

# PROGRESS UPDATE:

## PEPPER LEAF STRATEGIC PARTNERSHIP

### Executive Summary and Highlights

**Rewardle Holdings Limited** (ASX:RXH) (“**Rewardle**” or the “**Company**”) provides the following update with respect to undertaking fee for service work to accelerate the growth of Pepper Leaf, a Melbourne based meal kit delivery service.

The work being undertaken is consistent with Rewardle’s strategy of leveraging its operations to secure equity positions in partner businesses and/or to generate professional services revenue.

Under the strategic partnership established with Pepper Leaf in June 2019, Rewardle is leveraging its resources to assist in growing Pepper Leaf’s business. Rewardle has been issued Options to acquire Pepper Leaf shares @ \$1.25m valuation within 4 yrs, giving Rewardle a 54% shareholding in Pepper Leaf on a fully diluted basis.



#### Accelerating growth and value of Pepper Leaf

Rewardle will provide a variety of professional services to Pepper Leaf to support accelerating growth and streamlining operations, increasing the value of Rewardle’s equity position.



#### Integration of Pepper Leaf with Rewardle Platform

\$10,000 of software development services work to be undertaken by Rewardle during May and June to integrate Pepper Leaf into the Rewardle Platform.



#### Ongoing operational support services

In addition to the integration services above, Pepper Leaf has commissioned Rewardle to provide technical and customer support resources on the basis of a \$5000/month retainer from 1 May<sup>1</sup>.

**Rewardle’s Founder and Executive Chairman Ruwan Weerasooriya, said;**

*“Pepper Leaf grew strongly last year, doubling the size of their business as the pandemic drove customers to use online delivery services and accelerated the disruption of Australia’s \$100 billion food and grocery sector.”*

*“The work we’re undertaking will build on Pepper Leaf’s growth by integrating their meal kit offering into the Rewardle Platform. This will allow us to more effectively promote and convert Rewardle members into Pepper Leaf subscribers.”*

*“As I said when we signed our partnership with Pepper Leaf, combining the profitable underlying operations of Pepper Leaf with Rewardle’s digital marketing capability to reach millions of potential subscribers is a recipe for success.”*

**Pepper Leaf Co-Founder and Managing Director, Simon Kahil, said;**

*“We were delighted to serve our customers and grow during very challenging conditions last year. The community support for our locally owned and operated business during the pandemic has been quite humbling.”*

*“While the pandemic accelerated the adoption of food and grocery delivery services, the key to the meal kit business model remains the cost effective acquisition and long term retention of subscribers.”*

*“The Rewardle partnership allows us to own a unique marketing channel to build our brand and grow our customer base. We’re looking forward to completing the integration project and promoting our meal kit service to millions of Aussie consumers in innovative and engaging ways across the Rewardle Platform.”*

1. After an initial 90 day period, the parties intend to review and may revise the retainer fee based on Pepper Leaf’s use of Rewardle resources and ongoing requirements.

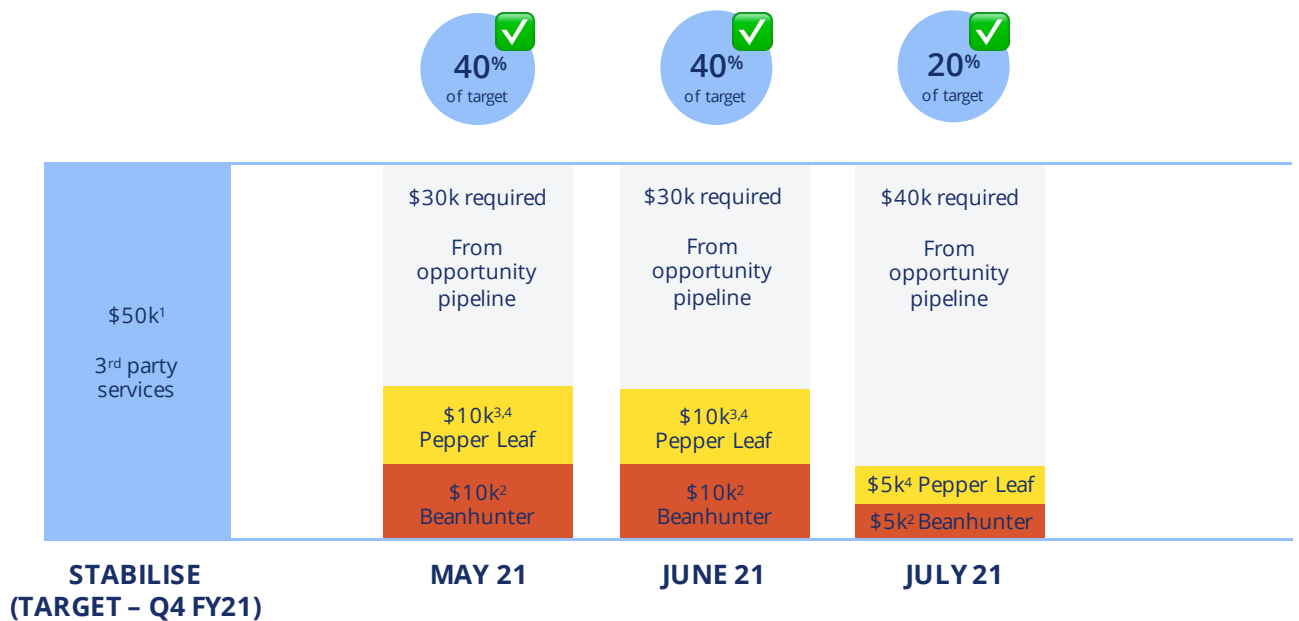
## Contribution to 3<sup>rd</sup> Party Services component of breakeven target

A key component the Company's strategy is to leverage its resources to secure equity positions in complementary businesses and/or to generate 3<sup>rd</sup> party services revenue that supports maintaining Rewardle's team, intellectual property and operating capability.

