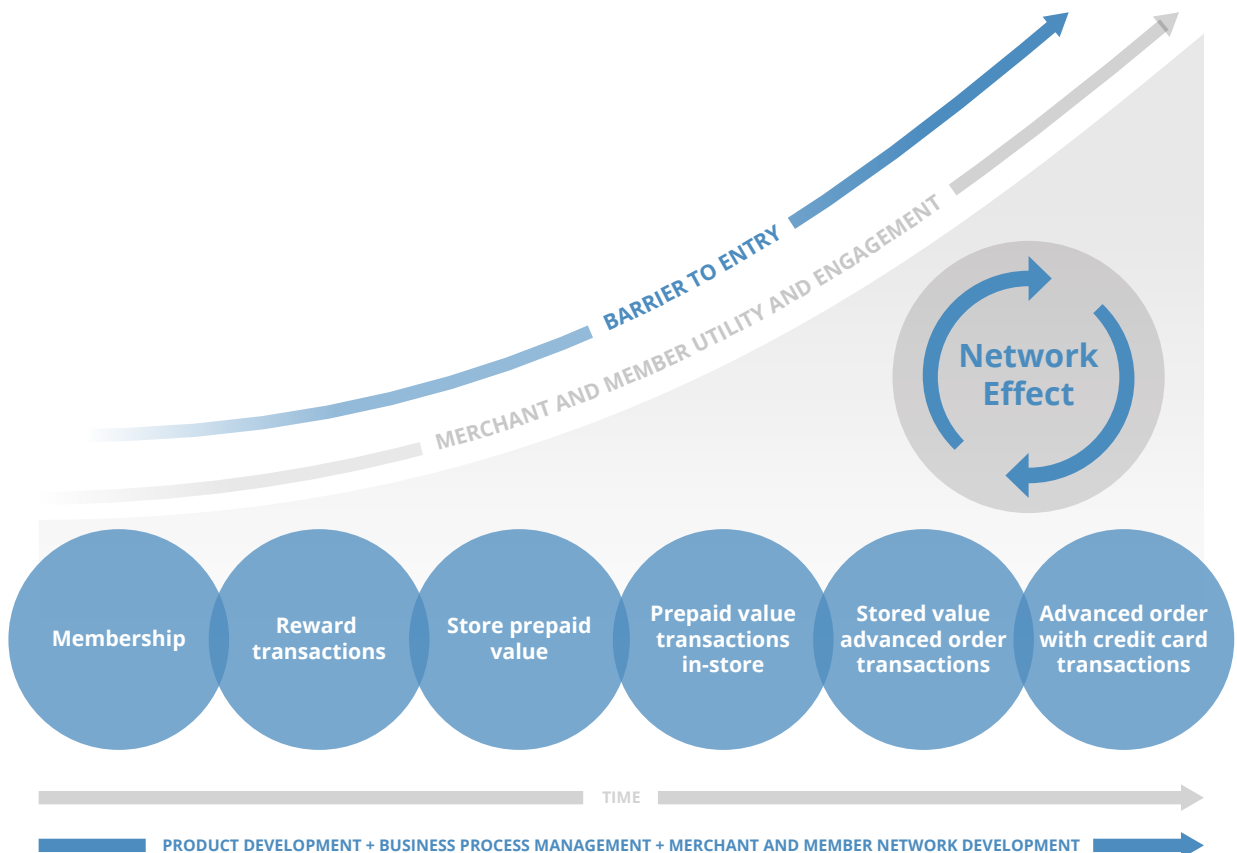
Rewardle intends to derive fees from payment processing. The Company is investigating a variety of approaches for collecting fees from the facilitation of payments between Members and Merchants.

j. **Barriers to entry**

Rewardle's early mover advantage on product development, business process management and Merchant and Member Network development represents a substantial barrier to entry for competitors attempting to mimic the business model.

The Network Effects inherent in the Rewardle business model serve to promote the growth and utility of Rewardle for existing and future Merchants and Members. This has the effect of creating a natural barrier to entry for competitors seeking to replicate the Rewardle offering and business model.

Rewardle management will continue focus on product development, business process management and Merchant and Member Network development to maintain and enhance the Company's early mover advantage and barrier to entry.



5.

**RISK
FACTORS**

5.1 Introduction

The Shares offered under this Prospectus should be considered speculative because of the nature of the Company's business. However, there are numerous risk factors involved. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be easily mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which the Shares will trade.

The following is not exhaustive and potential investors should examine the contents of this Prospectus in its entirety and consult their professional advisors before deciding whether to apply for the Shares.

5.2 Company specific risks

a. ***Product distribution and usability of Rewardle's products depend upon various factors outside the control of the Company including (but not limited to) device operating systems, mobile device design and operation and platform provider standards***

The Company intends to develop Rewardle's products for use across a number of internet access platforms, mobile and software operating systems. The Company will be dependent on the ability of its products to operate on such platforms, devices and operating systems however it cannot control the maintenance, upkeep and continued supply of effective service from external suppliers in these areas. Any changes in such platforms, operating systems or devices that adversely affect the functionality of Rewardle's products or give preferential treatment to competitive products could adversely affect usage of Rewardle's products.

b. ***Reliable access to internet***

The penetration and adoption of Rewardle's products will be influenced by the ability of its users to reliably access the internet. Access is provided by various classes of entities in the broadband and internet access marketplace. Should any of these entities disrupt, restrict or affect the cost of access to Rewardle's products, usage of Rewardle's products may be negatively impacted.

c. ***Limited operating history***

Rewardle has limited relevant operating history in the development of a points and rewards platform and the unproven potential of its proposed new business model makes any evaluation of the businesses or its prospects difficult. No assurances can be given that the Company will achieve commercial viability through the successful implementation of its business plans in respect of Rewardle.

d. ***Reliance on key personnel***

The Company's operational success will depend substantially on the continuing efforts of senior executives (in particular Ruwan Weerasooriya and Jason Potter). The loss of services of one or more senior executives may have an adverse effect on the Company's operations. Furthermore, if the Company is unable to attract, train and retain key individuals and other highly skilled employees and consultants, its business may be adversely affected. The Company has entered into an Executive Services Agreement with Mr Weerasooriya and Mr Potter, details of which are set out in Section 10 of the Prospectus.

e. ***Maintenance of key business partner relationships***

The Company will rely on relationships with key business partners to enable it to continue to promote Rewardle's products. A failure to maintain relationships could result in a withdrawal of support, which in turn could impact the Company's financial position.

f. ***Supply chain management***

The Company's growth is dependent on its ability to have available all the necessary hardware to service a new Merchant. This can be affected by stock levels of suppliers, delays in shipping of goods from production facilities in Asia or any other interruption of supply. The Company maintains a reasonable level of stock to reduce this risk.

g. ***Reliance on new products***

The Company's ability to grow Rewardle's Merchant and Member Network and generate revenue will depend in part on its ability to create successful new products. The Company may introduce significant changes to existing products or develop and introduce new and unproven products, including technologies with which the Company and its employees have little or no prior development or operating experience. If the new or enhanced products fail to attract Merchants and Members, the Company may fail to generate sufficient revenue or operating profit to justify its investments, and accordingly operating results could be adversely affected.

h. ***Building and maintaining a Merchant and Member Network***

Rewardle's business plan is dependent on building a Merchant and Member Network. A failure to establish this network to a sufficient scale or decline in this network may negatively impact revenues and profitability.

i. ***Management of growth***

There is a risk that the Company will not be able to manage rapid growth of the business. The capacity of the Company to properly implement and manage business growth may affect the Company's financial performance.

j. ***Need to attract and retain skilled staff***

The Company's future success will in part depend on its ability to hire and train suitable staff. Competition for such personnel is intense and there can be no assurance that Rewardle will be successful in attracting and retaining such personnel.

A failure to do so may have an adverse effect on the operations and profitability of the Company's business.

k. ***Brand establishment and maintenance***

The Company believes that establishing and maintaining Rewardle's brand in the points and rewards industry is critical to growing its merchant and user base and product acceptance. This will depend largely on the Company's ability to provide useful and innovative products. The actions of external industry participants may affect the brand if users do not have a positive experience using platforms, devices or operating systems that provide access to Rewardle's products. If the Company fails to successfully establish and maintain its brand, its business and operating results could be adversely affected.

l. ***Open source software***

A number of the Company's products and possible future products contain or will contain open source software, and the Company licenses some of its software through open source projects, which may pose particular risks to its proprietary software and products in a manner that could have a negative effect on its business.

The Company will utilise open source software in a number of its products and will use open source software in the future. The terms of many open source licenses to which the Company will be subject have not been interpreted by Australian or foreign courts, and there is a risk that open source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on the Company's ability to provide or distribute its products.

m. *Operating system changes*

The Company uses third party operating systems with the providers of these systems regularly updating their systems. It is possible when these updates occur it could cause some of the Company's product to not operate as efficiently as before. This will require the Company to change the code on its system which may take some time to remedy.

n. *Protection of intellectual property rights*

The Company's intellectual property rights are valuable, and any inability to protect them could reduce the value of its products and brand.

The Company has trade secrets and other intellectual property rights that are important assets. The Company may therefore rely on a combination of confidentiality and license agreements with its consultants and third parties with whom it has relationships, as well as domain name, trade secret, copyright and patent laws, to protect its brand and other intellectual property rights. However, various events outside of the Company's control could pose a threat to its intellectual property rights, as well as to its products and technologies.

For more information on the risks of the intellectual property rights owned by Rewardle please refer to the Trade Mark Attorney's Report in Section 6.

o. *Programming errors, bugs or vulnerabilities*

The Company's products may contain programming errors, which could harm its brand and operating results.

The Company's products will contain complicated programming and its objectives are to quickly develop and launch new and innovative products and features. The Company's products may therefore contain now or in the future, errors, bugs or vulnerabilities. Any errors, bugs or vulnerabilities discovered could result in (among other consequences) damage to Rewardle's brand, loss of users, loss of platform partners or fall in revenues, any of which could adversely affect the Company's business and operating results.

p. *Customer service risk*

The Company needs to recruit and retain staff with interpersonal skills sufficient to respond appropriately to service requests by either Merchants or Members. Poor customer service experiences may result if the Company loses key customer service personnel or fails to provide adequate training and resources for customer service personnel. Poor experiences may result in adverse publicity, litigation, regulatory enquiries and Merchants and Members reducing the use of the Company's products or services. If this occurs it may negatively affect the Company's revenues.

q. *Competition*

The Company will compete with other businesses and companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these companies.

The Rewardle concept requires an extensive Merchant and Member Network and aims to ultimately be the dominant provider of its services to the market that it targets. Effective competition may reduce the scale of this network which may negatively affect the viability of the Rewardle concept.

r. ***Changes in technology***

The Company's success will depend, in part, on its ability to expand its products and grow its business in response to changing technologies, user and third party service providers' demands and competitive pressures. Failure to do so may impact the success of the Company. Further, the cost of responding to changing technologies is unpredictable and may impact the Company's profitability or, if such cost is prohibitive, may reduce the Company's capacity to expand or maintain its business. The Company will seek to offset such costs where possible through applications for the research and development tax concession. However, these concessions are available in only limited circumstances and, even where the Company makes a claim which it and its advisors believe has merit, it can't be assured that the Australian Taxation Office and Ausindustry will deem the claim to be compliant.

s. ***Hosting provider disruption risk***

Rewardle relies on its primary hosting provider Amazon Web Services, to store data gathered from merchants and members.

Should Amazon Web Services suffer outages, for example due to catastrophic destruction following a natural disaster, service to the Rewardle network may also be disrupted. If Amazon Web Services ceased to offer its services to Rewardle and Rewardle was unable to find a replacement service quickly, this could lead to a disruption of service.

t. ***Security breaches***

If Rewardle's security measures are breached, or if its products are subject to cyber-attacks that restrict user access to its products, its products may be perceived as less secure than competitors and users may stop using Rewardle's products.

u. ***Credit card fraud or payment gateways disruption***

It is possible that the Rewardle business will in the future include the capacity to accept or process credit card transactions or other payment mechanisms. In such a case, Rewardle will be at risk of fraud by its members. Although the Company will implement sophisticated anti-fraud strategies, it is not possible to eliminate such fraud, particularly as perpetrators actively change methodologies to counter such strategies. Where a stolen credit card is used, the Company may be liable for chargebacks and chargeback fees imposed by third party payment gateways providers. Rewardle will be dependent on third party payment gateway providers to process transactions. It is possible that these providers may restrict or revoke Rewardle's capacity to accept payments and this could result in a disruption of Rewardle's services and ability to collect payments.

v. ***Data loss, theft or corruption***

Rewardle stores data with a variety of third party Cloud Computing service providers. Hacking or exploitation of some unidentified vulnerability in its network could lead to loss, theft or corruption of data.

Although Rewardle has strategies and protections in place to try and minimise security breaches and to protect data, these strategies might not be successful. In that event, it could negatively impact upon Rewardle's revenues and profitability.

w. ***Directors retain a significant stake***

Following completion of the Offer, the Directors will retain approximately 76.34% of the issued capital of the Company. The Directors will be able to exert significant influence over matters relating to the Company, including election of Directors, or the approval of transactions involving the Company.

Any significant sale of Shares, or the perception of sale of Shares, by the Directors might have adverse effects on the price of the Shares.

x. **Liquidity and realisation risk**

There can be no guarantee that an active market in the Shares will develop or that the price of the Shares will increase. With the Directors retaining 76.34% of the Shares on completion of the Offer and a further 0.33% being subject to escrow, only 23.33% of the Shares will be freely tradable at completion of the Offer. With the limited free float, there may be relatively few potential buyers or sellers at any given time and this may increase the volatility of the market price of the Shares.

Further, there is a risk that once the Shares subject to escrow or trading restrictions are released from the restrictions attaching to them, there may be a significant sell down by the holders of those Shares. In the context of the limited free float and potential volatility mentioned above, this may affect the prevailing market price at which Shareholders are able to sell their Shares.

y. **Insurance**

The Company will maintain insurance where it is considered appropriate for its needs however it will not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

Accordingly, the Company may not be fully insured against all losses and liabilities that could unintentionally arise from its operations. If the Company incurs uninsured losses or liabilities, the value of the Company's assets may be at risk.

z. **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in the future. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back Rewardle product development and expansion as the case may be.

aa. **Potential acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or prospects although no such acquisitions or investments are currently planned. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

ab. **Securities or industry analysis**

If securities or industry analysts do not publish or cease publishing research or reports about the Company, its business or its market, or if they change their recommendations regarding the Company's Shares adversely, the price of its Shares and trading volumes could be adversely affected.

The market for the Company's Shares trading on ASX may be influenced by any research or reports compiled by securities or industry analysts. If any of the analysts who may cover the Company and its products change previously disclosed recommendations on the Company or for that matter its competitors, the price of its Shares may be adversely affected.

ac. **The Company does not expect to declare any dividends in the foreseeable future**

The Company does not anticipate declaring or paying any dividends to Shareholders in the foreseeable future. Consequently, investors may need to rely on sales of their Shares to realise any future gains on their investment.

5.3 General risks

The future prospects of the Company's business may be affected by circumstances and external factors beyond the Company's control. Financial performance of the Company may be affected by a number of business risks that apply to companies generally and may include economic, financial, market or regulatory conditions.

a. *Share investments*

Prospective investors should be aware that there are risks associated with any investment in securities. The prices at which the Shares trade may be above or below the issue price for the Offer and may fluctuate in response to a number of factors.

Furthermore, the stock market and in particular the market for small technology companies, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. There can be no guarantee that these trading prices and volumes will be sustained. These factors may materially affect the market price of the Shares, regardless of the Company's operational performance.

b. *Sharemarket conditions*

The market price of the Company's Shares may be subject to varied and unpredictable influences on the market for equities in general and technology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

c. *Economic risk*

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, industrial disruption in Australia, the rate of growth of Australia's gross domestic product, interest rates and the rate of inflation.

d. *Global credit and investment market*

Global credit, commodity and investment markets have recently experienced a high degree of uncertainty and volatility. The factors which have led to this situation have been outside the control of the Company and may continue for some time resulting in continued volatility and uncertainty in world stock markets (including the ASX). This may impact the price at which the Company's Shares trade regardless of operating performance, and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

e. *Changes in legislation and government regulation*

Government legislation in Australia or any other relevant jurisdiction, including changes to the taxation system, may affect future earnings and relative attractiveness of investing in the Company. Changes in government policy or statutory changes may affect the Company and the attractiveness of an investment in it.

f. *Exchange rate risk*

The Company currently only operates in Australia but source products and services from overseas.

If the Australian dollar falls in relation to the exchange rate where the product or service is sourced from, then since Rewardle's financial statements are prepared in Australian dollars, this may impact its performance and position.

g. *Unforeseen risk*

There may be other risks which the Directors are unaware of at the time of issuing this Prospectus which may impact on the Company, its operation and/or the valuation and performance of the Company's Shares.

h. ***Combination of risks***

The Company may not be subject to a single risk. A combination of risks, including any of the risks outlined in this Section could affect the performance valuation, financial performance and prospects of the Company.

i. ***Unforeseen expenditure risk***

Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

j. ***Long term investment***

Investors are strongly advised to regard an investment in the Company as a long term proposition and to be aware that, as with any equity investment, substantial fluctuations in the value of their investment may occur. The Company cannot guarantee its future earnings and cannot provide a guaranteed level of return to investors.

k. ***Speculative nature of investment***

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares offered pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of the Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares.

6.

**TRADE MARK
ATTORNEY'S REPORT**

29 July 2014
Our Ref: Z5535AU00

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Intellectual Property Due Diligence Report for Rewardle Pty Ltd

We, Watermark, provide hereunder our report concerning the Intellectual Property (IP) portfolio of Rewardle Pty Ltd (ACN 153 419 133) ("Rewardle").

We understand that all or part of this report will be utilised to inform a decision concerning the listing of Rewardle Holdings Limited (ACN 168 751 746) on the Australian Stock Exchange.

This report has been prepared with the expectation that it may also form part of a prospectus to be issued on behalf of Rewardle Holdings Limited in relation to the proposed listing.

Our IP Due Diligence Report follows on the attached subsequent pages.

Yours Faithfully



Mark Pullen
Principal
Watermark

Watermark Patent and Trade
Marks Attorneys in association
with Watermark Intellectual
Property Lawyers

ABN 61 266 251 581

Intellectual Property Due Diligence Report for Rewardle Pty Ltd

Overview

Rewardle Pty Ltd ("Rewardle") is an operating company to deliver a digital customer engagement platform, currently commercialised under the trade mark/brand **Rewardle** (and related logos/devices).

The Rewardle platform provides digital marketing and transactional capabilities to retail businesses, particularly through a customer reward/loyalty program.

Rewardle Holdings Limited holds all of the shares in Rewardle Pty Ltd.

