

BREAKEVEN AND GROW PROGRESS UPDATE

CASH FLOW POSITIVE IN AUGUST

Executive Summary and Highlights

Rewardle Holdings Limited (ASX:RXH) (“**Rewardle**” or the “**Company**”) provides the following update with respect to the Company’s progress in implementing its strategy to “Breakeven and Grow”.



Successfully executing strategy to “Breakeven and Grow”

The Company is successfully navigating COVID-19 challenges while ensuring that it can operate and grow without raising capital.



\$43k positive cash flow from operations in August

Key inflection point as the Company achieves \$43k of positive cash flow in August, its first month of cash flow positive operations under its strategy to “Breakeven and Grow”.



Successfully licensing technology to develop new markets and opportunities

Generating fees and setting up future growth opportunities by customising and licensing aspects of the Rewardle Platform for use in new markets and opportunities.

Rewardle's Executive Chairman and Founder, Ruwan Weerasooriya said;

“We’re very pleased to report that our operations in August were cash flow positive and that September is on track to follow suit.”

“While we’re not expecting the current quarter to be cash flow positive, achieving cash flow positive operations for the months of August and September will be a key milestone in the execution of our strategy, demonstrating that we can operate and grow our business without additional funding.”

“While fluctuations are to be expected, especially while COVID-19 restrictions continue, we’re confident that our strategy can be adjusted as required to maintain our positive momentum.”

“While COVID-19 restrictions have heavily impacted our primary target market of local businesses, we’re successfully leveraging our resources and IP to develop new markets and opportunities.”

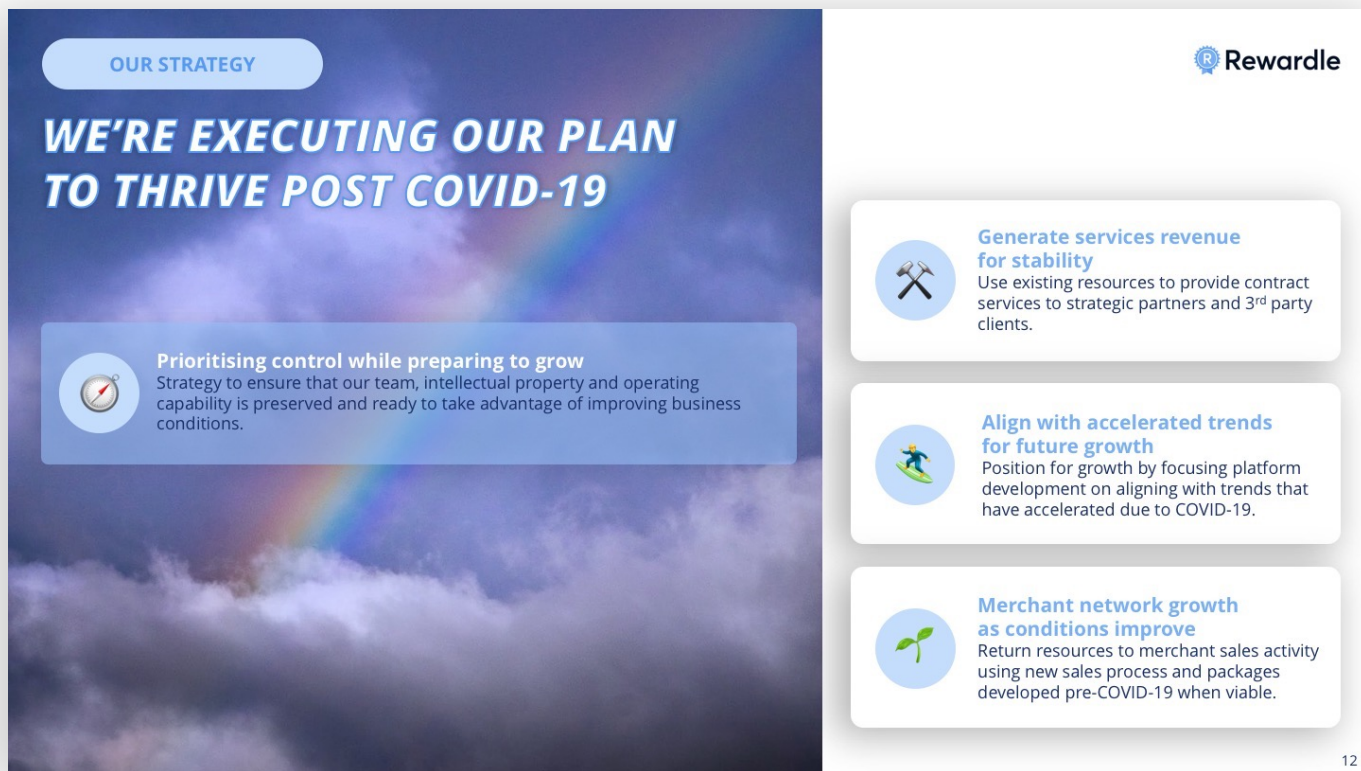
“The most recent example of this is our agreement with Cardiac Rhythm Diagnostics which includes licensing of our platform for use in the fast growing telehealth sector. This contributed to our August performance and is diversifying our revenue moving forward.”