For more information please visit [www.rewardle.com/ASXrelease/marchpresentation](http://www.rewardle.com/ASXrelease/marchpresentation) (Slide 11)

As outlined below, professional services being provided to Pepper Leaf add to those previously announced relating to Beanhunter and are expected to contribute an additional 20% of Rewardle's 3<sup>rd</sup> party services target in May and June and 10% from 1 July onwards<sup>3,4</sup>.

### TARGET MONTHLY REVENUE FROM 3<sup>rd</sup> PARTY SERVICES



1. Based on trading history of up to \$6k in 3<sup>rd</sup> party service provision during FY20 to present with allowance for opportunity pipeline.
2. Based on anticipated billing and payment for services work.
3. Based on anticipated billing and payment for integration services work.
4. Based on agreed retainer fee for technical and customer support. After an initial 90 day period, the parties intend to review and may revise the retainer fee based on Pepper Leaf's use of Rewardle resources and ongoing requirements.

The Company is working on a pipeline of 3<sup>rd</sup> party services opportunities that create mutual benefit for Rewardle and partners by leveraging Rewardle's resources and expertise.

Management is pleased with the progress being made towards achieving the \$50,000/month 3<sup>rd</sup> party services revenue target and intends to continue building on the Beanhunter and Pepper Leaf commitments moving forward. Other revenue components (primarily, Merchant SaaS fees and FY21 R&D rebate) remain on track.

Further updates with respect to the progress of individual opportunities will be provided as appropriate, taking into consideration the nature and potential impact on the business.

## Pepper Leaf Strategic Partnership Background

A component of Rewardle's strategy is to secure equity positions in partner businesses and/or to generate fee for services revenue by leveraging the Company's operational team, platform and network merchants and members by providing the following services:

- Software development and/or licensing
- Sales and marketing
- 1st tier customer service/support
- Design and advertising
- Corporate/commercial strategy and fundraising support

As part of this strategy, in June 2019, Rewardle established a strategic partnership with Pepper Leaf, PepperLeaf, a profitable, Melbourne based meal kit delivery service. (For more visit [www.rewardle.com/ASXrelease/pepperleaf](http://www.rewardle.com/ASXrelease/pepperleaf)).

Rewardle is leveraging its resources to assist in growing Pepper Leaf and Rewardle has been issued Options to acquire Beanhunter shares @ \$1.25m valuation within 4 yrs. The Options give Rewardle a 54% shareholding in Pepper Leaf on a fully diluted basis.

Pepper Leaf experienced strong growth during 2020 due to the acceleration in consumer adoption of food and grocery delivery services as a result of the COVID-19 pandemic. During 2021 the parties have been collaborating to develop strategies to build on this growth by leveraging Rewardle's resources.

### Integration of Pepper Leaf with Rewardle Platform

As part of the services work being undertaken by Rewardle, the Pepper Leaf meal kit delivery service will be directly integrated into the Rewardle app. This direct integration will create a more seamless consumer experience and is expected to more effectively convert Rewardle members into Pepper Leaf meal kit subscribers.

The integration work being commissioned by Pepper Leaf will commence at the start of May and is expected to be completed by the end of June. Rewardle has provided Pepper Leaf with a fee estimate for the work of \$10,000 which has been agreed and Rewardle will be paid via a series of progress payments during the course of completing the project.

### Ongoing operational support services

From 1 May 2021, Pepper Leaf has agreed to pay Rewardle a \$5,000/month retainer for ongoing customer and technical support services.<sup>1</sup>

Integration of operational resources is a key component of Rewardle's strategic partnership approach and the use of Rewardle's customer support and technical resources will give Pepper Leaf superior operating efficiency and flexibility while allowing Rewardle to commercialise excess operating capacity.

This ASX announcement has been approved for release by Executive Chairman, Ruwan Weerasooriya.

1. After an initial 90 day period, the parties intend to review and may revise the retainer fee based on Pepper Leaf's use of Rewardle resources and ongoing requirements.

## About Rewardle Holdings Limited

Rewardle connects millions of Members with thousands of local businesses across Australia.

The Rewardle Platform is a marketing and payments platform that combines membership, points, rewards, payments and social media into a single cloud based platform powered by Big Data analysis.

Rewardle is positioned to be a leading player as the worlds of social media, marketing, mobile and payments converge to transform how we connect, share and transact.

As part of its long term strategy, Rewardle is seeks to secure equity positions in partner businesses by leveraging the Company's operational team, platform and network merchants and members.

The Company is led by an experienced entrepreneurial team with a successful background in Internet and media businesses.

For more information please contact:

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