Rewardle digital platform (App) – Brief Summary

The Rewardle digital platform includes a combination of:

- mobile computing devices – smartphones and tablets used during customer interactions;
- mobile applications developed to record and display data originated through customer interactions with the Rewardle platform; and
- web and server based software providing:
 - backend management for the Rewardle program;
 - read and write access to data stored in the Rewardle database;
 - web applications used in the Rewardle platform; and
 - database(s) holding customer interaction data and abstraction data generated by business logic.

Scope of Watermark's Investigations

Specifically, Watermark has been asked to report on the intellectual property of Rewardle Pty Ltd relating to the 'Rewardle' platform for mobile devices, including for mobile phones and smart phones, tablets and computers, covering:

- a) the nature of each item of intellectual property;
- b) entitlement by Rewardle to own or use each said item of intellectual property, and, where appropriate; and
- c) the registration status of each item.

Searches have been conducted of the following records:

- Australian Securities & Investments Commission (ASIC) – Organisations & Business Names records;
- Australian Trade Marks Office official trade marks register (ATMOSS);
- Australian Patent Office – patent register (AusPat);
- Australian Designs Registry – designs register (ADSS);
- Who Is.com.au Domain Names Register – Australian domain name registrations;
- Who Is - Instra Corporation Domain Name Register – New Zealand domain name registrations; and
- Crazydomains.com.au – Domain name search and registration service
- Plus
 - additional online searching conducted seeking to identify the presence of, and any potential issues relating to, third party unregistered Rewardle trade marks in Australia. No third party unregistered trade marks were found in use that would otherwise be expected to present a problem;
 - review of agreements of service providers to Rewardle Pty Ltd; and
 - confirming ownership of, or access to, the identified IP.

Intellectual Property Portfolio

The intellectual property comprises various domain names, copyright, trade marks, and computer application (App) computer code, as well as other unregistered intellectual property constituted by confidential information and know-how. To the best of our knowledge, the information provided herein is accurate as at the date of this report.

Nature and Ownership of/Access to IP Assets

We confirm that Rewardle Pty Ltd owns or has entitlement to use the intellectual property and confidential information ("Rewardle IP") identified below:

1. Company/Business Names

Name	Registration No.	Status
Rewardle Pty Ltd	ACN 153 419 133	Registered
Rewardle Holdings Ltd	ACN 168 751 746	Registered

2. Domain names

Domain name	Registration details
<i>www.rewardle.com</i>	Registrant: Rewardle Pty Ltd
<i>www.rewardledev.com</i>	Registrant: Rewardle Pty Ltd
<i>www.rewardle.net</i>	Registrant: Rewardle Pty Ltd
<i>www.rewardle.co.uk</i>	Registrant: Rewardle Pty Ltd
<i>www.rewardle.mobi</i>	Registrant: Rewardle Pty Ltd
<i>www.rewardle.net.au</i>	Registrant: Rewardle Pty Ltd
<i>www.rewardle.com.au</i>	Registrant: Rewardle Pty Ltd
<i>www.rewardle.org</i>	Registrant: Rewardle Pty Ltd

3. Digital Platform – initial concept and development

Rewardle Pty Ltd owns the IP rights to the initial concept and developments creating the Rewardle digital platform, including initial development software and inventor rights.

4. Software - Application (App) and Web

The 'Rewardle' platform (e.g. smart phone and tablet) application includes, but is not limited to the following:

- (a) the mobile application code and the server code for the application;
- (b) 'know how', confidential information, technical knowledge and support that is relevant to the function of that application; and
- (c) potential patentability of the function of the App as an inventive/innovative method or process .

Ownership of copyright in the software (App and server code) resides with Rewardle Pty Ltd pursuant a software development service agreement.

5. Trade Marks

The following two Australian trade mark applications in the name of Rewardle Pty Ltd and have been accepted for registration by the Australian trade marks office:

Trade Mark	Trade Mark Number	Country	Classes
Rewardle (word)	1624908	Australia	9 & 35
 (device)	1624909	Australia	9 & 35

The relevant scope of the class 9 goods and class 35 services are:

Class 9:

Software, including such software provided over the internet or as a downloadable application (app), relating to consumer or customer reward or loyalty or frequent user schemes

Class 35:

Organisation, operation and supervision of customer or consumer loyalty or reward or frequent user schemes; sales promotion through customer or consumer loyalty or reward or frequent user schemes

Subject to no objection from the Australian Trade Marks Office and no third party opposition, these Australian trade mark applications will become registered and enforceable.

A search of the trade marks register maintained by the Australian Trade Marks Office revealed that both of the above trade marks appear to be available for use and registration by Rewardle. There are no prior trade marks that appear to be of concern for infringement.

A six month period applies from the 27 May 2014 date of filing these trade mark applications, allowing the Applicant (Rewardle Pty Ltd) the right to file overseas applications by 25 November 2014 for the same trade marks and classes, and claim the Australian filing date (called a 'Paris Convention' application or 'Madrid Protocol' application). Overseas applications after that six month period receive their own subsequent actual filing date.

6. Copyright – other than software

All copyright in the following works:

Item	Brief Description	Copyright Work
(a)	Rewardle 'R & rosette' device trade mark identified above	
(b)	Rewardle App 'consumer' 'R & rosette' icon/tile	
(c)	Rewardle 'merchant' icon/tile	
(d)	Rewardle 'merchant tablet' icon/tile	

Ownership of copyright in works (a) to (d) resides with Rewardle Pty Ltd pursuant an agreement with the original author transferring ownership to Rewardle Pty Ltd.

7. Confidential Information

Confidential information, such as:

- database(s) and/or records containing client (retail outlets) lists and information pertaining to those businesses; and
- customer/consumer data.

Such confidential information gathered within and relating to the Rewardle platform, databases and website remains the property of Rewardle Pty Ltd.

RISKS

Watermark has reviewed the Australian trade mark register for “Rewardle” trade marks.

No trade marks of concern were identified that would otherwise prevent or restrict the use of the Rewardle word or the R & rosette device and icon listed above.

Watermark has not conducted any in depth freedom to operate analysis in relation to the use of Rewardle as a mobile Application.

Confidential information, such as client/customer lists/data, are often at risk of loss of confidentiality e.g. by unauthorised third party access or accidental or intended (malicious) staff access. Staff (and anyone with access to the data) must be limited by employment agreements containing IP clauses explaining the person's duty regarding IP and confidential information.

Patenting the applied methodology/function of the Rewardle platform would not be expected to be straightforward, and may not ultimately be achievable, because of at least:

1. potential prior art as yet unsearched, and
2. the inherent difficulty in patenting software derived inventions.

Neither has there been any assessment by Watermark of the legality of any document which purports to transfer or license rights in any of the intellectual property to Rewardle Pty Ltd or Rewardle Holdings Limited.

Watermark

Watermark are advisors to Rewardle Pty Ltd and Rewardle Holdings Limited.

Watermark is a firm of Patent and Trade Mark Attorneys established in 1859 and with offices in Melbourne, Sydney and Perth.

All Principals of Watermark are Fellows of the Institute of Patent and Trade Mark Attorneys of Australia. More information about Watermark, its Principals and practitioners, can be found at www.watermark.com.au.

Watermark was appointed in May 2014 to advise Rewardle in relation to the intellectual property residing in or directly relating to a computer/web and mobile device (App) delivered customer reward/loyalty program with the concept known as “Rewardle”.

Watermark has not previously acted for Rewardle Pty Ltd or Rewardle Holdings Limited.

None of the intellectual property listed in this report has been prepared by or at any time in the care or management of Watermark. Some information relating to the intellectual property has been provided to Watermark by third party sources. The veracity of information obtained from third party sources is not guaranteed.

Neither Watermark nor any of its Principals has, or is entitled, to any shares in Rewardle Pty Ltd or Rewardle Holdings Limited.

This report has been prepared at the request of Rewardle, and Watermark will be paid at commercial rates for the preparation of this report.

Watermark has no involvement in the ownership, operations or management of Rewardle as a business or service offering.

On Behalf of Watermark

A handwritten signature in blue ink, appearing to read 'M Pullen', with a stylized flourish at the end.

Mark Pullen
Principal
29 July 2014



7.

**INDEPENDENT
INDUSTRY REPORT**

The Directors
Rewardle Holdings Ltd
Level 4 / 100 Flinders Street
Melbourne
VIC, 3000
Australia

June 20, 2014

Dear Directors,

Independent Industry Report on the Digital Consumer Engagement Market

Introduction

We understand that Rewardle Holdings Ltd (**Rewardle**) is a company that utilises mobile computing, cloud based software and big data analysis to provide small-to-medium sized merchants in Australia with digital customer engagement tools and business intelligence, similar to those that are used by larger companies.

We understand that the Rewardle membership, points and rewards platform is the basis for the company's growing suite of digital customer engagement tools that are designed to assist High Street traders to use e-mail, social media and mobile marketing.

Rewardle replaces the traditional paper stamp or punch card systems that are commonly used by consumer-facing small-to-medium size enterprises (SMEs) with a digital membership, points and rewards platform. Merchants place a customer facing Rewardle tablet on their counter, and customers check-in on the tablet using their Rewardle plastic card or the Rewardle smartphone app to collect points and redeem rewards.

We understand that by using Rewardle's system, consumers can obtain greater choice over the reward they receive, security of points backed up to the cloud and the convenience of a single membership carried in the cloud for all their favourite retail places. Merchants can gain stronger customer engagement, establish digital lines of communication and gain valuable insight that they can act on to grow their business.

<i>Auckland</i>	<i>Bangalore</i>	<i>Bangkok</i>	<i>Beijing</i>	<i>Bogota</i>	<i>Buenos Aires</i>	<i>Cape Town</i>	<i>Chennai</i>	<i>Delhi</i>	<i>Dubai</i>
<i>Frankfurt</i>	<i>Kolkatta</i>	<i>Kuala Lumpur</i>	<i>London</i>	<i>Manhattan</i>	<i>Melbourne</i>	<i>Mexico City</i>	<i>Mumbai</i>	<i>New York</i>	<i>Oxford</i>
<i>Palo Alto</i>	<i>Paris</i>	<i>San Antonio</i>	<i>Sao Paulo</i>	<i>Seoul</i>	<i>Shanghai</i>	<i>Singapore</i>	<i>Sydney</i>	<i>Tokyo</i>	<i>Toronto</i>

In addition to the membership, points and rewards platform Rewardle is developing a growing suite of digital customer engagement tools for High Street merchants that includes pre-payment/giftcards, online/mobile ordering, social media integrations and website design/hosting.

Rewardle can also facilitate payments, both for merchants and consumers. The tablet provided to merchants can be adapted into a contactless payment terminal, and consumers can link their Rewardle account to a funding source such as a prepaid balance or prepaid debit balance, allowing them to pay directly at point-of-sale using their Rewardle card or Rewardle app on their smartphone.

Typical merchants that adopt the Rewardle platform include cafes, restaurants, hair and beauty salons, pubs/bars, gyms, grocery stores, day spas, pharmacies, juice bars, burger shops and cinemas.

We understand that Rewardle is planning to raise funds via an Initial Public Offering (IPO) on the Australian Securities Exchange (ASX), and Rewardle has commissioned an Independent Market Report (IMR) from Frost & Sullivan for the purposes of inclusion in the prospectus relating to the IPO. Frost & Sullivan is an independent market research and consulting firm operating in over 30 countries globally. Founded in New York in 1961, Frost & Sullivan now employs over 1,800 staff. We have undertaken a number of market studies in the e-Commerce and related sectors on behalf of market participants and financial institutions, as well as producing a number of multi-client reports on the e-Commerce industry.

In undertaking this assessment, Frost & Sullivan has relied on information derived from recognised public sources. The research was undertaken in the months of April to June 2014. All effort has been made by Frost & Sullivan to ensure that information in this report is accurate and appropriate at the time of writing. Conclusions, and assumptions attached to those conclusions, are based on Frost & Sullivan's investigations and analyses of the facts as they are known as at June 2014 and Frost & Sullivan is of the opinion that the conclusions and underlying assumptions are reasonable.

Definitions

App is an abbreviation for application and refers to a small specialist software programme that can be downloaded over the public internet onto a mobile device that is connected to the internet, generally through a wireless connection such as a mobile phone network or a Wi-Fi connection. The app is made available to the consumer either free of charge or for purchase. Apps are generally developed by third-party developers and are provided via an app store available through the user's mobile device, such as a smartphone or tablet.

Compound Annual Growth Rate (CAGR) is a measure of growth over a time period, calculated by taking the n th root of the total percentage growth rate, where n is the number of years in the period being considered.

Contactless Payment is a point-of-sale (POS) payment where a contactless chip embedded in a card, key fob or mobile phone is waved or tapped near a contactless terminal at a merchant. This is generally quicker than using a

sign or PIN-based payment method for both consumers and merchants, and is generally available for small value transactions (e.g. up to \$100).

Digital Engagement involves the use of digital channels, such as the internet or a mobile phone network, by a business for interactions, such as communication or transactions, with customers. The level of digital engagement of businesses can range from maintaining a website or communicating with customers via e-mail through to use of more sophisticated approaches such as Search Engine Optimisation¹ or Location-Based Marketing.²

Near Field Communication (NFC) is a short range wireless RFID technology that makes use of interacting electromagnetic radio fields instead of the typical direct radio transmissions used by technologies such as Bluetooth. It is meant for applications where a physical touch, or close to it, is required in order to maintain security, such as in mobile payments.

Reward Programmes (sometimes also known as loyalty, incentive or retention programmes) are marketing efforts to reward customers for their purchases from a specific merchant or group of merchants, or by using a specific means of payment, thereby encouraging customers to direct more of their custom to the merchant(s), or drive greater use of the means of payment. Generally these programmes provide rewards based on the number and / or value of transactions that a customer undertakes. Rewards can include free products / services (e.g. “buy 10 get one free”), discounts, rebates or prizes. Reward programmes include single-merchant programmes (i.e. where rewards can only be earned and redeemed with a single merchant) or multi-merchant programmes (i.e. where rewards can be earned and redeemed at multiple merchants). Reward programmes can also include simple punch-card or stamp based programmes, where the identity of the consumer is generally not known to the merchant, through to digital programmes where the merchant may have a range of data on the consumer.

Small-to-Medium Enterprises (SMEs) are defined as businesses that are below a specific threshold in terms of numbers of employees. Small businesses are defined as having less than 20 employees, and medium businesses as having less than 200.³

Smartphones are a variant of mobile phones that offer advanced functionality beyond making phone calls and sending text messages. Smartphones have the ability to access the internet with a screen size that provides an acceptable user experience. Smartphones can run third-party applications, which provide additional functionality to the user. Most smartphones use an operating system developed either by Google (the Android platform) or by Apple (iOS platform). The usability of smartphones is heavily dependent on the reliability and access speed of the mobile network that they are using, although they can also be used when connected to a local Wi-Fi network.

¹ Search engine optimization (SEO) is the practice of manipulating aspects of a web site to improve its ranking in search engines

² Location based marketing (LBM) involves sending marketing messages to consumers on their mobile phone depending on their location at a particular time

³ Source: Australian Small Business, Key Statistics and Analysis, Department of Industry, Innovation, Science, Research and Tertiary Education, December 2012

Digital Engagement Overview

Frost & Sullivan understands that Rewardle is establishing itself as a digital engagement service provider, supporting SMEs in Australia to engage digitally with consumers. This will be achieved through offering a digital, multi-merchant rewards programme, with the business model evolving to offer mobile point-of-sale payments to consumers, as well as additional digital engagement services to merchants (e.g. data analytics).

There are a number of companies globally that provide services similar to those offered by Rewardle:

- US-based company Belly launched the Bellycard in 2011, and has now signed up over 6,000 merchants. Bellycard is a digital multi-merchant rewards programme designed for SMEs. Bellycard has more than 4 million individual members who carry physical or mobile app-based loyalty cards that can be scanned when visiting a Belly-enabled merchant. There are reported to be over 300,000 check-ins per week. Belly has raised US\$28 million in financing since 2011;⁴
- Yelp, Inc. is a multinational corporation headquartered in San Francisco, California, that operates an "online urban guide" and business review site with a reported 67,000 active merchant accounts.⁵ The company has recently introduced social networking features, discounts, and mobile applications and extended its services to Australia, Brazil, Canada, Japan, Mexico, New Zealand, Singapore and parts of Europe. Yelp was founded in 2004 and listed on the New York Stock Exchange (NYSE) in March 2012.
- Groupon is a US-based company with operations in several countries including Australia. Groupon offers deals from local merchants enabling site members to access products or services at a significant discount from usual prices;
- US-based GrubHub was established in 2004 and is an online and mobile food ordering company whose platforms allow diners to order directly from approximately 28,800 takeout restaurants in more than 600 US cities and London.⁶ GrubHub floated on the New York Stock Exchange in April 2014, valuing the company at US\$2.04 billion.⁷
- US-based Square was established in 2010 and offers an alternative to traditional credit card payment processing via an iPad cash-register app, along with an iPhone credit card reading app. They also offer a mobile wallet app for consumers. Square has recently added a rewards feature on its apps. A recent share offer has valued Square at US\$5 billion.⁸
- US-based OpenTable provides restaurants with an online booking facility. The business currently manages online and mobile tablet bookings for over 30,000 restaurants.⁹

Frost & Sullivan believes that five main factors will stimulate growth for the digital engagement market that Rewardle operates in:

⁴ Source: Belly website

⁵ Source: <http://www.forbes.com/sites/greatspeculations/2014/02/07/yelp-earnings-revenue-growth-keeps-up/>

⁶ Source: GrubHub website

⁷ Source: http://www.chicagotribune.com/business/breaking/chi-grubhub-ipo-price-20140403,0,1018776.story?mc_cid=7f71242577&mc_eid=d09e418f93

⁸ Source: <http://www.bloomberg.com/news/2014-01-13/square-said-to-hold-offering-at-5-billion-valuation.html>

⁹ Source: OpenTable website

- Increased usage of smartphones, and an increasing willingness of consumers to use smartphones for functions beyond voice and text (such as for payments and as mobile wallets);
- A shift towards increased use of online and mobile media by businesses;
- Increasing levels of digital engagement by small-to-medium businesses;
- Growing usage of rewards-based loyalty programmes by both merchants and consumers; and
- Increasing use of smartphones for mobile payments at point-of-sale.

Each of these factors is described in more detail below.

Trends in Mobile Device Usage

Australia has an extremely high penetration of mobile phones. The total number of mobile services that are operational is 31.09 million, representing a penetration rate of 137% of the total population (as many consumers maintain more than one mobile service). Around 94% of Australians over 18 are estimated to use a mobile phone, an increase from 82% in 2007. This places Australia as one of the countries with the highest mobile phone penetration rate globally. An increasing number of mobile phone users are now using smartphones, with the proportion of Australians over 18 with a smartphone increasing to 64% by May 2013, an increase from 49% a year earlier.¹⁰ The number of smartphones in use has risen strongly since the category was largely created with Apple's launch of the iPhone in 2007. Prior to this, mobile phones were primarily used for voice calls and text messaging, with extremely limited additional functionality such as internet access. The rapid growth in smartphone and tablet usage has been stimulated by a number of factors:

Availability of smartphones at appropriate price points: smartphones are available at a range of price points for outright purchase, but most consumers obtain them free-of-charge at time of acquisition through entering into a mobile service contract with a telecommunications service provider which includes provision of the smartphone. The ability of consumers to acquire smartphones at a very minor initial outlay has acted as a major stimulant to market take-up.