“As the local businesses emerge from the COVID-19 pandemic and we return resources to growing our merchant services revenue, our business will be more robust with stronger growth potential across a diverse range of revenue streams.”

“Breakeven and Grow” strategy background

The Company successfully executing its strategy to “Breakeven and Grow” as outlined in the presentation released on the 24th March 2021.

Slide 12 of the presentation provides an overview of the strategy and has been included below for reference. The full presentation can be viewed here: www.rewardle.com/ASX/MarchPresentation



OUR STRATEGY

WE'RE EXECUTING OUR PLAN TO THRIVE POST COVID-19

Prioritising control while preparing to grow
Strategy to ensure that our team, intellectual property and operating capability is preserved and ready to take advantage of improving business conditions.

Generate services revenue for stability
Use existing resources to provide contract services to strategic partners and 3rd party clients.

Align with accelerated trends for future growth
Position for growth by focusing platform development on aligning with trends that have accelerated due to COVID-19.

Merchant network growth as conditions improve
Return resources to merchant sales activity using new sales process and packages developed pre-COVID-19 when viable.

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Local businesses, the Company's primary target market, have been significantly impacted by the restrictions associated with the COVID-19 pandemic and there has been ongoing uncertainty with respect to the timing of conditions for local businesses recovering.

Under the "Breakeven and Grow" strategy, the Company is navigating the immediate challenges posed by the COVID-19 pandemic while positioning the business for growth by aligning with trends that have accelerated due to the COVID-19 pandemic.

As a software business developing, operating and commercialising a proprietary Business to Business to Consumer (B2B2C) software platform, the Company has developed capabilities, expertise and IP that are highly relevant and transferable to new markets and opportunities.

To establish financial stability and provide the Company's management with greater control during this uncertain period, the Company has adopted a strategy that places greater focus on leveraging the Company's IP, resources and experience to develop new markets and opportunities until its primary target market of local businesses recovers.

Under the strategy outlined above, professional services and platform licensing fees from developing new markets and opportunities, recurring merchant service fees and R&D rebate funds combine with management's ongoing work to achieve an efficient, low operating cost base to maintain all the Company's capabilities to operate and grow without requiring additional funding.