Faster and more reliable mobile networks: the use of wireless, internet-enabled mobile devices such as smartphones and tablets is being stimulated by the roll-out of mobile networks with faster and more reliable connectivity, improving the user experience for consumers. 4G services, pioneered in Australia by Telstra, are now also available through other network service providers such as Optus and VHA. By mid-June 2013 Telstra's 4G network covered an estimated 66% of the Australian population.¹¹ This means that the majority of the Australian population is able to benefit from the higher speeds provided by these networks when using their mobile device. By June 2013, Telstra reported that it had 2.80 million 4G services as at June 2013, an increase from 380,000 12 months previously.¹²

¹⁰ Source: ACMA Communications Report, 2012-13. Data is for June 2013

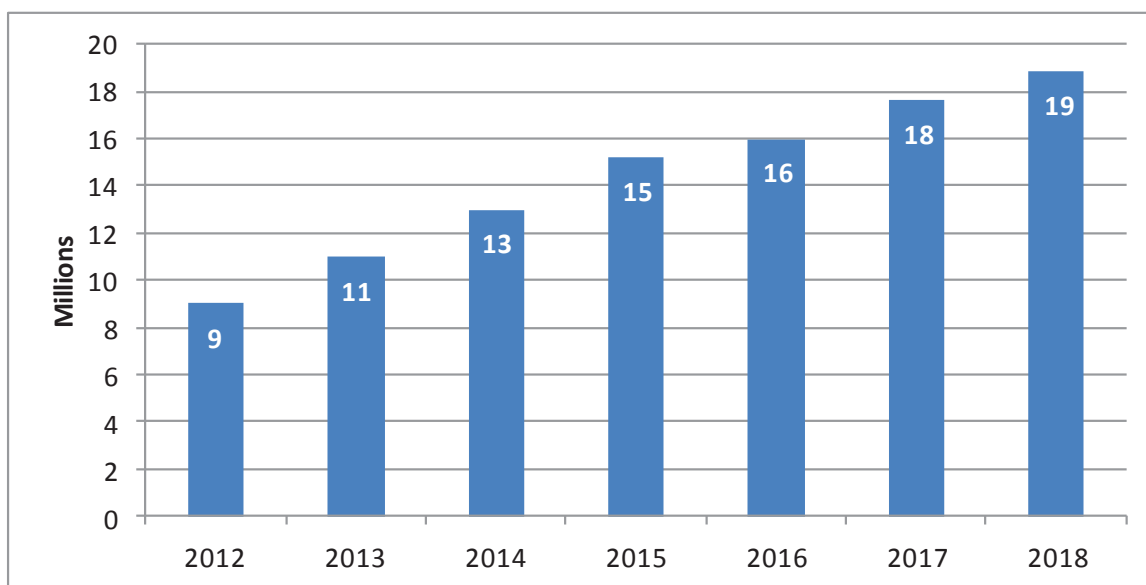
¹¹ Source: http://www.computerworld.com.au/article/433391/updated_4g_australia_state_nation/?pp=2, accessed October 2013

¹² Source: ACMA Communications Report, 2012-13

Smartphones in Use

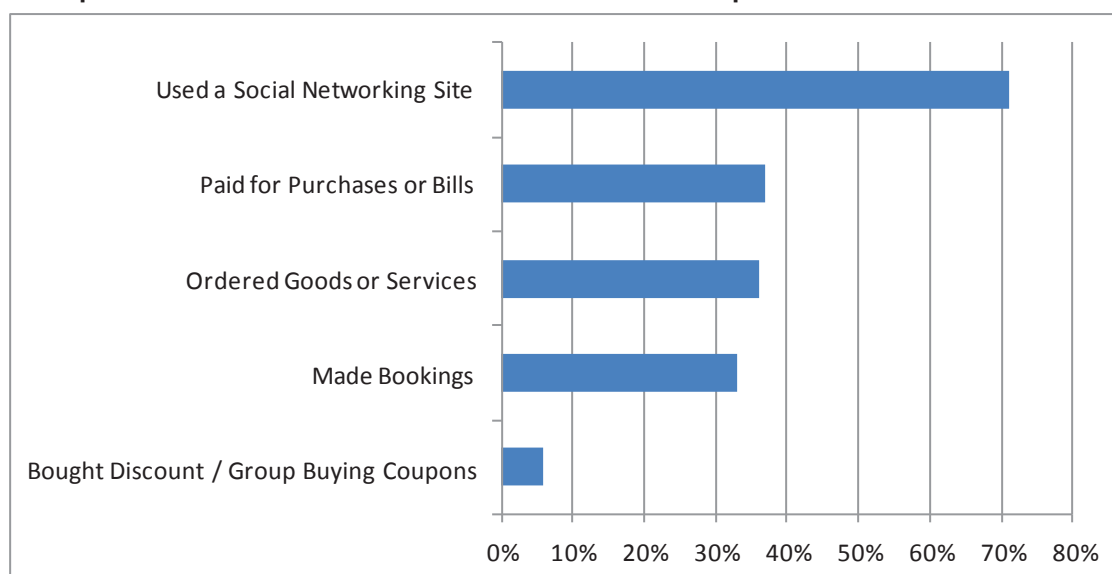
An increasing proportion of mobile users are using smartphones. Frost & Sullivan estimates that there are approximately 11 million smartphones currently in use in Australia. Australia is amongst the top six countries globally in terms of smartphone penetration. Frost & Sullivan forecasts that smartphone usage in Australia will continue to grow to reach an estimated 93% of all mobile phone users by 2018, representing 19 million smartphones in use (see Figure 1).

Figure 1: Smartphone Users, Australia, 2012 – 2018



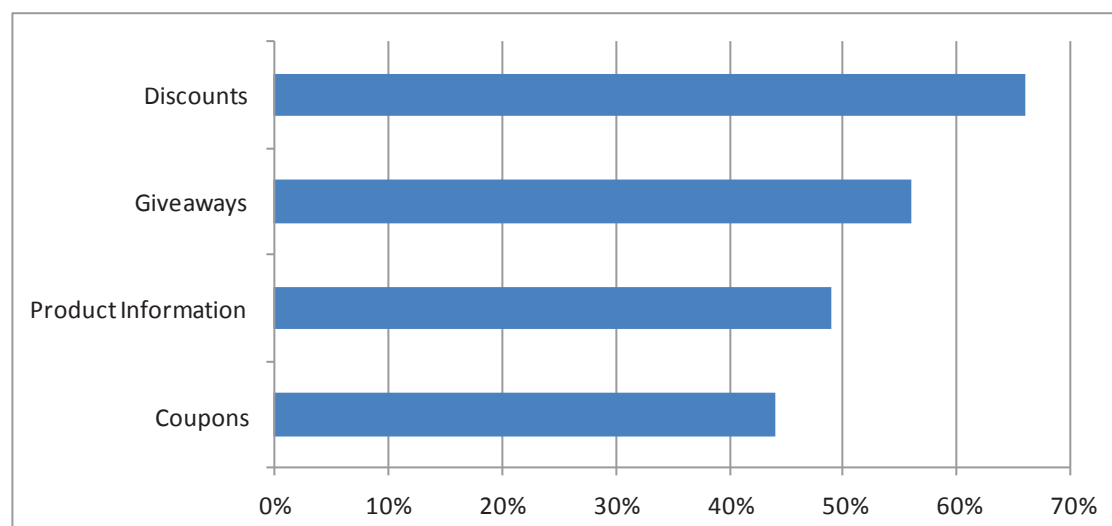
Source: Frost & Sullivan, *Australian Mobile Device Usage Trends*, 2013

The growing use of smartphones mean that the mobile device is transitioning from a device used mainly for voice calls and texting, to one used for a much broader range of interactive activities by consumers. Smartphones are increasingly used for a wide range of activities, including engaging with social media, making bookings and ordering and paying for goods and services including the collection of offers and deals (see Figure 2).

Figure 2: Proportion of Mobile Phone users that have Undertaken Specified Transactional Activities

Source: Sensis, e-Business Report, 2013

65% of online Australians now use social media, and 35% of these social media users follow social media networking groups associated with businesses or brands.¹³ Discounts are the most commonly sought item from businesses or brands followed on social media, followed by giveaways, product information and coupons (see Figure 3).

Figure 3: Services Desired from Businesses Followed on Social Media

Source: Yellow, Social Media Report, 2013

Smartphones are also increasingly being used to transact. In total, 41% of smartphone users have made a purchase on their smartphone (excluding purchases of apps).¹⁴

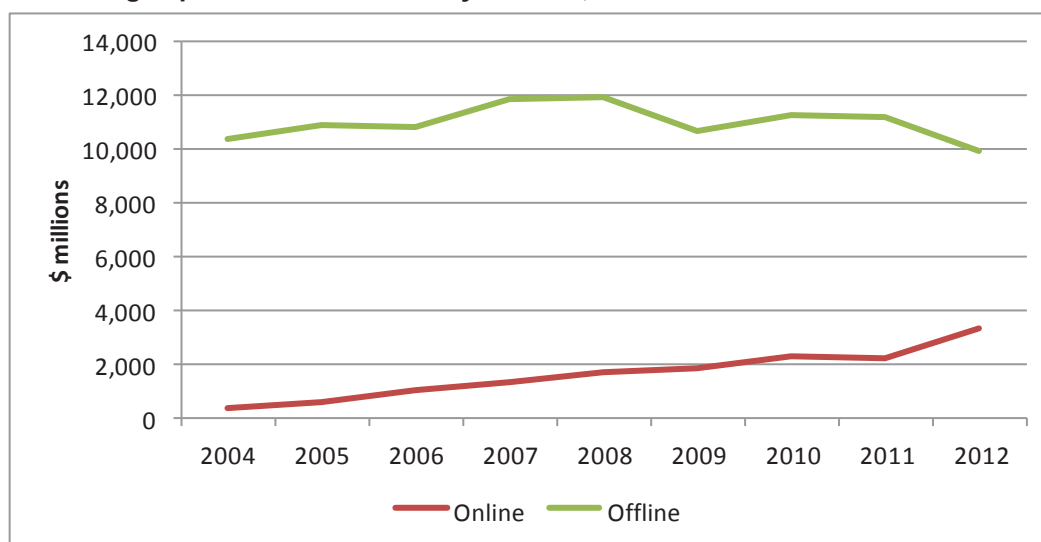
¹³ Source: Yellow, Social Media Report, 2013

¹⁴ Source: Google, Our Mobile Planet, 2013

Growth of Online and Mobile Media

The online, and increasingly the mobile, channel are being increasingly used by Australian businesses to advertise and promote. In 2012, the online channel accounted for 25% of total advertising expenditure in Australia, and this has increased from 4% in 2004 (see Figure 4).

Figure 4: Advertising Expenditure in Australia by Channel, 2004 – 2012



Source: Australian Communications and Media Authority, *Communications Report, 2011-12 and 2012-13*

Frost & Sullivan forecasts that online advertising expenditure will continue to significantly outperform the more mature offline advertising channels (free-to-air TV, pay TV, radio, magazines, outdoor, cinema and print directories) over the next five years. Online advertising expenditure will increase to \$6.59 billion by 2018, and the proportion of advertising expenditure accounted for by online advertising will increase to 41% in 2018.¹⁵

The fastest growing segments in the Australian online advertising market are mobile and online video, and both segments are expected to outperform the market significantly over the next five years. Mobile advertising grew very strongly in 2013, driven by high consumer adoption of smartphones and tablets, as well as growing media agency acceptance of mobile channels.

As usage of smartphones continues to grow, there has been a significant increase in the amount of mobile advertising.¹⁶ In the year to June 2013, mobile advertising expenditure grew by 180% to reach \$130 million. Mobile search and online display both grew very strongly. Strong growth is predicted over the next five years for the Australian mobile advertising market, with expenditure forecast to reach \$682 million by 2018, with a CAGR

¹⁵ Source: Frost & Sullivan, *The Australian Online Advertising Market: Year End Overview & Outlook, 2013*

¹⁶ Mobile advertising is a form of online or internet advertising designed for viewing on mobile phones (including smartphones) and tablets, including advertising on mobile sites (m-sites) (i.e. sites designed to be accessed via a mobile device), smartphone apps and tablet apps

between 2013 and 2018 of 39%.¹⁷ An increasing number of advertisers are adopting mobile advertising as an integral part of their digital engagement strategy.

Digital Engagement by Businesses

Digital engagement involves the use of digital channels such as the internet to interact with consumers. This can include activities such as promotion and advertising, communications, transactions and after-sales service. Whilst larger companies have typically been the earlier adopters of digital channels, an increasing number of SMEs in Australia are now engaging digitally with consumers.

Extent of Digital Engagement

Over recent years, SMEs in Australia have increasingly adopted digital channels to engage and interact with customers. The vast majority of Australian SMEs are now online, with 96% of small-to-medium businesses having a broadband connection.¹⁸ This provides the platform for SMEs to engage digitally with consumers. This can include activities such as using a website to promote the business, taking orders for products or services over the internet, using e-mail marketing or advertising on other websites. The increased use of digital engagement by SMEs in Australia is shown in Table 1:

Table 1: Level of Digital Engagement by SMEs

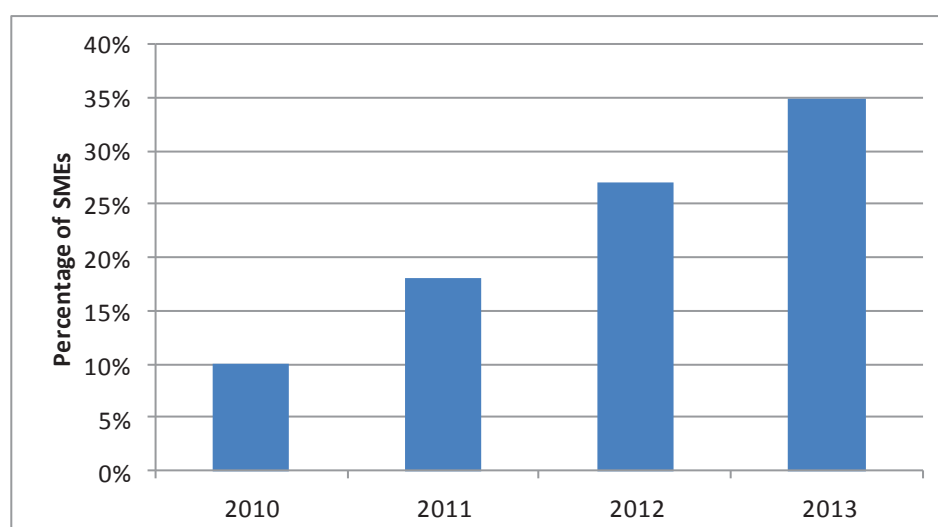
	2012	2013
Use a website to advertise or promote the business	58%	60%
Advertise the business on other websites	14%	17%
Use e-mail marketing	28%	29%
Take orders for products or services	51%	55%

Source: Sensis e-Business Report, 2013

Many SMEs have also adopted social media as a way to interact with customers. 35% of online SMEs now have a social media presence, with the majority (93%) active on Facebook. 29% of these SMEs are paying to advertise on social media. The proportion of online SMEs with a social media presence has increased from 10% in 2010 (see Figure 5):

¹⁷ Source: Frost & Sullivan, Australian Online General and Mobile Advertising report, 2013

¹⁸ Source: Sensis, e-Business Report, 2013

Figure 5: Proportion of SMEs with a Social Media Presence

Source: Sensis e-Business Report, 2013

Use of social media is highest in SMEs operating in consumer markets, such as Cultural, Recreational and Personal services (60% of SMEs have a social media presence), Accommodation, Cafes and Restaurants (54%) and Retail (32%). SMEs in Australia use social media for a variety of reasons, including advertising, inviting comments and feedback, two-way communication and offering incentives (such as coupons, giveaways or discounts). 28% of small businesses and 38% of medium businesses with a social media presence are using social media to provide incentives to consumers.¹⁹

Small businesses are already spending an average of almost 14% of their marketing budget on social media, up from 8.3% in 2011, and medium businesses 9.5%, up from 5.5% in 2011 (see Table 2).

Table 2: Social Media Expenditure by Businesses, 2013

	Percentage of Marketing Budget Allocated to Social Media		Average Social Media Budget
	2011	2013	2013
Small Businesses (<20 staff)	8.3%	13.7%	\$1,970
Medium Businesses (20-199 staff)	5.5%	9.5%	\$11,780
Large Businesses (200+ staff)	4.7%	4.9%	\$79,750

Source: Yellow, Social Media Report, 2013

Most businesses that use social media expect to increase their social media spending. 33% of small businesses, 57% of medium businesses and 51% of large businesses expect to increase their spending on social media. In some cases this will come from a diversion of funds from other channels, for example, 47% of large businesses expect to reduce their print advertising spend as a result of increased investment in social media.²⁰

¹⁹ Source: Yellow, Social Media Report, 2013

²⁰ Source: Yellow, Social Media Report, 2013

Whilst many SMEs expect to increase their use of social media, a challenge for many businesses is the level of resources needed to maintain a social media presence. In 72% of small businesses it is the business owner / manager who is responsible for maintaining the social media presence, with a result that small businesses generally update their social media much less regularly than medium or large businesses. Only 18% of small businesses update their social media every day, compared with 65% of large businesses.²¹

As well as social media, an increasing number of SMEs are also using digital channels to promote their business, for example by paying for advertising (such as banners or pop-ups) on other websites, 29% are using Search Engine Optimisation (SEO) and 21% are using Search Engine Marketing (SEM). 5% of small-to-medium businesses are now using mobile advertising.²²

An increasing number of SMEs are also participating in group buying.²³ A 2011 study identified that over 7,800 businesses in Australia have run a group buying campaign, which is about 10% of the number of businesses that could potentially run such a campaign.²⁴

Digital Engagement Spend Increasing

The WA Digital Marketing Report 2014 found that most businesses are increasing their digital marketing spend. It is reasonable to expect that this trend applies across all states around the country.

According to the study, 58% of businesses' marketing budgets will be allocated to digital advertising and activities in 2014, representing a 6% increase on 2013.

The study found that SMEs planned to increase digital marketing from 37% of their marketing budget to 42% with 80% of organisations considering digital marketing to be as important if not more important than traditional "offline" marketing.²⁵

Benefits of Digital Engagement

A high level of digital engagement by SMEs is positively linked with improved business outcomes. A recent research study identified that 16% of SMEs in Australia currently have a high level of digital engagement, and that 62% of these businesses are growing, compared with only 28% of businesses with a very low level of digital engagement. 40% of SMEs with a high level of digital engagement have increased their employment levels over recent years, compared with only 12% of SMEs with very low digital engagement.²⁶

²¹ Source: Yellow, Social Media Report, 2013

²² Source: Sensis, e-Business Report, 2013

²³ Group buying involves offering products and services at significantly reduced prices on the condition that a minimum number of buyers would make the purchase. A number of companies provide websites promoting group buying deals from merchants to consumers, such as Groupon and Living Social

²⁴ Source: <http://www.smartcompany.com.au/growth/economy/22306-20111004-85-of-smes-using-group-buying-would-run-deals-again-survey.html>

²⁵ Source: <http://www.bangonline.com.au/digitalreport/>

²⁶ Source: Deloitte Access Economics (for Google), Connected Small Businesses, 2013. A high level of digital engagement is defined as the business makes use of all digital technologies including for search engine

Digital Engagement Strategies

With the positive business outcomes associated with digital engagement, a growing number of SMEs are developing digital strategies. 19% of SMEs have a digital strategy in 2013, up from 15% in 2012. The most common components of digital strategies are internet strategies and website strategies. However, 67% of businesses are now including a social media component to their digital strategies, up from 53% in 2011.²⁷ Frost & Sullivan anticipates the proportion of SMEs developing digital strategies will continue to grow.

Frost & Sullivan anticipates that SMEs will increasingly use digital channels to engage with customers. There is therefore likely to be a growing opportunity for providers of digital engagement tools and services as SMEs increasingly use digital channels to engage with customers.

The SME Opportunity

A digital consumer engagement solution such as that offered by Rewardle is applicable to a wide range of SMEs. This includes many retailers, as well as providers of food & beverage such as cafes & restaurants, and personal services such as hair dressers & beauty salons. There is a significant number of SMEs in these industry sectors in Australia (see Table 3).

Table 3: SMEs by Industry Sector

Industry Sector	Number of SMEs
Retail	133,028
Cafes and Restaurants	13,987
Pubs, Taverns and Bars	3,454
Hair and Beauty	24,600

Source: Australian Bureau of Statistics, accessed May 2014; Service Skills Australia, Hairdressing & Beauty, Environmental Scan, 2013

Rewards Programmes

Rewards programmes are offered by a wide range of merchants in a variety of industry sectors, including financial services, travel & hospitality, retail and other consumer services providers (such as hair salons, beauty salons, etc). Many individuals are members of multiple separate rewards programmes.

Rewards Programmes Membership

Over recent years, membership of rewards programmes by consumers has increased at a rapid rate. In the USA, for example, there were an estimated 2.65 billion individual loyalty programme memberships in 2012, an increase

optimisation and search engine marketing. A very low level of digital engagement is defined as the business using the internet only for internal communications

²⁷ Source: Sensis, e-Business Report, 2013

from under 1 billion in 2000, an annualised growth rate of almost 9% in individual memberships.²⁸ This equates to an average of 11 programme memberships per adult in 2012.

Membership of rewards or loyalty programmes is widespread in Australia, although not to the same extent as the USA. One recent survey identified that 88% of Australian consumers over 16 (an estimated 15.9 million individuals) are members of at least one programme, with men on average being members of 3.3 programmes and women 4.7 programmes. This equates to around 64 million individual programme memberships in Australia. 11% of consumers (over 1.8 million people) are members of 10 or more different programmes.²⁹ Another survey estimated that the average Australian is a member of 6.3 reward programmes, and is active in an average of five. This equates to 113 million individual rewards programmes memberships, and active membership of 90 million.³⁰

The largest loyalty programmes in Australia by scheme membership are summarised below:

Table 4: Largest Australian Rewards / Loyalty Programmes

Programme	Owner	Estimated Membership
Qantas Frequent Flyer	Qantas Airways	9.0 million ³¹
FlyBuys	Coles	6.9 million ³²
Everyday Rewards	Woolworth's	6.5 million ³³
Priceline Sister Club	Priceline (API)	3.9 million ³⁴
Velocity	Virgin Australia	3.7 million ³⁵

Source: Frost & Sullivan

Whilst a few large schemes have several million individual members each, the majority of rewards programmes in Australia are managed by small merchants, generally serving only a local area. These reward schemes may often have only a few hundred members or less, and are often non-IT enabled, based on punch or stamp card processes.

Use of Rewards Programmes by Merchants

A wide range of merchants currently offer rewards programmes. Amongst SMEs these include many retailers, as well as providers of food & beverage such as cafes & restaurants, and personal services such as hair dressers & beauty salons. There is a significant number of SMEs in these industry sectors in Australia, as indicated in Table 3.

Including businesses in other sectors not included in Table 3, there are therefore likely to be as many as 200,000 SMEs in Australia operating in industry sectors where rewards programmes are commonly offered.

²⁸ Source: Colloquy, 2013 Loyalty Census

²⁹ Source: Directivity and Citrus, 2013 Consumer Study into Australian Loyalty Programmes

³⁰ Source: Commonwealth Bank of Australia, Rewards Scheme Infographic. Data is for October 2012

³¹ Source: <http://www.qantasnewsroom.com.au/media-releases/qantas-frequent-flyer-redemptions-reveal-lifestyle-choices>

³² Source: <http://print21.com.au/coles-loyalty-bonanza-puts-print-front-and-centre/68433>

³³ Source: <http://www.smartcompany.com.au/leadership/30125-why-loyalty-cards-are-woolworths--secret-weapon-in-supermarket-wars.html#>

³⁴ Source: Australian Pharmaceutical Industries annual report, 2012

³⁵ Source: <http://www.theaustralian.com.au/business/companies/soaring-velocity-proves-point-about-size/story-fn91v9q3-1226683396398#mm-premium>

There are various estimates on the proportion of merchants that currently offer a rewards programme. One survey of small businesses in the USA identified that 38% of businesses currently offer a rewards programme.³⁶ A survey undertaken by Frost & Sullivan of Australian retailers in 2012 indicated that 52% of retailers offer a customer reward programme.³⁷ Overall, Frost & Sullivan estimates that between 30% and 40% of SMEs in consumer-facing businesses in Australia currently offer a rewards programme. This equates to 60,000 to 80,000 individual rewards programmes.

Switch to Digital and Multi-merchant Programmes

The vast majority of merchant rewards programmes in Australia are non-digital and single merchant based, generally using punch or stamp cards to record consumer purchases. However, Frost & Sullivan anticipates that there will be a continuing trend towards digital and multi-merchant rewards programmes, driven by the advantages for both consumers and merchants (see Table 5).

Table 5: Advantages of Digital, Multi-Merchant Rewards Programmes

Consumer Advantages	Merchant Advantages
Reduces number of separate cards needed	Enables much greater engagement with customers, especially through digital channels (email, mobile phone, etc)
Minimises the number of transactions when card is not with the consumer	Enables collaboration with other merchants (e.g. cross-promotions)
Points are stored in the cloud and cannot be lost	Eliminates costs of printing and maintaining paper-based cards
Allows rewards to be accumulated across multiple merchants in a single programme, offering a wider choice of rewards	Reduces workflow for merchant at point-of-sale (e.g. eliminates punching or stamping a card)

Source: Frost & Sullivan

Monetisation of Reward Programmes

Operators of rewards programmes can use a number of approaches to generate revenue, including charging membership fees for consumers and providing chargeable services to merchants participating in the programme, such as data analytics. However, the main revenue source is through sale of rewards (often known as loyalty units) to merchants participating in the scheme, who then provide them to their customers. There are several examples of loyalty programmes that have achieved significant revenue streams. For example, Qantas Airways' Loyalty segment, Qantas Loyalty, achieved total billings of \$1.2 billion in 2013, and underlying earnings before interest and tax (EBIT) of \$260 million.³⁸ Canadian-based company AIMIA operates the Aeroplan rewards programme, which was spun-off from Air Canada in an IPO in 2005 and which was subsequently rebranded as AIMIA. AIMIA has subsequently acquired additional loyalty programmes, such as the multi-merchant Nectar programme in the UK. AIMIA also provides additional loyalty-related services, including proprietary loyalty programme design and data

³⁶ Source: <http://www.biakelsey.com/Company/Press-Releases/130820-38-Percent-of-Small-Businesses-Offer-Customer-Loyalty-Programs.asp>

³⁷ Source: Frost & Sullivan survey of 100 Australian retailers, 2012

³⁸ Source: Qantas annual report, 2013

analytics services. In 2013, AIMIA achieved gross billings of C\$1.7 billion (\$1.65 billion) from sales of loyalty units to partners, as well as C\$547 million (\$531 million) from other loyalty-related services.³⁹

Mobile Payments Trends

Frost & Sullivan understands that the Rewardle platform can offer mobile point-of-sale functionality both to consumers and merchants. For merchants, we understand that the Rewardle tablet can be enabled for contactless payments, enabling the merchant to avoid the installation of a separate contactless EFTPOS⁴⁰ terminal. Since the Rewardle platform bypasses the payment infrastructure provided by major banks, the merchant can avoid transaction fees. Additionally, transaction data can be directly linked to customer data held through the rewards programme, providing additional intelligence on consumer behaviour. For consumers, their Rewardle account can be linked to a payment method, enabling them to make payments using the Rewardle card or smartphone app at point-of-sale.

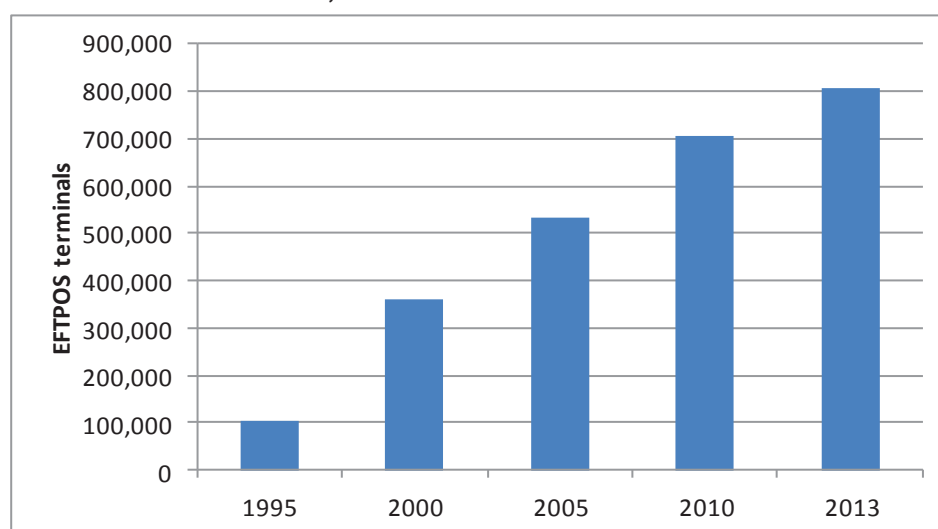
The opportunity for mobile payments is significant, particularly at merchants who offer low-value items to consumers, such as retailers, cafes and restaurants and other consumer service providers. In 2013, the total sales of the retail industry (excluding cafes, restaurants and take-away food) in Australia were \$228 billion, with sales of the cafes, restaurants and take-away food sector at almost \$36 billion.⁴¹

Consumers may use a variety of payments methods at merchants, including cash or use of credit or debit cards processed via an EFTPOS terminal at the merchant. Over recent years, more merchants have installed EFTPOS terminals, allowing them to offer an alternative to cash payments. Around 800,000 EFTPOS terminals are currently in use in Australia (see Figure 6).

³⁹ Source: AIMIA annual report, 2013

⁴⁰ Electronic funds transfer at point of sale

⁴¹ Source: ABS, Retail Trade, February 2014

Figure 6: Operational EFTPOS Terminals, 1994 to 2013

Source: Australian Payments Clearing Association, *Payments Statistics*

Over the same period, the number of transactions made by consumers using a credit or debit card has increased significantly. The number of debit card transactions has increased from an average of 21 million per month in 1995 to 280 million per month in 2013, and the number of credit card transactions from 21 million to 167 million per month.⁴² Australian consumers are reducing the number of transactions for which they use cash. In September 2013, around 30% of Australian consumers reported that they do not use cash payments in a typical month, up from less than 15% in September 2011.⁴³

A major driver behind the replacement of cash with card-based transactions has been the roll-out of contactless payment technology which saves time for consumers and merchants, especially for small value transactions where cash has previously been widely used. There are now estimated to be over 220,000 contactless payment terminals in Australia.⁴⁴ By September 2013, an estimated 57% of consumers owned contactless cards, up from 38% a year earlier, and 40% of consumers are using contactless cards, an increase from 21% a year earlier.⁴⁵ Smartphones have the potential to be used as a payment device at contactless terminals, by using near field communication (NFC) technology that can be either embedded in the smartphone or provided via a separate smart sticker that can be attached to the smartphone. For example, Commonwealth Bank currently offers embedded payment functionality in the Samsung Galaxy S4 smartphone, and provides PayTag stickers for attaching to other types of smartphone. Customers can make contactless mobile payments of up to \$100. Other Australian banks have also announced trials or roll-outs of smartphone-enabled contactless payments (see Table 6).⁴⁶

⁴² Source: Australian Payments Clearing Association, *Payments Statistics*

⁴³ Source: HP-RFi Australian Payments Research, Edition 5, September 2013

⁴⁴ Source: <http://www.paymentscardsandmobile.com/gd-enables-contactless-payment-australia/>

⁴⁵ Source: HP-RFi Australian Payments Research, Edition 5, September 2013

⁴⁶ Source: http://www.computerworld.com.au/article/536949/mobile_payments_australia_state_banks/

Table 6: Mobile Payments Status of Major Banks in Australia

Bank	Mobile Payments Status
ANZ	Announced an NFC pilot for Android devices with ANZ employees in 2012. Trial is still ongoing
CBA	Has launched mobile payment service with embedded NFC payments through Samsung Galaxy S4 and Pay Tag stickers for other phones
NAB	Working on mobile payments for iOS and Android, but yet to release specific details
Westpac	Has announced plans to roll out mobile payments in 2014 through partnership with Visa

Source: Computerworld, January 29th, 2014

Additional mobile point-of-sale platforms are also being offered by other companies in Australia. For example, ASX-listed Mint Wireless has a mobile payments business that enables corporate enterprises, developers or merchants to accept credit and debit card payments on iOS, Android, Windows and various older mobile phone platforms. The company has invested and built a bank grade payments technology and infrastructure that has allowed it to become a multi-channel and multi-national payments organisation.⁴⁷ Australian accounting software company MYOB has launched MYOB PayDirect, a smartphone-based mobile app that enables business owners to take payments, send receipts and manage their invoicing and contacts on-the-go.⁴⁸

In addition to Australian companies, several large global technology companies have also announced initiatives around global payments. For example, Google's Wallet mobile app allows contactless payment in-store using a smartphone. Whilst currently not available in Australia, this app is likely to be progressively offered in more markets.

The uptake of smartphones for point-of-sale payments is currently being held back by the lack of NFC technology in the latest version of the iPhone, and the limited number of merchants that accept payments via smartphone. However, Frost & Sullivan anticipates that use of smartphones for point-of-sale payments will increase significantly as the technology becomes more available and as consumers gain more confidence in this payment approach. A recent research study identified that 23% of Australian mobile phone users identify a scenario where their mobile phone becomes their most preferred method of payment, particularly for small, instant payments such as transport tickets, meals and coffee.⁴⁹

Market Valuations of Digital Engagement Businesses

The current market valuations of publicly-listed businesses mentioned in this report, with other business metrics, are given below (Table 7).

⁴⁷ Source: Mint Wireless website, accessed May 2014

⁴⁸ Source: <http://myob.com.au/blog/myob-paydirect/>

⁴⁹ Source: HP-RFi Australian Payments Research, Edition 5, September 2013

Table 7: Valuations and Other Business Metrics of Digital Engagement Businesses

Business	Market Valuation (US\$)	Other Metrics
Yelp	4.16 billion	67,000 active merchants
GrubHub	2.43 billion	29,000 food outlets
OpenTable	1.57 billion	31,000 restaurant customers
AIMIA	2.79 billion	4.7 million active Aeroplan users
LinkedIn	18.50 billion	259 million users
Facebook	152.1 billion	1.19 billion users
Twitter	21.94 billion	230 million users

Source: Yahoo!7 Finance, <http://www.slideshare.net/SocialStrand/social-media-stats-2014>,
http://www.aimia.com/content/dam/aimiawebsite/presentations/2013/investor-day-london/InvestorsDayLondon_DUCHESNE_Canada.pdf, <http://www.businessinsider.com.au/yelp-q4-earnings-2014-2>,
<http://voices.suntimes.com/business-2/grid/job-belly-logan-lahive/#.U4P9Zygn-fU>

Market valuation is market capitalisation as at May 1st 2014

Disclosure

This is an independent report prepared by Frost & Sullivan. Save for the preparation of this report and services rendered in connection with this report for which normal professional fees will be received, Frost & Sullivan has no interest in Rewardle Holdings Ltd and no interest in the outcome of the capital raising. Payment of these fees to Frost & Sullivan is not contingent on the outcome of the capital raising. Frost & Sullivan has not and will not receive any other benefits (including any commissions) and there are no factors which may reasonably be assumed to have influenced the contents of this report nor which may be assumed to have provided bias or influence. Frost & Sullivan does not hold a dealer's license or Financial Services License.

Conclusion

Rewardle's business model is based upon a number of trends, including the rapid growth in usage of smartphones, and their transition into a multi-function device used for a variety of activities, the growing use of digital channels for customer engagement, the growing interest in digital engagement with consumers by SMEs, the rapid increase in rewards programmes and the benefits of multi-merchant, digital programmes, and the likely take-up of mobile point-of-sale payments via smartphones.

Use of smartphones is now widespread in Australia, with the country having one of the highest levels of smartphone penetration worldwide. Over 50% of the total population is now estimated to use a smartphone, including the majority of mobile phone users.⁵⁰ This increasing take-up of smartphones is supporting the transition of the mobile phone from a device mainly used for voice calls and texting, to a multi-function device used for a range of activities. Smartphone users are increasingly using their device to transact, with 41% of users having made a transaction on their smartphone.⁵¹

⁵⁰ Source: Frost & Sullivan, Australian Mobile Device Usage Trends, 2013

⁵¹ Source: Source: Google, Our Mobile Planet, 2013

Digital channels are becoming increasingly critical for advertising and promotion by businesses in Australia. By 2013, the total expenditure on online advertising reached \$3.6 billion, accounting for 25% of all advertising expenditure, and is forecast to reach 41% by 2018. In particular, advertising on mobile websites designed to be viewed on smartphones is growing rapidly and grew by 180% in 2013.⁵²

SMEs in Australia are becoming increasingly digitally engaged with consumers. Virtually all of Australia's SMEs now have broadband access, and 60% now have a website. However, many SMEs are adopting more advanced digital engagement approaches than e-mailing and promoting themselves via a website. 35% of SMEs, for example, now have a social media presence and 5% are now using mobile advertising.⁵³ There are clear links between an SME's level of digital engagement and positive business outcomes such as revenue growth. Frost & Sullivan therefore expects that an increasing number of SMEs will develop and implement digital engagement strategies.

A key element of a digital engagement strategy can be the use of a digital rewards programme that seeks to both stimulate customer loyalty as well as providing the business with a set of customer data that can be used to enhance digital engagement. Membership of rewards programmes is widespread in Australia, with almost 90% of Australian adults being members of at least one rewards programmes, and most being members of multiple programmes.⁵⁴ Frost & Sullivan anticipates that reward programme membership in Australia will continue to increase, as average membership levels are still below the levels in the USA. A significant number of merchants in Australia offer rewards programmes, mostly non-digital, single merchant programmes based on punch or stamp cards. However, Frost & Sullivan expects that usage of digital, multi-merchant programmes will grow significantly given the advantages that these programmes offer.

Mobile point-of-sale payments are beginning to emerge in Australia, as smartphones are provided with NFC technology and as an increasing number of merchants accept mobile payments at point-of-sale. Whilst penetration of mobile payments via a smartphone is still low, contactless payments are becoming more widespread and Frost & Sullivan anticipates that smartphone-enabled mobile payments will increase significantly as the technology becomes available, and consumers gain more confidence in this payment approach.

Frost & Sullivan therefore anticipates that the market for digital engagement with SMEs in Australia will grow strongly as a result of the trends described above.

Yours Sincerely



Mark Dougan

Managing Director, Australia & New Zealand

⁵² Source: Frost & Sullivan, Australian Online General and Mobile Advertising report, 2013

⁵³ Source: Sensis e-Business Report, 2013

⁵⁴ Source: Directivity and Citrus, 2013 Consumer Study into Australian Loyalty Programmes

8.

**INVESTIGATING
ACCOUNTANT'S
REPORT**

REWARDLE HOLDINGS LIMITED
Investigating Accountant's Report

29 July 2014





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38 Station Street
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 Australia

29 July 2014

The Directors
 Rewardle Holdings Limited
 Level 4, 100 Flinders Street
 Melbourne VIC 3000

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

1. Introduction

We have been engaged by Rewardle Holdings Limited (**'Rewardle Holdings'** or **'the Company'**) to prepare this Investigating Accountant's Report (**'Report'**) on the historical financial information and pro forma historical financial information of Rewardle Holdings for inclusion in a prospectus (**'Prospectus'**) to be issued by the Company in respect of the proposed initial public offering and listing on the Australian Securities Exchange (**'ASX'**). Broadly, the Prospectus will offer 20 million New Shares at an issue price of \$0.20 each to raise \$4 million before costs (**'the Public Offer'**).

The maximum amount raised under the Prospectus is \$4 million before costs. The Public Offer is subject to a minimum subscription level of 15 million New Shares to raise \$3 million before costs.

Expressions defined in the Prospectus have the same meaning in this Report. BDO Corporate Finance (WA) Pty Ltd (**'BDO'**) holds an Australian Financial Services Licence (AFS Licence Number 316158).

2. Scope

Historical financial information

You have requested BDO to review the following historical financial information of Rewardle Holdings and Rewardle Pty Ltd included in the Prospectus:

- The Statement of Profit or Loss and Other Comprehensive Income of Rewardle Holdings for the period ended 31 March 2014;
- The Statement of Financial Position of Rewardle Holdings and Rewardle Pty Ltd as at 31 March 2014; and
- The Statement of Changes in Equity of Rewardle Holdings and Rewardle Pty Ltd for the period ended 31 March 2014.

(collectively the ‘historical financial information’).

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and Rewardle Holding’s adopted accounting policies. The historical financial information has been extracted from the financial statements of Rewardle Holdings for the period ended 31 March 2014, which was reviewed by BDO (Vic) Pty Ltd in accordance with the Australian Auditing Standards. BDO (Vic) Pty Ltd issued an unmodified opinion on the financial information.

The historical financial information is presented in the Appendices to this report in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma historical financial information

You have requested BDO to review the pro forma historical statement of financial position as at 31 March 2014 for Rewardle Holdings referred to as the ‘pro forma historical financial information’

The pro forma historical financial information has been derived from the historical financial information of Rewardle Holdings, after adjusting for the effects of any subsequent events described in section 7 and the pro forma adjustments described in section 8. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in section 7 and section 8, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the company’s actual or prospective financial position.

3. Background

Rewardle Holdings was incorporated on 25 March 2014. On 31 March 2014, Rewardle Holdings acquired Rewardle Pty Ltd with consideration being satisfied by the issue of 74.5 million Rewardle Holdings shares to the vendor and Rewardle Holdings agreeing to repay a loan totalling \$2,515,687. An amount of \$2,500,000 of the total loan amount will be repaid through conversion into a convertible note in Reward Holdings with the remaining balance to be repaid in cash (**‘the Acquisition’**).

Rewardle Holdings is a company that utilises mobile computing, cloud based software and big data analysis to provide small-to-medium sized merchants in Australia with digital customer engagement tools and business intelligence. The Rewardle membership, points and rewards platform is the basis for the company’s growing suite of digital customer engagement tools.

Rewardle replaces the traditional paper stamp or punch card systems that are commonly used by consumer-facing small-to-medium businesses with a digital membership, points and rewards platform. Merchants place a customer facing Rewardle tablet on their counter, and customers check-in on the tablet using their Rewardle plastic card or the Rewardle smartphone app to collect points and redeem rewards.

Typical merchants that adopt the Rewardle platform include cafes, restaurants, hair and beauty salons, pubs/bars, gyms, grocery stores, day spas, pharmacies, juice bars, burger shops and cinemas.

4. Director's responsibility

The directors of Rewardle Holdings are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

5. Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

6. Conclusion

Historical financial information

Based on our review, which was not an audit, nothing has come to our attention which would cause us to believe the historical financial information as set out in the Appendices to this report does not present fairly, in all material aspects, the financial performance for the period ended 31 March 2014 or the financial position as at 31 March 2014 in accordance with the stated basis of preparation as described in section 2.

Pro-forma historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in section 2.

7. Subsequent Events

The pro-forma statement of financial position reflects the following events that have occurred subsequent to the period ended 31 March 2014:

- The issue of 2,000,000 ordinary shares in Rewardle Holdings at an issue price of \$0.15 per share to raise \$300,000;
- The acquisition of Rewardle Pty Ltd with consideration being in the form of 74.5 million Rewardle Holdings shares issued to the vendor. As part of the consideration for the Acquisition, the Company also agreed to repay a loan totalling \$2,515,687. An amount of \$2,500,000 will be repaid through conversion into a convertible note in Reward Holdings with the remaining balance to be repaid in cash;

- The issue of 4,000,000 Service Options with an exercise price of \$0.20 and an expiry date of 30 June 2017 (**'Service Options'**). The Service Options were issued to directors and senior staff members of the Company in lieu of wages and have been valued at \$271,920;
- The issue of 20,000,000 Performance Options with an exercise price of \$0.20 and an expiry date which is 40 months following the Company's listing on the ASX (**'Performance Options'**). The Performance Options were issued to the Managing Director and other staff members as incentives for performance and have been valued at \$1,410,000;
- The issue of a convertible note with a face value of \$3,700,000, a conversion price of \$0.20 per share and an interest rate of 12% per annum (**'Convertible Note'**). The Convertible Note also has 13,875,000 attaching options with an exercise price of \$0.20 and an expiry date of 30 June 2017 (**'Attaching Options'**). The Attaching Options have been issued in lieu of an establishment fee and have been valued at \$943,611; and
- The Company was deemed to have repaid the Vendor Loan of \$2,515,687, through conversion of \$2,500,000 into a convertible note and the remaining balance being repaid in cash.

Apart from the matters dealt with in this Report, and having regard to the scope of our Report, to the best of our knowledge and belief, no other material transactions or events outside of the ordinary business of the Company have come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

8. Assumptions Adopted in Compiling the Pro-forma Statement of Financial Position

The pro-forma statement of financial position post issue is shown in Appendix 2. This has been prepared based on the reviewed financial information as at 31 March 2014, the subsequent events set out in section 7, and the following transactions and events relating to the issue of Shares under this Prospectus:

- The issue of 15,000,000 Shares at an offer price of \$0.20 each to raise \$3,000,000 before costs based on the minimum subscription, or the issue of 20,000,000 Shares at an offer price of \$0.20 each to raise \$4,000,000 before costs based on the full subscription;
- Costs of the Public Offer are estimated to be \$378,527 based on the minimum subscription or \$439,472 based on the full subscription, which are to be offset against the contributed equity;
- The issue of 1,500,000 Broker Options with an exercise price of \$0.20 and an expiry date of 30 June 2017 (**'Broker Options'**). The Broker Options are to be issued in consideration for services performed in relation to the Offer and have been valued at \$101,970. As the Broker Options are considered costs of the Offer they have been offset against contributed equity; and
- The issue of 18,500,000 shares upon conversion of the \$3,700,000 Convertible Note at a conversion price of \$0.20 per share. The Company is also expecting to pay approximately \$150,838 in accrued interest on the Convertible Note up until the end of August 2014.

9. Disclosures

BDO Corporate Finance (WA) Pty Ltd is the corporate advisory arm of BDO in Perth. Without modifying our conclusions, we draw attention to the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Neither BDO Corporate Finance (WA) Pty Ltd nor BDO, nor any director or executive or employee thereof, has any financial interest in the outcome of the proposed transaction except for the normal professional fee due for the preparation of this Report.

Consent to the inclusion of the Investigating Accountant's Report in the Prospectus in the form and context in which it appears, has been given. At the date of this Report, this consent has not been withdrawn.

Yours faithfully

BDO Corporate Finance (WA) Pty Ltd

BDO


Peter Toll

Director

APPENDIX 1

REWARDLE HOLDINGS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Reviewed for the period ended 31-Mar-14 \$
Interest income		-
Expenses		
Legal fees		(4,922)
Loss before income tax expense		(4,922)
Income tax benefit/(expense)		-
Net loss for the period		(4,922)

This statement of profit or loss and other comprehensive income shows the historical financial performance of the Company and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4. Past performance is not a guide to future performance.

APPENDIX 2
REWARDLE HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Rewardle Holdings	Rewardle Pty Ltd		Pro forma adjustments		Pro forma after Offer	
		Reviewed as at	Reviewed as at	Subsequent	\$3 million	\$4 million	\$3 million	\$4 million
		31-Mar-14	31-Mar-14	events	raising	raising	raising	raising
	Notes	\$	\$	\$	\$	\$	\$	\$
CURRENT ASSETS								
Cash and cash equivalents	2	1,000	7,552	1,484,313	2,470,635	3,409,690	3,963,500	4,902,555
Trade and other receivables		-	58,505	-	-	-	58,505	58,505
TOTAL CURRENT ASSETS		1,000	66,057	1,484,313	2,470,635	3,409,690	4,022,005	4,961,060
NON CURRENT ASSETS								
Trade and other receivables		492	3,774	-	-	-	4,266	4,266
TOTAL NON CURRENT ASSETS		492	3,774	-	-	-	4,266	4,266
TOTAL ASSETS		1,492	69,831	1,484,313	2,470,635	3,409,690	4,026,271	4,965,326
CURRENT LIABILITIES								
Trade and other payables		5,414	91,783	-	-	-	97,197	97,197
Loans and borrowings	3	-	-	3,700,000	(3,700,000)	(3,700,000)	-	-
TOTAL CURRENT LIABILITIES		5,414	91,783	3,700,000	(3,700,000)	(3,700,000)	97,197	97,197
NON CURRENT LIABILITIES								
Loans and borrowings	4	-	2,505,446	(2,505,446)	-	-	-	-
TOTAL NON CURRENT LIABILITIES		-	2,505,446	(2,505,446)	-	-	-	-
TOTAL LIABILITIES		5,414	2,597,229	1,194,554	(3,700,000)	(3,700,000)	97,197	97,197
NET ASSETS/(LIABILITIES)		(3,922)	(2,527,398)	289,759	6,170,635	7,109,690	3,929,074	4,868,129
EQUITY								
Contributed equity	5	1,000	100	299,000	6,219,503	7,158,558	6,519,603	7,458,658
Reserves	6	-	-	2,621,609	101,970	101,970	2,723,579	2,723,579
Accumulated losses	7	(4,922)	(2,527,498)	(2,630,850)	(150,838)	(150,838)	(5,314,108)	(5,314,108)
TOTAL EQUITY		(3,922)	(2,527,398)	289,759	6,170,635	7,109,690	3,929,074	4,868,129

The pro-forma consolidated statement of financial position after the Offer is as per the statement of financial position before the Offer adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this Prospectus. The consolidated statement of financial position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4.

APPENDIX 3

REWARDLE HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Rewardle Holdings	Rewardle Pty Ltd		Pro forma adjustments	Pro forma after Offer	
		Reviewed as at	Reviewed as at	Subsequent	\$3 million	\$4 million	\$3 million
		31-Mar-14	31-Mar-14	events	raising	raising	raising
	Notes	\$	\$	\$	\$	\$	\$
Balance as at 1 July 2013		-	(1,002,433)	-	-	(1,002,433)	(1,002,433)
<i>Comprehensive income for the period</i>							
Profit/(Loss) for the period	7	(4,922)	(1,525,065)	(2,630,850)	(150,838)	(150,838)	(4,311,675)
Total comprehensive income for the period		(4,922)	(2,527,498)	(2,630,850)	(150,838)	(150,838)	(5,314,108)
<i>Transactions with equity holders in their capacity as equity holders</i>							
Contributed equity, net of transaction costs	5	1,000	100	299,000	6,219,503	7,158,558	6,519,603
Reserves	6	-	-	2,621,609	101,970	101,970	2,723,579
Total transactions with equity holders		1,000	100	2,920,609	6,321,473	7,260,528	9,243,182
Balance		(3,922)	(2,527,398)	289,759	6,170,635	7,109,690	3,929,074
							4,868,129

The above consolidated statement of changes in equity is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4.

APPENDIX 4

REWARDLE HOLDINGS LIMITED

NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the historical financial information included in this Report have been set out below.

Basis of preparation of historical financial information

The historical financial information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements of the Australian equivalents to International Financial Reporting Standards ('AIFRS'), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

The financial information has also been prepared on a historical cost basis, except for derivatives and available-for-sale financial assets that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged are adjusted to record changes in the fair value attributable to the risks that are being hedged. Non-current assets and disposal group's held-for-sale are measured at the lower of carrying amounts and fair value less costs to sell.

Going concern

The historical financial information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The ability of the Company to continue as a going concern is dependent on the success of the fundraising under the Prospectus. The Directors believe that the Company will continue as a going concern. As a result the financial information has been prepared on a going concern basis. However should the fundraising under the Prospectus be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company not continue as a going concern.

Reporting basis and conventions

The report is also prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Rewardle Holdings at the end of the reporting period. A controlled entity is any entity over which Rewardle Holdings has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the period, the financial performance of those entities are included only for the period of the year that they were controlled.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

b) Income tax

The income tax expense or benefit (revenue) for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognized from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

c) Cash and cash equivalents

Cash and cash equivalents includes cash at bank and in hand, deposits held at call with financial institutions, other short-term highly liquid deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

d) Trade and other receivables

Trade receivables are recognised as the amount receivable and are due for settlement no more than 90 days from the date of recognition. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off against the receivable directly unless a provision for impairment has previously been recognised.

A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Loans granted are recognised at the amount of consideration given or the cost of services provided to be reimbursed.

e) Revenue recognition

Revenues are recognised at fair value of the consideration received net of the amount of GST.

f) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

g) Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company. Trade accounts payable are normally settled within 30 days of recognition.

h) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between proceeds (net of transaction costs) and the redemption amount is recognised in the statement of financial performance over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

i) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flow on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authorities are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

j) Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Financial Assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Non-Financial Assets

The carrying amounts of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

Impairment losses are recognised in the statement of financial performance. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

k) Contributed equity

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

l) Financial instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

m) Employee benefits*Wages and Salaries, Annual Leave and Sick Leave*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the statement of financial position date are recognised in respect of employees' services rendered up to statement of financial position date and measured at amounts expected to be paid when the liabilities are settled.

Liabilities for non-accumulating sick leave are recognised when leave is taken and measured at the actual rates paid or payable. Liabilities for wages and salaries are included as part of Other Payables and liabilities for annual and sick leave are included as part of Employee Benefit Provisions.

Long Service Leave

Liabilities for long service leave are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the statement of financial position date using the projected unit credit method. Consideration is given to expect future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using national government bond rates at the statement of financial position date with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments transactions

The Company provides benefits to employees (including directors) of the Company in the form of share options. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employee becomes unconditionally entitled to the options. The fair value of the options granted is measured using Black-Scholes valuation model, taking into account the terms and conditions upon which the options were granted.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, on a straight line basis over the period from grant date to the date on which the relevant employees become fully entitled to the award ('vesting date'). The amount recognised as an expense is adjusted to reflect the actual number that vest.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

n) Accounting estimates and judgements

In the process of applying the accounting policies, management has made certain judgements or estimations which have an effect on the amounts recognised in the financial information.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Valuation of share based payment transactions

The valuation of share-based payment transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black Scholes model taking into account the terms and conditions upon which the instruments were granted.

Options

The fair value of options issued is determined using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

Taxation

The Company is subject to income taxes in Australia. Significant judgement is required when determining the Company's provision for income taxes. The Company estimates its tax liabilities based on the Company's understanding of the tax law.

	Reviewed 31-Mar-14	Pro forma after Offer	
		\$3 million	\$4 million
NOTE 2. CASH AND CASH EQUIVALENTS	\$	\$	\$
Cash and cash equivalents	1,000	3,963,500	4,902,555
Reviewed balance of Rewardle Holdings at 31 March 2014		1,000	1,000
Reviewed balance of Rewardle Pty Ltd at 31 March 2014		7,552	7,552
<i>Subsequent events:</i>			
Issue of 2,000,000 shares in Rewardle Holdings		300,000	300,000
Issue of the Convertible Note		3,700,000	3,700,000
Deemed repayment of the Vendor Loan through conversion into convertible note		(2,500,000)	(2,500,000)
Repayment of the Vendor Loan remaining balance in cash		(15,687)	(15,687)
		1,484,313	1,484,313
<i>Pro-forma adjustments:</i>			
Proceeds from shares issued under the Public Offer		3,000,000	4,000,000
Capital raising costs		(378,527)	(439,472)
Repayment of interest component of the Convertible Note		(150,838)	(150,838)
		2,470,635	3,409,690
Pro-forma Balance		3,963,500	4,902,555

	Reviewed 31-Mar-14	Pro forma after Offer
NOTE 3. CURRENT LOANS AND BORROWINGS	\$	\$
Current loans and borrowings	-	-
Reviewed balance of Rewardle Holdings at 31 March 2014		-
Reviewed balance of Rewardle Pty Ltd at 31 March 2014		-
<i>Subsequent events:</i>		
Issue of the Convertible Note		3,700,000
		<u>3,700,000</u>
<i>Pro-forma adjustments:</i>		
Conversion of the Convertible Note into shares at conversion price of \$0.20		(3,700,000)
		<u>(3,700,000)</u>
Pro-forma Balance		<u>-</u>

	Reviewed 31-Mar-14	Pro forma after Offer
NOTE 4. NON CURRENT LOANS AND BORROWINGS	\$	\$
Non current loans and borrowings	-	-
Reviewed balance of Rewardle Holdings at 31 March 2014		-
Reviewed balance of Rewardle Pty Ltd at 31 March 2014		2,505,446
<i>Subsequent events:</i>		
Additional borrowings relating to Vendor Loan		10,241
Deemed repayment of the Vendor Loan through conversion into convertible note		(2,500,000)
Repayment of the Vendor Loan remaining balance in cash		(15,687)
		<u>(2,505,446)</u>
Pro-forma Balance		<u>-</u>

	Reviewed 31-Mar-14	Pro forma after Offer \$3 million	\$4 million
NOTE 5. CONTRIBUTED EQUITY	\$	\$	\$
Contributed equity	1,000	6,519,603	7,458,658
	Number of shares (min)	Number of shares (full)	\$
Fully paid ordinary share capital of Rewardle Holdings	1,000,000	1,000,000	1,000
Fully paid ordinary share capital of Rewardle Pty Ltd	-	-	100
<i>Subsequent events:</i>			
Issue of 2,000,000 shares in Rewardle Holdings	2,000,000	2,000,000	300,000
Issue of shares to Rewardle Pty Ltd as consideration for the Acquisition*	74,500,000	74,500,000	11,175,000
Consolidation adjustment on acquisition of Rewardle Pty Ltd (See Note 8)	-	-	(11,176,000)
	76,500,000	76,500,000	299,000
<i>Pro-forma adjustments:</i>			
Conversion of the Convertible Note into shares at conversion price of \$0.20	18,500,000	18,500,000	3,700,000
Proceeds from shares issued under the Public Offer	15,000,000	20,000,000	3,000,000
Capital raising costs	-	-	(378,527)
Issue of Broker Options	-	-	(101,970)
	33,500,000	38,500,000	6,219,503
Pro-forma Balance	111,000,000	116,000,000	6,519,603

As consideration for the Acquisition, the Company issued 74.5 million shares to the vendor of Rewardle Pty Ltd. These shares have been valued at \$0.15 each based on the most recent capital raising undertaken by the Company prior to the Acquisition.

	Reviewed 31-Mar-14	Pro forma after Offer
NOTE 6. RESERVES	\$	\$
Reserves	-	2,723,579
Reviewed balance of Rewardle Holdings at 31 March 2014		-
Reviewed balance of Rewardle Pty Ltd at 31 March 2014		-
<i>Subsequent events:</i>		
Consolidation adjustment on acquisition of Rewardle Pty Ltd (See Note 8)		(3,922)
Issue of Service Options		271,920
Issue of Performance Options		1,410,000
Issue of Attaching Options		943,611
		2,621,609
<i>Pro-forma adjustments:</i>		
Issue of Broker Options		101,970
		101,970
Pro-forma Balance		2,723,579

Using the Black-Scholes option valuation methodology the fair value of the Service Options and Attaching Options has been calculated. The following inputs were used for these options issued:

Service Options & Attaching Options	
Underlying share price	\$0.15
Exercise price	\$0.20
Issue date	30-Apr-14
Expiration date	30-Jun-17
Life of the Options	3.17
Volatility	75%
Risk-free rate	2.95%

Using the Black-Scholes option valuation methodology and probability assumptions provided by management the fair value of the Performance Options has been calculated. The following inputs were used for these options issued:

Performance Options	
Underlying share price	\$0.15
Exercise price	\$0.20
Issue date	01-Jul-14
Expiration date	40 months from ASX listing
Life of the Options	40 months
Volatility	75%
Risk-free rate	2.95%

	Reviewed 31-Mar-14	Pro forma after Offer
NOTE 7. ACCUMULATED LOSSES	\$	\$
Accumulated losses	(4,922)	(5,314,108)
Reviewed balance of Rewardle Holdings at 31 March 2014		(4,922)
Reviewed balance of Rewardle Pty Ltd at 31 March 2014		(2,527,498)
<i>Subsequent events:</i>		
Additional amount payable in regard to Vendor Loan		(10,241)
Consolidation adjustment on acquisition of Rewardle Pty Ltd (See Note 8)		4,922
Issue of Service Options		(271,920)
Issue of Performance Options		(1,410,000)
Issue of Attaching Options		(943,611)
		(2,630,850)
<i>Pro-forma adjustments:</i>		
Repayment of interest component of Convertible Note		(150,838)
		(150,838)
Pro-forma Balance		(5,314,108)

NOTE 8: ACQUISITION ACCOUNTING

A summary of the acquisition details with respect to the Acquisition as included in our report is set out below. These details have been determined for the purpose of the pro forma adjustments as at 31 March 2014.

Under the Acquisition, Rewardle Holdings acquires all the shares in Rewardle Pty Ltd by issuing 74.5 million shares to the vendor and agreeing to repay a loan of \$2,515,687 on behalf of the vendor. The consideration payable gives the vendor a controlling interest in Rewardle Holdings following the Acquisition, equating to a controlling interest in the combined entity. Rewardle Pty Ltd has thus been deemed the acquirer for accounting purposes as it will own 98.68% (74,500,000 / 75,500,000) of the consolidated entity following the Acquisition. The acquisition of Rewardle Pty Ltd by Rewardle Holdings is not deemed to be a business combination, as Rewardle Holdings is not considered to be a business under *AASB 3 Business Combinations*.

As such the consolidation of these two companies is on the basis of the continuation of Rewardle Pty Ltd with no fair value adjustments, whereby Rewardle Pty Ltd is deemed to be the accounting parent. Therefore, the pre acquisition equity balances of Rewardle Holdings (totalling \$1,000 of contributed equity and \$4,922 of accumulated losses) are eliminated against the reserves on consolidation.

NOTE 9: RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

NOTE 10: COMMITMENTS AND CONTINGENCIES

At the date of the report no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus.

NOTE 11: HISTORICAL FINANCIAL INFORMATION

Rewardle Holdings does not consider it appropriate to disclose three years historical financial information because the Company has only been in operation since 25 March 2014. Since that date, the Company has had minimal operations. We have therefore included the most recent statement of profit or loss and other comprehensive income and statement of financial position, reviewed as at 31 March 2014, as detailed at Appendix 1 and Appendix 2 respectively and consider that these provide sufficient detail of historical financial information for the Company.

9.

**MANAGEMENT
AND CORPORATE
GOVERNANCE**

9.1 Directors and key personnel

Ruwan Weerasooriya – Managing Director

Ruwan Weerasooriya is the founder and Managing Director of Rewardle. Ruwan is a technology entrepreneur with a track record of founding and growing technology and media related businesses. In 2013 he was named in the Top 50 Australian Startup Influencers by Startupdaily.com.au.

In 1994, he co-founded one of Western Australia's first commercial internet service providers, the business was sold to competitor Wantree Internet that was in turn acquired by iiNet during its IPO lead up process. iiNet has since grown to become Australia's 2nd largest DSL internet service provider.

Following this, Ruwan went on to co-found web development firm Method + Madness. Method + Madness provided digital strategy and web development services to a number of high profile, top tier clients that included BankWest, The Premier of Western Australia, Fremantle Dockers Football Club, West Australian Newspapers, netwealth.com.au, ING Bank and ING Direct.

Over a 12 month period during the Internet boom the business experienced hyper growth and expanded from its base in Perth to service clients in Sydney and Melbourne, growing from 6 to approximately 100 IT professionals without taking on debt or external funding. As joint Managing Director, Ruwan was responsible for corporate strategy, client acquisition/servicing and the day to day business operations. Method + Madness was acquired in 1999 by Sausage Software, now trading as SMS Management and Technology (ASX: SMX).

In 2001, Ruwan established Huge Digital, a business incubator to that supports technology and media ventures with a combination of strategic advice, funding, software development, design/marketing, operational space and business administration services.

In 2005, Ruwan angel funded and co-founded ambient media company TouchTaxi, a business that delivered content and advertising to taxi passengers while in transit. Under his guidance as CEO, TouchTaxi established a pilot network of around 50 taxis in Melbourne that was officially launched by the Victorian Minister for Transport. Ruwan steered the company in securing commercial partnerships with nineMSN for content, Vodafone for telemetry, taxi companies in Australian capital cities for installation of the system and regulatory approval to operate from relevant state government authorities.

During its initial year of operation the business secured advertising from a range of high profile advertisers including McDonalds, American Express, Telstra and Qantas. After approximately 18 months operating the business Ruwan sold his stake to a fellow co-founder who changed the business model from media to technology service provision and continued operating the business.

In 2007, Ruwan founded and funded the development of digital out of home media company CafeScreen. CafeScreen operates a network of approximately 400 digital screens and free WiFi hotspots located in CBD and inner city cafes in Sydney, Melbourne, Brisbane, Perth and Adelaide. CafeScreen provides advertisers with an opportunity to communicate with an elusive, affluent white collar audience during approximately 5,000,000 café visits a month via the digital screens, free WiFi and experiential media assets.

Ruwan was responsible for conceiving the business concept, developing the commercial model, funding the business, establishing content partnerships with the ABC and Fairfax Media and instrumental in the business development that secured advertising from leading Australian brands including Telstra, ANZ, NAB, eftpos, Qantas, HTC, Nissan, VW, Mars Australia, Equal, Coca Cola, News Limited brands news.com.au and The Australian and Fairfax Media brands including The Age, Sydney Morning Herald, Australian Financial Review, BRW, MyCareer, Domain and RSVP.

In early 2012 a majority stake in CafeScreen was sold to a leading Australian out of home media company who now manages the day to day operations of the business.

In July 2012 Ruwan launched Rewardle. He has been responsible for developing the business concept, developing the commercial model and funding the initial product development and Merchant and Member Network expansion.

Jack Matthews – Non-Executive Chairman

Jack Matthews brings extensive knowledge of the evolving digital media landscape, strong commercial networks and experience in executing and successfully integrating digital business acquisitions. His specific expertise includes business development, strategic planning, organisational development and political/governmental relations.

He has held a number of senior leadership positions within the digital media and subscription television industries in Australia and New Zealand. Since 2006 Jack played an integral role in the success of Fairfax's digital strategy, first as CEO of Fairfax Digital and most recently as CEO of Fairfax Metropolitan Media.

During Jack's role as CEO of Fairfax Metropolitan Media, he filled a newly created position to integrate all print, mobile and digital assets across Fairfax's metropolitan markets. These included The Sydney Morning Herald, The Age, The Canberra Times and their associated websites, mobile sites and tablet apps. He achieved a fundamental restructure of these businesses to reflect a digital-first operating model.

Jack is a current director of Crown Fibre Holdings, a company charged with investing \$1.5 billion to build an ultra-high speed broadband network in New Zealand, and Network for Learning, which offers schools and students in New Zealand access to fast, safe broadband and content services.

Brandon Munro – Non-Executive Director

Brandon Munro is a corporate lawyer by profession with executive experience in the private equity, mining, infrastructure and IT sectors. Brandon brings regulatory, governance, mergers and acquisitions and capital markets knowledge to the team, as well as his own experience co-founding start-ups in the IT and exploration sectors. He commenced his career as a lawyer working for 7 years at premier Australian commercial law firms, following which he held executive management and director positions in the resources and infrastructure sectors, including in the private equity and funds management industry.

Brandon holds a Bachelor of Economics and a Bachelor of Laws from the University of Western Australia and a Post Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia. He continues to be admitted to practice as a lawyer in Western Australia. He is a Fellow of Finsia, a graduate member of the Australian Institute of Company Directors and a board member of the Namibian Uranium Association. Brandon is active in the not-for-profit sector, is a regular conference speaker on topics concerning Corporate Social Responsibility and is a Fellow of the Art Gallery of Western Australia.

Brandon is currently the Managing Director of ASX-listed Kunene Resources Ltd.

Peter Pawlowitsch – Corporate Development

Peter Pawlowitsch is an accountant by profession with extensive experience as a director and officer of ASX-listed entities. He brings to the team experience in operational management, business administration and project evaluation in the IT, hospitality and mining sectors during the last 15 years.

Peter holds a Bachelor of Commerce from the University of Western Australia, is a current member of the Certified Practising Accountants of Australia and also holds a Masters of Business Administration from Curtin University.

Peter is a current director of ASX listed companies, Ventnor Resources Ltd, Crucible Gold Ltd and Kunene Resources Ltd.

Jason Potter – Chief Technology Officer

Jason Potter is a software engineer with more than 20 years' experience in software application development and business management across the financial services and digital media sectors.

He has worked with Ruwan Weerasooriya as a key team member in the establishment and growth of Method + Madness, Huge Digital, TouchTaxi and CafeScreen.

During his time at Method + Madness, Jason's roles included Technical Lead for the development of online financial services solutions for ING and one of Australia's first Internet enabled investment companies, netwealth.com.au. A number of websites managed by Jason received prestigious national awards.

At Huge Digital Jason led the development efforts for one of Australia's leading online platforms for self-managed super funds. He was responsible for the technical specification and management of a team developers, integrating the platform with leading funds, banking and share trading platforms.

For TouchTaxi and CafeScreen Jason developed several proprietary applications including digital media content management and captive WiFi portal systems. He managed substantial components of both organisations development and operations ranging from software development, logistics associated with system installations and various day to day aspects of running the digital media and free WiFi networks.

Management and consultants

The Company is aware of the need to have sufficient management to properly supervise its business and the Rewardle Platform, and the Board will continually monitor the management roles and requirements for the Company. As the business and the Rewardle Platform require an increased level of involvement the Board will look to appoint additional management and/or consultants when and where appropriate to ensure proper management of the Company's business and the Rewardle Platform.

9.2 ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted The Corporate Governance Principles and Recommendations (2nd Edition) as published by ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website www.rewardleholdings.com.

Board of Directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- a. maintain and increase Shareholder value;
- b. ensure a prudential and ethical basis for the Company's conduct and activities; and
- c. ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- a. developing initiatives for profit and asset growth;
- b. reviewing the corporate, commercial and financial performance of the Company on a regular basis;

- c. acting on behalf of, and being accountable to, the Shareholders; and
- d. identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting.

Identification and management of risk

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

Remuneration arrangements

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration for the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

Diversity policy

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

Trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the managing director). The policy generally provides that the written acknowledgement of the Chair (or the Board in the case of the Chairman) must be obtained prior to trading.

External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

Audit committee

The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude, for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

9.3 Departures from Recommendations

Following admission to the Official List of ASX, the Company will be required to report any departures from the Recommendations in its annual financial report.

The independent directors of the Company are Mr Jack Matthews and Mr Brandon Munro. When determining the independent status of a Director the Board used the Guidelines detailed in the Recommendations.

The Company's compliance and departures from the Recommendations as at the date of this Prospectus are set out on the following pages.

Recommendation	Company's Current Practice
1.1 Companies should establish the functions reserved for the board and those delegated to senior executives and disclose those functions.	Satisfied. The functions reserved for the Board and delegated to senior executives have been established. The Board Charter is available at www.rewardleholdings.com in the Corporate Governance section.
1.2 Companies should disclose the process for evaluating the performance of senior executives.	Satisfied. Formal evaluation process has been adopted. The Performance Evaluation Policy is available at www.rewardleholdings.com in the Corporate Governance section.
1.3 Companies should provide the information indicated in the guide for reporting on Principle 1.	Satisfied. The Board Charter is available at www.rewardleholdings.com in the Corporate Governance section. No formal appraisal of management was conducted.

2.1	A majority of the Board should be independent directors.	Satisfied. Mr Jack Matthews and Mr Brandon Munro are Non-Executive independent directors as defined in ASX guidelines.
2.2	The chair should be an independent director.	Satisfied. Mr Jack Matthews is an independent Non-Executive Director.
2.3	The roles of chair and Chief Executive Officer should not be exercised by the same individual.	Satisfied.
2.4	The Board should establish a nomination committee.	Not Satisfied. The Board has not established a nomination committee as the role of the committee will be undertaken by the full Board.
2.5	Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.	Satisfied. The Board Performance Evaluation Policy is available at www.rewardleholdings.com in the Corporate Governance section.
2.6	Companies should provide the information indicated in the guide to reporting on Principle 2.	Satisfied. Formal Board appraisals have not been conducted.
3.1	Companies should disclose a code of conduct and disclose the code or a summary of the code as to: - The practices necessary to maintain confidence in the company's integrity - The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders - The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Satisfied. The Code of Conduct is available at www.rewardleholdings.com in the Corporate Governance section.
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.	Satisfied. The Diversity Policy is available at www.rewardleholdings.com in the Corporate Governance section.
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity and progress towards achieving them.	Not Satisfied. The measurable objectives have yet to be established.
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.	Proportion of women employees in the whole organisation is 40%. There are no women (0%) in a senior executive position and none on the Board.
3.5	Companies should provide the information indicated in the guide to reporting on Principle 3.	Satisfied.
4.1	The Board should establish an audit committee.	Not Satisfied. The Board has not established an audit committee as the role of the committee will be undertaken by the full Board.

4.2	The audit committee should be structured so that it: • Consists only of non-executive directors • Consists of a majority of independent directors • Is chaired by an independent chair, who is not chair of the board • Has at least three members	Not Satisfied. The Board has not established an audit committee as the role of the committee will be undertaken by the full Board.
4.3	The audit committee should have a formal charter.	Satisfied. The Audit Committee Charter is available at www.rewardleholdings.com in the Corporate Governance section.
4.4	Companies should provide the information indicated in the guide to reporting on Principle 4.	Satisfied.
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.	Satisfied. The Continuous Disclosure Policy is available at www.rewardleholdings.com in the Corporate Governance section.
5.2	Companies should provide the information indicated in the guide to reporting on Principle 5.	Satisfied.
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of their policy.	Satisfied. The Shareholder Communication Strategy is available at www.rewardleholdings.com in the Corporate Governance section.
5.2	Companies should provide the information indicated in the guide to reporting on Principle 6.	Satisfied.
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Satisfied. The company has established policies for the oversight and management of material business risks. The Risk Management Program is available at www.rewardleholdings.com in the Corporate Governance section.
7.2	The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	Not Satisfied. The new management team will be undertaking this requirement in the forthcoming period.
7.3	The Board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Not Satisfied. This will only become a requirement in the 2013 / 2014 financial year.
7.4	Companies should provide the information indicated in the guide to reporting on Principle 7	Satisfied The policies are available on the company's website at www.rewardleholdings.com in the Corporate Governance section.

8.1	The Board should establish a remuneration committee.	Not Satisfied. The Board has not established a remuneration and nomination committee as the role of the committee will be undertaken by the full Board.
8.2	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Satisfied. The structure of Directors' remuneration is disclosed in the Prospectus.
8.3	Companies should provide the information indicated in the guide to reporting on Principle 8.	The Remuneration and Nomination Committee Charter is available at www.rewardleholdings.com in the Corporate Governance section.

Further information about the Company's corporate governance practices is set out on the Company's website at: www.rewardleholdings.com.



10.

**MATERIAL
CONTRACTS**

Set out below is a summary of the contracts to which the Company is a party that may be material or otherwise may be relevant to a potential investor in the Company. The whole of the provisions of the contracts are not repeated in this Prospectus and below is summary of the material terms only.

10.1 Share Sale and Purchase Agreement – Purchase of Rewardle Pty Ltd

On or about 22 April 2014, the Company entered into a share sale agreement for the purchase of 100% of the issued capital of Rewardle Pty Ltd (ACN 153 419 133) from Ruwan Weerasooriya, with an effective date of 31 March 2014 (**Share Sale Agreement**).

Rewardle Pty Ltd is the sole legal and beneficial owner of the Rewardle Platform, being the Rewardle merchant loyalty program, including the Rewardle smartphone application, tablet solution and associated software.

The material terms of the Share Sale Agreement are as follows:

- a. *The consideration payable by the Company for the acquisition of Rewardle Pty Ltd is:*
 - i. the issue the 74,500,000 Shares to Ruwan Weerasooriya or his nominee (**Consideration Shares**); and
 - ii. the repayment by the Company of an existing loan from Ruwan Weerasooriya to Rewardle Pty Ltd via the payment of \$2,515,687 to Ruwan Weerasooriya (or his nominee(s)) with \$2,500,000 to be repaid through conversion into a convertible note in Rewardle Holdings Ltd with the remaining balance to be paid in cash.
- b. *completion of the Share Sale Agreement is conditional upon:*
 - iii. all necessary shareholder and regulatory approvals; and
 - iv. the Company receiving a certified copy of any third party consent or waiver of pre-emptive rights in relation to the sale and transfer of capital of Rewardle Pty Ltd.

The Share Sale Agreement otherwise contains terms considered standard for a document of this nature.

10.2 Convertible Note Agreements

The Company has entered into convertible note agreements (**Convertible Note Agreements**) with its Directors, and also with unrelated parties. The Company has obtained shareholder approval under the related party provisions of the Corporations Act in respect of the Convertible Note Agreements with its Directors.

The principal terms of the Convertible Note Agreements are as follows:

- a. Pursuant to separate Convertible Note Agreements, each of the Directors (or their nominees), together with unrelated parties (**Noteholders**) subscribed for the convertible notes (**Notes**) by advancing the total sum of \$3.7m to the Company in the proportions set out in the table below (**Principal Sum**):

Noteholder	Principal Sum advanced	No. Options on issue of Note	No. Shares on conversion (Conversion Shares)
Ruwan Weerasooriya	\$2,500,000	9,375,000	12,500,000
Jack Matthews	\$40,000	150,000	200,000
Brandon Munro	\$80,000	300,000	400,000
Peter Pawlowitsch ¹	\$160,000	600,000	800,000
Unrelated parties	\$920,000	3,450,000	4,600,000
Total	\$3,700,000	13,875,000	18,500,000

¹ In accordance with the Gyoen Consulting Agreement (outlined in Section 10.5), Peter Pawlowitsch was appointed as a Director of the Company for the purpose of assisting the Company in obtaining Official Quotation. Mr Pawlowitsch resigned as a Director of the Company on 25 July 2014 and remains an executive of the Company.

- b. In consideration for the Noteholders subscribing for the Note, the Company has issued 13,750,000 free Options to the Noteholders in the proportions set out in the table above.
- c. Unless the Company elects to convert all or part of the Note at a conversion price of \$0.20 per Conversion Share (**Conversion Price**), the Company must repay the Principal Sum, plus all interest accrued on the balance of the Principal Sum (plus accrued interest) to the Noteholders:
 - i. if the Company receives conditional approval for Official Quotation from the ASX on or before 31 August 2014, within 5 Business Days of the Company being able to access and deal with the total amount of the cleared funds raised pursuant to the IPO;
 - ii. if the Company does not receive conditional approval for Official Quotation from the ASX on or before 31 August 2014, not later than 6 months from 31 August 2014; or
 or such other date as agreed in writing between the Company and the Noteholder, (**Repayment Date**).
- d. Interest on the Principal Sum accrues daily at the rate of 12% per annum and is repayable on the Repayment Date unless converted into Shares at the election of the Company (**Interest**). If elected by the Company, the Interest is convertible into Shares at the Conversion Price. Accordingly, the number of Shares to be issued on conversion of the Interest will be equal to the total amount of Interest payable divided by the Conversion Price.
- e. The number of Shares to be issued to the Noteholders on conversion of the Principal Sum is set out in the table above.
- f. The Shares issued on conversion of the Note will rank equally with all other Shares and will be quoted on the ASX.

The Convertible Note Agreements otherwise contain terms considered standard for a document of this nature.

It is the Company's intention to elect to convert the Convertible Notes into Shares upon receiving conditional approval for Official Quotation from the ASX.

It is also the Company's intention, at conversion of the Notes, to repay all Interest accrued on the Notes in cash.

10.3 Executive Service Agreement – Managing Director

On or about 20 July 2014, the Company entered into an executive services agreement for the services to be provided by its Managing Director, Ruwan Weerasooriya (**MD Agreement**).

The material terms of the MD Agreement are as follows:

a. The following is a list of the material obligations and duties of the Managing Director:

- i. undertake such duties and exercise such powers in relation to the Company and its business as the Board from time to time assigns to or vests in the Managing Director;
- ii. in the discharge of the Managing Director's duties and in the exercise of such powers conform to, observe and comply with all resolutions, regulations and directions from time to time made or given by the Board;
- iii. devote substantially the whole of the Managing Director's time and attention during business hours to the discharge of the Managing Director's duties under the MD Agreement or as otherwise required by law;
- iv. conform to such hours of work as may from time to time reasonably be required of the Managing Director and not be entitled to receive any remuneration for work performed outside the Managing Director's normal hours; and
- v. in performing the Managing Director's duties under the MD Agreement, perform such services for subsidiary companies of the Company and (without further remuneration unless otherwise agreed) accept such offices in those subsidiary companies as the Board may from time to time reasonably require.

b. the Managing Director's remuneration package is comprised as follows:

- i. annual salary of \$150,000 plus statutory superannuation; and
- ii. 10,000,000 MD Performance Options which are exercisable into Shares in the Company upon the milestones and on the terms and conditions set out in section 11.2(b) below.

The MD Agreement otherwise contains terms considered standard for a document of this nature.

10.4 Executive Service Agreement – Chief Technology Officer

On 1 July 2014, the Company entered into an executive services agreement for the services to be provided by its Chief Technology Officer, Jason Potter (**CTO Agreement**).

The material terms of the CTO Agreement are as follows:

a. The following is a list of the material obligations and duties of the Chief Technology Officer:

- i. undertake such duties and exercise such powers in relation to the Company and its business as the Managing Director from time to time assigns to or vests in the Chief Technology Officer;
- ii. in the discharge of the Chief Technology Officer's duties and in the exercise of such powers conform to, observe and comply with all resolutions, regulations and directions from time to time made or given by the Managing Director or the Board;
- iii. devote substantially the whole of the Chief Technology Officer's time and attention during business hours to the discharge of the Chief Technology Officer's duties under the CTO Agreement or as otherwise required by law;
- iv. conform to such hours of work as may from time to time reasonably be required of the Chief Technology Officer and not be entitled to receive any remuneration for work performed outside the Chief Technology Officer's normal hours; and
- v. in performing the Chief Technology Officer's duties under the CTO Agreement, perform such services for subsidiary companies of the Company and (without further remuneration unless otherwise agreed) accept such offices in those subsidiary companies as the Board may from time to time reasonably require.

- b. the Chief Technology Officer's remuneration package is comprised as follows:
 - i. annual salary of \$100,000 plus statutory superannuation; and
 - ii. 1,000,000 Employee Options which are exercisable into Shares in the Company on the terms and conditions set out in section 11.2(a) below.
- c. The Chief Technology Officer is entitled to participate in the Employee Share Option Plan that has been established by the Company.

The CTO Agreement otherwise contains terms considered standard for a document of this nature.

10.5 Gyoen Consulting Agreement

On 31 March 2014, the Company entered into a consultancy services agreement for the services to be provided by Gyoen Consulting, via its nominee, Peter Pawlowitsch (**Consultancy Agreement**).

The material terms of the Consultancy Agreement are as follows:

- a. Gyoen Consulting will provide corporate development services to the Company, including:
 - ii. investor relations, investor marketing and related services;
 - iii. finance/corporate administration; and
 - iv. general business and strategic support.
- b. the fee to be paid by the Company in respect of the services is comprised as follows:
 - i. \$10,000 per calendar month (plus GST) in return for approximately 10 calendar days of services per month;
 - ii. If the consultant is required to travel (whether domestically or internationally) in excess of 3 days in any week to perform the consultancy services, an additional fee of \$1,000 (plus GST) per day travelled in excess of such 3 days is payable; and
 - iii. 40% of the consultant's relevant mobile telephone bill.

The Consultancy Agreement otherwise contains terms considered standard for a document of this nature.

10.6 Lead Manager Mandate

On 9 July 2014, the Company entered into a mandate for DJ Carmichael to act as lead manager of the Offer and provide certain capital raising services to the Company (**Lead Manager Mandate**).

The material terms of the Lead Manager Mandate are as follows:

- a. Pursuant to the terms of the Lead Manager Mandate, the Company has agreed to:
 - i. pay the Lead Manager a management fee of \$42,500 (plus GST) upon completion of the Offer;
 - ii. pay the Lead Manager a selling fee of 6% of the amount placed by the Lead Manager under the Offer; and
 - iii. issue to the Lead Manager (or its nominee) 1.5 million Options on the terms as set out in section 11.2(a)

- b. The Lead Manager Mandate is conditional upon the satisfaction (or waiver) of the following conditions precedent:
- i. The opportunity to both participate as an observer in, and review, the due diligence conducted by the Company and any reports commissioned by the Company for the initial public offer process.
 - ii. A satisfactory outcome to the Company's due diligence process.
 - iii. The Company finalises its capital structure, pricing and timing parameters to the Lead Manager's satisfaction.
 - iv. The Company prepares a prospectus that fully complies with all relevant aspects of the Corporations Act (including ASIC policy), the ASX Listing Rules and the Constitution of the Company, the terms and contents of which prospectus are to the Lead Manager's satisfaction.
 - v. A legal sign off letter being provided to the Company's due diligence committee by the Company's solicitors to the satisfaction of the Lead Manager.
 - vi. The Company conducts a series of formal presentations to the Lead Manager's senior advisers, and certain key investors.
 - vii. The Company finalises the terms and conditions of any options or other securities issued or to be dealt with as part of the initial public offer to the Lead Manager's satisfaction.
 - viii. Final approval by the Lead Manager's "New Issues Committee" following the report back from the due diligence committee and the Lead Manager's own review of the due diligence material and the Prospectus (including its verification).
 - ix. The Lead Manager executing a formal consent to be named in the Company's prospectus as Lead Manager.
- c. The Lead Manager may terminate the Lead Manager Mandate at any time prior to allotment, if one or more of the following events occur in its sole and absolute opinion:
- i. the Australian equity capital market conditions and/or ASX trading conditions are such that they are not, in the bona fide judgement of the Lead Manager, conducive to the successful completion of the Lead Manager Mandate or other events beyond the control of the Lead Manager are so material and adverse as to make it impracticable or inadvisable to proceed with the new equity issue on the terms and in the manner contemplated herein;
 - ii. there is a material adverse effect including any adverse change in the assets, liabilities, financial position or prospects of the Company as disclosed publicly and/or to the Lead Manager;
 - iii. there is a false or misleading statement or material omission in the material or information in the Company's Prospectus, or as supplied to the Lead Manager;
 - iv. any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or the international financial markets, in each case the effect of which is that, it is impracticable to market the new issue or to enforce any contract to issue and allot the new shares or that the success of the new issue is likely to be adversely affected;
 - v. there is introduced, or there is a public announcement of a proposal to introduce, into the parliament of Australia or any state of Australia, a new law, or the Reserve Bank of Australia adopts or announces a proposal to adopt a new policy any of which does or is likely to prohibit or regulate financial institutions or credit providers, capital issues or stock markets;

- vi. ASX gives formal or informal notice that the Shares of the Company will not be admitted to trading on the official list of ASX;
- vii. material default by the Company of any term of the Lead Manager Mandate that is incapable of being rectified or is not rectified within 5 business days of the Lead Manager notifying the Company in writing;
- viii. any of the warranties or representations by the Company in the Lead Manager Mandate are or become materially untrue;
- ix. a director or proposed director of the Company is charged with an indictable offence or is disqualified from managing a corporation under the Corporations Act;
- x. ASIC issues, or threatens to issue, a proceeding, hearing or investigation in relation to the Offer or the new issue or Prospectus offering is referred to ASIC for investigation by a third party;
- xi. any government agency (including ASIC) commences any public action, hearing or investigation against the Company or any of its directors in their capacity as a director of the Company or announces that it intends to take such action; and
- xii. all of the conditions to the Lead Manager Mandate have not been, or will not in the Lead Manager's sole and absolute opinion be, satisfied, or waived by the Lead Manager, prior to 1 September 2014 or such later date agreed by the Lead Manager in writing.

Any such termination by the Lead Manager will take effect upon receipt by the Company of written notice to that effect. Upon such notice, expenses will be payable to the Lead Manager in accordance with the terms of the Lead Manager Mandate.

The Lead Manager Mandate otherwise contains terms considered standard for a document of this nature.

10.7 Lease for principal place of business

The Company has entered into a lease for its principal place of business on Flinders Street in Melbourne. Ruwan Weerasooriya, a director of the Company is the lessor under the lease. Accordingly this is a related party transaction, details of which have been provided in section 2.19 above.

10.8 Employee Share Option Plan

The Company has established an employee share option plan (**ESOP**) to assist in the attracting, motivating and rewarding employees who are eligible to participate. The key terms of the ESOP are set out below:

- a. The Board in its discretion may offer options to full time or part time employees (or directors) of the Company who qualify to participate according to the relevant ASIC relief.
- b. An option offered under the ESOP may be subject to any conditions as determined by the Board in its absolute discretion.
- c. Each option will be issued for nil consideration.
- d. Each option can be exercised once all exercise conditions are satisfied and otherwise in accordance with the terms of the ESOP and the conditions determined by the Board. Upon exercise, the option will entitle the participant to subscribe for and be allotted one Share.

- e. Subject to the discretion of the Board, a participant's options will immediately lapse on the earlier of:
 - i. the participant ceasing to be an employee of the Company (or the Company's group);
 - ii. the exercise conditions of the options being unable to be met; or
 - iii. the option expiry date passing.
- f. A Share issued on the exercise of an option will rank equally with all other Shares and the Company will obtain official quotation of the Share on ASX.
- g. The Board may determine that a restriction period will apply to some or all of the Shares issued to the participant.

The ESOP otherwise contains terms considered standard for a document of this nature.

10.9 Non-Executive Services Agreement – Brandon Munro

On 4 June 2014, the Company entered into an agreement to appoint Mr Brandon Munro as Non-Executive Director of the Company. Mr Munro will be paid a fee of \$40,000 per year for his services as Non-Executive Director and will be reimbursed for all reasonable expenses incurred in performing his duties.

The appointment of Mr Munro as Non-Executive Director is otherwise on terms that are standard for an appointment of this nature.

10.10 Non-Executive Services Agreement – Jack Matthews

On 27 May 2014, the Company entered into an agreement to appoint Mr Jack Matthews as Non-Executive Chairman of the Company. Mr Matthews will be paid a fee of \$40,000 per year for his services as Non-Executive Director and will be reimbursed for all reasonable expenses incurred in performing his duties.

The appointment of Mr Matthews as Non-Executive Chairman is otherwise on terms that are standard for an appointment of this nature

10.11 Deeds of Indemnity, Insurance and Access

The Company has entered into a deed of indemnity, insurance and access with each of its Directors and the Company Secretary. Under these deeds, the Company agrees to indemnify each Director and the Company Secretary to the extent permitted by the Corporations Act against any liability arising as a result of the Director acting in the capacity as a director of the Company. The Company is also required to maintain insurance policies for the benefit of the Director and the Company Secretary and must also allow the Directors and the Company Secretary to inspect Company documents in certain circumstances.

11.

**ADDITIONAL
INFORMATION**

11.1 Rights attaching to Shares

The following is a summary of the more significant rights attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

a. *General meetings*

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution.

b. *Voting rights*

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- i. each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- ii. on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- iii. on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

c. *Dividend rights*

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

d. **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

e. **Shareholder liability**

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

f. **Transfer of Shares**

Subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules, the Shares are freely transferable.

g. **Variation of rights**

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

h. **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

11.2 Terms and conditions of Options, MD Performance Options and Employee Performance Options

The following is a summary of the terms and conditions attaching to the Company's different classes of options on issue which entitle optionholders to subscribe for Shares on the following terms and conditions:

- a. Options exercisable at \$0.20 on or before 30 June 2017:
 - i. Each Option gives the Optionholder the right to subscribe for one Share. To obtain the right given by each Option, the Optionholder must exercise the Options in accordance with the terms and conditions of the Options.
 - ii. The Options will expire at 5:00 pm (WST) on 30 June 2017 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
 - iii. The amount payable upon exercise of each Option will be \$0.20 (**Exercise Price**).

- iv. The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- v. An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - A. a written notice of exercise of Options specifying the number of Options being exercised; and
 - B. a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;

(Exercise Notice).
- vi. An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- vii. Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required in respect of the number of Options specified in the Exercise Notice.
- viii. The Options are transferable.
- ix. All Shares issued upon the exercise of Options will upon issue rank pari passu in all respects with other Shares.
- x. The Company will not apply for quotation of the Options on ASX.
- xi. If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- xii. There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- xiii. An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

b. Terms and conditions of MD Performance Options

- i. Each MD Performance Option gives the MD Performance Optionholder the right to subscribe for one Share provided the MD Performance Milestones have been achieved within the prescribed timeframes. To obtain the right given by each MD Performance Option, the MD Performance Optionholder must exercise the MD Performance Options in accordance with the terms and conditions of the MD Performance Options.
- ii. The MD Performance Options will expire at 5:00 pm (WST) on the date that is 40 calendar months after the date the Company is admitted to the Official List of the ASX (**Expiry Date**). Any MD Performance Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- iii. The amount payable upon exercise of each MD Performance Option will be \$0.20 (**Exercise Price**).

- iv. The MD Performance Milestones are:

	Time from listing on ASX			
MD Performance Option milestones	12 months	18 months	24 months	36 months
5,000 Merchants or 500,000 Members	2,500,000	1,250,000	500,000	—
10,000 Merchants or 1,000,000 Members		2,500,000	1,250,000	500,000
MD Performance Option milestones	15 months	21 months	27 months	39 months
Revenue of \$250k in rolling 3 month period*	2,500,000	1,250,000	500,000	—
Revenue of \$500k in rolling 3 month period*		2,500,000	1,250,000	500,000

* Note: The rolling 3 month period must be wholly satisfied within the stated time frames from listing on the ASX.

- v. The MD Performance Options held by each MD Performance Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- vi. A MD Performance Optionholder may exercise their MD Performance Options by lodging with the Company, before the Expiry Date:
- a written notice of exercise of MD Performance Options specifying the number of MD Performance Options being exercised; and
 - a cheque or electronic funds transfer for the Exercise Price for the number of MD Performance Options being exercised;
- (Exercise Notice).**
- vii. An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- viii. Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required in respect of the number of MD Performance Options specified in the Exercise Notice.
- ix. The MD Performance Options are transferable.
- x. All Shares issued upon the exercise of MD Performance Options will upon issue rank pari passu in all respects with other Shares.
- xi. The Company will not apply for quotation of the MD Performance Options on ASX.
- xii. If at any time the issued capital of the Company is reconstructed, all rights of a MD Performance Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- xiii. There are no participating rights or entitlements inherent in the MD Performance Options and MD Performance Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the MD Performance Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give MD Performance Optionholders the opportunity to exercise their MD Performance Options prior to the date for determining entitlements to participate in any such issue.
- xiv. An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the MD Performance Option can be exercised.

c. Terms and conditions of Employee Performance Options

The terms of the Employee Performance Options are as follows:

- i. The Employee Performance Options entitle the Employee Performance Optionholder to subscribe for Shares on the following terms, (in the event that Employee Performance Options are issued under the Plan, those Employee Performance Options are subject to the terms of the Plan, and such other conditions that may be determined by the Board in accordance with the Plan).

When a Performance Milestone described in the table at paragraph (vi) below is first achieved, and the relevant Minimum Employment Period as described in paragraph (ii) below has been satisfied, the number of Employee Performance Options specified under the corresponding timeframe in that table are taken to have “vested” (and the number of Employee Performance Options specified in the subsequent timeframes for that particular Performance Milestone are to be ignored).

- ii. The proportion of available Employee Performance Options that have vested are then available as vested options to the relevant Employee Performance Optionholders. An employee to whom Employee Performance Options have been allocated may only exercise such Employee Performance Options upon completion of the Minimum Employment Period. The Minimum Employment Period is the shorter of the following periods:
 - A. 12 months of continuous employment by the Company or another group company (or such later date as mutually agreed by the Company and the Employee Performance Optionholder); and
 - B. the period commencing on the date the Employee Performance Options are issued to the Employee Performance Optionholder and ending on the date that is 3 months prior to the Expiry Date.
- iii. Each Employee Performance Option gives the Employee Performance Optionholder the right to subscribe for one Share provided the Performance Milestones have been achieved within the prescribed timeframes and the Minimum Employment Period has been satisfied. To obtain the right given by each Employee Performance Option, the Employee Performance Optionholder must exercise the Employee Performance Options in accordance with the terms and conditions of the Employee Performance Options.
- iv. The Employee Performance Options will expire at 5:00 pm (WST) on the date that is 40 calendar months after the date the Company is admitted to the Official List of the ASX (Expiry Date). Any Employee Performance Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- v. The amount payable upon exercise of each Employee Option will be \$0.20 (**Exercise Price**).
- vi. The Performance Milestones are:

	Time from listing on ASX			
Employee Performance Option milestones	12 months	18 months	24 months	36 months
5,000 Merchants or 500,000 Members	2,500,000	1,250,000	500,000	—
10,000 Merchants or 1,000,000 Members		2,500,000	1,250,000	500,000
Employee Performance Option milestones	15 months	21 months	27 months	39 months
Revenue of \$250k in rolling 3 month period*	2,500,000	1,250,000	500,000	—
Revenue of \$500k in rolling 3 month period*		2,500,000	1,250,000	500,000

* Note: The rolling 3 month period must be wholly satisfied within the stated time frames from listing on the ASX.

vii. The Employee Performance Options held by each Employee Performance Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.

viii. In the event that:

- A. an Employee Performance Optionholder resigns from employment with the Company; or
- B. an Employee Performance Optionholder's employment is validly terminated by the Company,

prior to the Employee Performance Options vesting, the Employee Performance Optionholder irrevocably appoints the Company and any person nominated from time to time by the Company (each an "attorney"), severally, as the Employee Performance Optionholder's attorney to:

- C. complete and execute any documents including transfer documents in order for the Company to transfer the Employee Performance Options held by the Employee Performance Optionholder to another employee of the Company, at the Company's discretion; and
- D. to do all acts or things on behalf of and in the name of the Employee Performance Optionholder which may be convenient or necessary for the purpose of giving effect to the provisions of these terms and conditions;
- E. covenants that the Employee Performance Optionholder will ratify and confirm any act or thing done pursuant to this power;
- F. releases the Company and the attorney from any liability whatsoever arising from the exercise of the powers conferred by these terms and conditions; and
- G. indemnifies and holds harmless the Company and the attorney in respect of their actions in relation to these terms and conditions.

ix. An Employee Performance Optionholder may exercise their Employee Performance Options by lodging with the Company, before the Expiry Date:

- A. a written notice of exercise of Employee Performance Options specifying the number of Employee Performance Options being exercised; and
- B. a cheque or electronic funds transfer for the Exercise Price for the number of Employee Performance Options being exercised;

(Exercise Notice).

x. An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.

xi. Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required in respect of the number of Employee Performance Options specified in the Exercise Notice.

xii. The Employee Performance Options are transferable with prior consent of the Board.

xiii. All Shares issued upon the exercise of Employee Performance Options will upon issue rank *pari passu* in all respects with other Shares.

xiv. The Company will not apply for quotation of the Employee Performance Options on ASX.

- xv. If at any time the issued capital of the Company is reconstructed, all rights of an Employee Performance Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- xvi. There are no participating rights or entitlements inherent in the Employee Performance Options and Employee Performance Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Employee Performance Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Employee Performance Optionholders the opportunity to exercise their Employee Performance Options prior to the date for determining entitlements to participate in any such issue.
- xvii. An Employee Performance Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Employee Performance Option can be exercised.

11.3 Employee Share Option Plan

In addition to the classes of options (outlined in Section 11.2) the Company as previously issued, the Company has established an Employee Share Option Plan to assist in the attracting, motivating and rewarding employees who are eligible to participate. The key terms of the Employee Share Option Plan are set out in Section 10.8.

11.4 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

11.5 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director has, or had within two years before lodgement of this Prospectus with ASIC, any interest in:

- a. the formation or promotion of the Company;
- b. property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
- c. the Offer,

and no amounts have been paid or agreed to be paid (in cash or securities or otherwise) and no benefits have been given or agreed to be given to any Director:

- a. to induce him to become, or to qualify him as, a Director; or
- b. for services rendered by him in connection with the formation or promotion of the Company or the Offer. The interests of the Directors in the Securities of the Company as at the date of this Prospectus are set out in Section 2.18 and 2.19 above.

11.6 Interests and consents of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- a. person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- b. promoter of the Company; or
- c. underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

(Named Persons) holds, or has held within the two years before lodgement of this Prospectus with ASIC, any interest in:

- a. the formation or promotion of the Company;
- b. property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
- c. the Offer,

and no amounts have been paid or agreed to be paid (in cash or securities or otherwise) and no benefits have been given or agreed to be given to any Named Person:

- a. to induce the Named Person to fulfil the role for which they are named; or
- b. for services rendered by them in connection with the formation or promotion of the Company or the Offer.

Each of the parties referred to in this Section:

- a. does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- b. to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Watermark Patent and Trade Mark Attorneys has acted as the Company's Trade Mark Attorney and has prepared the Trade Mark Attorney's Report which is included in Section 6 of this Prospectus. The Company estimates it will pay Watermark Patent and Trade Mark Attorneys a total of \$5,148 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Watermark Patent and Trade Mark Attorneys has received fees totally approximately \$1,560 from the Company for other services. Watermark Patent and Trade Mark Attorneys has given its written consent to being named as the Trade Mark Attorney in this Prospectus, the inclusion of the Trade Mark Attorney's Report in Section 6 of this Prospectus in the form and context in which the report is included. Watermark Patent and Trade Mark Attorneys has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

BDO Corporate Finance (WA) Pty Ltd has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which is included in Section 8 of this Prospectus. The Company estimates it will pay BDO Corporate Finance (WA) Pty Ltd a total of \$6,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, BDO Corporate Finance (WA) Pty Ltd has not received fees from the Company for any other services. BDO Corporate Finance (WA) Pty Ltd has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Report in Section 8 of this Prospectus in the form and context in which the information and report is included. BDO Corporate Finance (WA) Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Frost & Sullivan (Australia) Pty Ltd has acted as the Independent Industry and Market Expert and has prepared the Independent Industry Report which is included in Section 7 of this Prospectus. The Company estimates it will pay Frost & Sullivan (Australia) Pty Ltd a total of \$10,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Frost & Sullivan (Australia) Pty Ltd has not received fees from the Company for any other services. Frost & Sullivan (Australia) Pty Ltd has given its written consent to being named as Independent Industry and Market Expert in this Prospectus and to the inclusion of the Independent Industry Report which is included in Section 7 of this Prospectus in the form and context in which the information and report is included. Frost & Sullivan (Australia) Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Nova Legal has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Nova Legal \$50,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with ASIC, Nova Legal has received fees totalling approximately \$10,000 from the Company in respect of legal services provided to the Company. Nova Legal has given its written consent to being named as the solicitors to the Company in this Prospectus. Nova Legal has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

DJ Carmichael Pty Ltd has acted as the lead manager to the Company in relation to the Offer. The Company estimates it will pay DJ Carmichael Pty Ltd \$42,500 (excluding GST) for these services. The Company will also pay DJ Carmichael Pty Ltd 6% of all funds DJ Carmichael Pty Ltd raises under the Offer. During the 24 months preceding lodgement of this Prospectus with ASIC, DJ Carmichael Pty Ltd has received fees totalling approximately \$16,050 (excluding GST) from the Company for other services. DJ Carmichael Pty Ltd has given its written consent to being named as the lead manager to the Company in this Prospectus. DJ Carmichael Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Automic Registry Services has given its written consent to being named as the share registry to the Company in this Prospectus. Automic Registry Services has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

BDO East Coast Partnership has given its written consent to being named as the Company's auditor in this Prospectus. BDO East Coast Partnership has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

11.7 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately \$378,527 for minimum subscription or \$439,472 for full subscription and are expected to be applied towards the items set out in the table below:

Item of expenditure	Minimum subscription (\$)	Full subscription (\$)
ASIC fees	2,290	2,290
ASX fees	71,589	72,534
Lead Manager Fee	42,500	42,500
Broker Commissions*	180,000	240,000
Legal Fees	50,000	50,000
Trade Mark Attorney's Fees	5,148	5,148
Industry and Market Expert's Fees	10,000	10,000
Investigating Accountant's Fees	6,000	6,000
Printing and Distribution	10,000	10,000
Share Registry	1,000	1,000
Total	378,527	439,472

* Broker commissions will only be paid on applications made through a licensed securities dealers or Australian financial services licensee and accepted by the Company (refer to Section 3.9 of this Prospectus for further information). The amount calculated is based on 100% of applications being made in this manner. For those applications made directly to and accepted by the Company no broker commissions will be payable and the expenses of the Offer will be reduced and the additional funds will be put towards working capital.

11.8 Continuous disclosure obligations

Following admission of the Company to the Official List, the Company will be a "disclosing entity" (as defined in Section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information will be publicly released through ASX before it is disclosed to shareholders and market participants. Distribution of other information to shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

11.9 Electronic Prospectus

Pursuant to Class Order 00/44, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at www.rewardleholdings.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

11.10 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

11.11 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

11.12 Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

12.

**DIRECTORS'
AUTHORISATION**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

A handwritten signature in blue ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Ruwan Weerasooriya
Managing Director
For and on behalf of
Rewardle Holdings Limited

13.

GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

\$ means an Australian dollar.

Application Form means the application form attached to or accompanying this Prospectus relating to the Offer.

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the official listing rules of ASX.

Big Data means the term used to describe the collection and analysis of data as described in section 4.7.

Board means the board of Directors as constituted from time to time.

Check-in means a Member using a Rewardle card or the Rewardle smartphone application to identify themselves to a Rewardle tablet.

Closing Date means the closing date of the Offer as set out in the indicative timetable in the Investment Overview in Section 2 of this Prospectus (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Cloud Computing means the computing model for delivering computing services over the Internet as described in section 4.8.

Company or Rewardle means Rewardle Holdings Limited (ACN 168 751 746).

Constitution means the constitution of the Company.

Convertible Notes means the notes issued by the Company pursuant to the Convertible Note Agreements specified in Section 10.2.

Corporations Act means the Corporations Act 2001 (Cth).

Digital Customer Engagement means the use, by businesses, of digital channels such as the internet to interact with consumers, including but not limited to activities such as promotion and advertising, communications, transactions and after-sales service.

Directors means the directors of the Company at the date of this Prospectus.

Employee Performance Option means an option to acquire a Share on the terms specified in Section 11.2(c).

ESOP or Employee Share Option Plan means the Company's employee share option plan described in Section 10.8.

Exposure Period means the period of 7 days after the date of lodgement of the Original Prospectus, which was extended by ASIC by a further 7 days pursuant to section 7237(3) of the Corporations Act.

Freemium means the business model that offers both free and premium versions of product/services to customers as described in section 4.12(d).

Lean Startup means the project development methodology described in Section 4.12(c).

MD Performance Option means an option to acquire a Share on the terms specified in Section 11.2(b).

Member means a member of the Rewardle Platform who has obtained a discrete membership identifier through either using a Rewardle card, downloading and using the Rewardle smartphone application or another form of interaction.

Merchant means a business merchant, for example a café, restaurant, shop or service provider, who has agreed to use the Rewardle Platform on their premises, where multiple or chain merchants will be treated as a separate Merchant at each of the locations at which they use the Rewardle Platform.

Merchant and Member Network means the network of Members and Merchants using the Rewardle Platform.

Network Effect has the meaning described in section 4.6(a).

NFC means near field communication.

Offer means the offer of Shares pursuant to this Prospectus as set out in Section 3 of this Prospectus.

Official List means the official list of ASX.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Option means an option to acquire a Share on the terms specified in Section 11.2(a).

Optionholder means a holder of an Option, and MD Performance Optionholder and Employee Performance Optionholder have corresponding meanings.

Original Prospectus means the original prospectus that was prepared by the Company and lodged with ASIC on 8 August 2014.

Prepaid Credit means monetary credit that has been loaded onto a Membership through prepayment, which may be redeemed at face value at the relevant Merchant.

Prospectus or **Replacement Prospectus** means this replacement prospectus dated 20 August 2014 which replaces the Original Prospectus.

Rewardle Platform means the Rewardle merchant loyalty program, including the Rewardle smartphone application, tablet solution and associated software.

Section means a section of this Prospectus.

Securities means Shares and Options.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

SME means small and medium sized enterprise.

Trade Mark Attorney Report means the report prepared by Watermark Patent and Trade Mark Attorneys which is provided in Section 6.

WST means Western Standard Time as observed in Perth, Western Australia.

INSTRUCTIONS FOR COMPLETION OF THIS APPLICATION FORM

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM

Please complete all relevant sections of this Application Form using BLOCK LETTERS

The below instructions are cross-referenced to each section of the Application Form.

1 Number of Shares

Insert the number of Shares you wish to apply for in section 1. Your application must be for a minimum of 10,000 Shares and in multiples of 1,000 Shares thereafter.

2 Payment Amount

Enter into section 2 the total amount payable. Multiply the number of Shares applied for by \$0.20 – the application price per Share.

3 Name(s) in which the Shares are to be registered

Note that ONLY legal entities can hold Shares. The application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person.

CORRECT FORMS OF REGISTRABLE TITLE

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Trusts	Mr John Richard Sample <Sample Family A/C>	John Sample Family Trust
Superannuation Funds	Mr John Sample & Mrs Anne Sample <Sample Family Super A/C>	John & Anne Superannuation Fund
Partnerships	Mr John Sample & Mr Richard Sample <Sample & Son A/C>	John Sample & Son
Clubs/Unincorporated Bodies	Mr John Sample < Food Help Club A/C>	Food Help Club
Deceased Estates	Mr John Sample <Estate Late Anne Sample A/C>	Anne Sample (Deceased)

4 Postal Address

Enter into section 4 the postal address to be used for all written correspondence. Only one address can be recorded against a holding. With exception to annual reports, all communications to you from the Company will be mailed to the person(s) and address shown. Annual reports will be made available online when they are released. Should you wish to receive a hard copy of the annual report you must notify the Share Registry. You can notify any change to your communication preferences by visiting the registry website – www.automic.com.au

5 CHESS Holders

If you are sponsored by a stockbroker or other participant and you wish to have your allocation directed into your HIN, please complete the details in section 5.

6 Email Address

As permitted under the Corporations Act, Rewardle Holdings Limited will only be forwarding printed annual reports to shareholders electing to receive one. Our company annual report and company information will be available at www.rewardleholdings.com. You may elect to receive all communications despatched by Rewardle Holdings Limited electronically (where legally permissible) such as a notice of meeting, proxy form and annual report via email.

7 Rewardle Merchant Network Participation

If you are an existing Rewardle Merchant or an operator of a business that would like to join our Network, please tick the box.

8 TFN/ABN/Exemption

If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details in section 8. Collection of TFN's is authorised by taxation laws but quotation is not compulsory and it will not affect your Application Form.

9 Cheque Details

Cheques must be drawn on an Australian branch of a financial institutional in Australian currency, made payable to **Rewardle Holdings Limited – Share Offer Account** and crossed "Not Negotiable". Please complete the relevant details in section 9.

10 Contact Details

Please enter contact details where we may reach you between the hours of 9:00am and 5:00pm should we need to speak to you about your application.

HOW TO LODGE YOUR APPLICATION FORM

Mail or deliver your completed Application Form with your cheque to the following address.

Mailing Address

Rewardle Holdings Limited
C/- Automic Registry Services
PO Box 223
WEST PERTH WA 6872

Hand Delivery (*Please do not use this address for mailing purposes*)

Rewardle Holdings Limited
C/- Automic Registry Services
Level 1
7 Ventnor Avenue
WEST PERTH WA 6005

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Type of Investor	Correct Form of Registration	Incorrect Form of Registration
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Superannuation Funds	Mr John Sample & Mrs Anne Sample <Sample Family Super A/C>	John & Anne Superannuation Fund
Partnerships	Mr John Sample & Mr Richard Sample <Sample & Son A/C>	John Sample & Son
Clubs/Unincorporated Bodies	Mr John Sample < Food Help Club A/C>	Food Help Club
Deceased Estates	Mr John Sample <Estate Late Anne Sample A/C>	Anne Sample (Deceased)

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Mailing Address

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C/- Automic Registry Services
PO Box 223
WEST PERTH WA 6872

Hand Delivery (*Please do not use this address for mailing purposes*)

Rewardle Holdings Limited
C/- Automic Registry Services
Level 1
7 Ventnor Avenue
WEST PERTH WA 6005