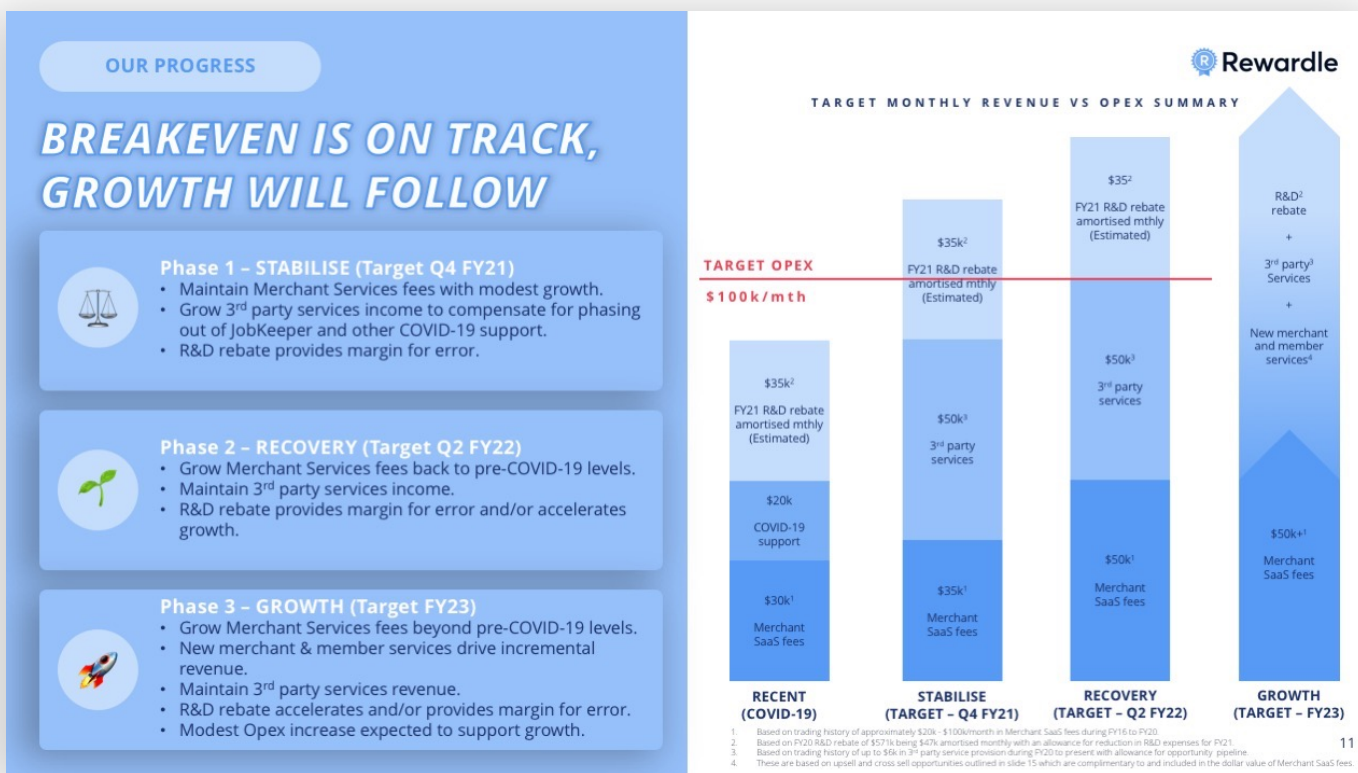
Overviews of the Company's strategy and progress are available for review here:

- www.Rewardle.com/ASX/MarchPresentation (24th March 2021)
- www.Rewardle.com/ASX/MayStrategyUpdate (14th May 2021)

Overview of pathway to “Breakeven and Grow”

The staged approach that the Company is taking to achieving stability and growth are outlined in the presentation released on the 24th March 2021.

Slide 11 of the presentation provides an overview of the strategy and has been included below for reference. The full presentation can be viewed here: www.rewardle.com/ASX/MarchPresentation.



As outlined above, the Growth Services revenue, recurring Merchant Service fees and R&D rebate funds combine with the Company's efficient, operating cost base to form a cash flow breakeven operating structure that maintains all the Company's capabilities to operate and grow without requiring additional funding.

While fluctuations in cash flow are to be expected, especially while COVID-19 restrictions continue, management is pleased with the Company's progress towards achieving the “Stabilise” targets outlined above and believes achieving \$43k of positive operating cash flow in August represents a key milestone in the execution of its strategy.

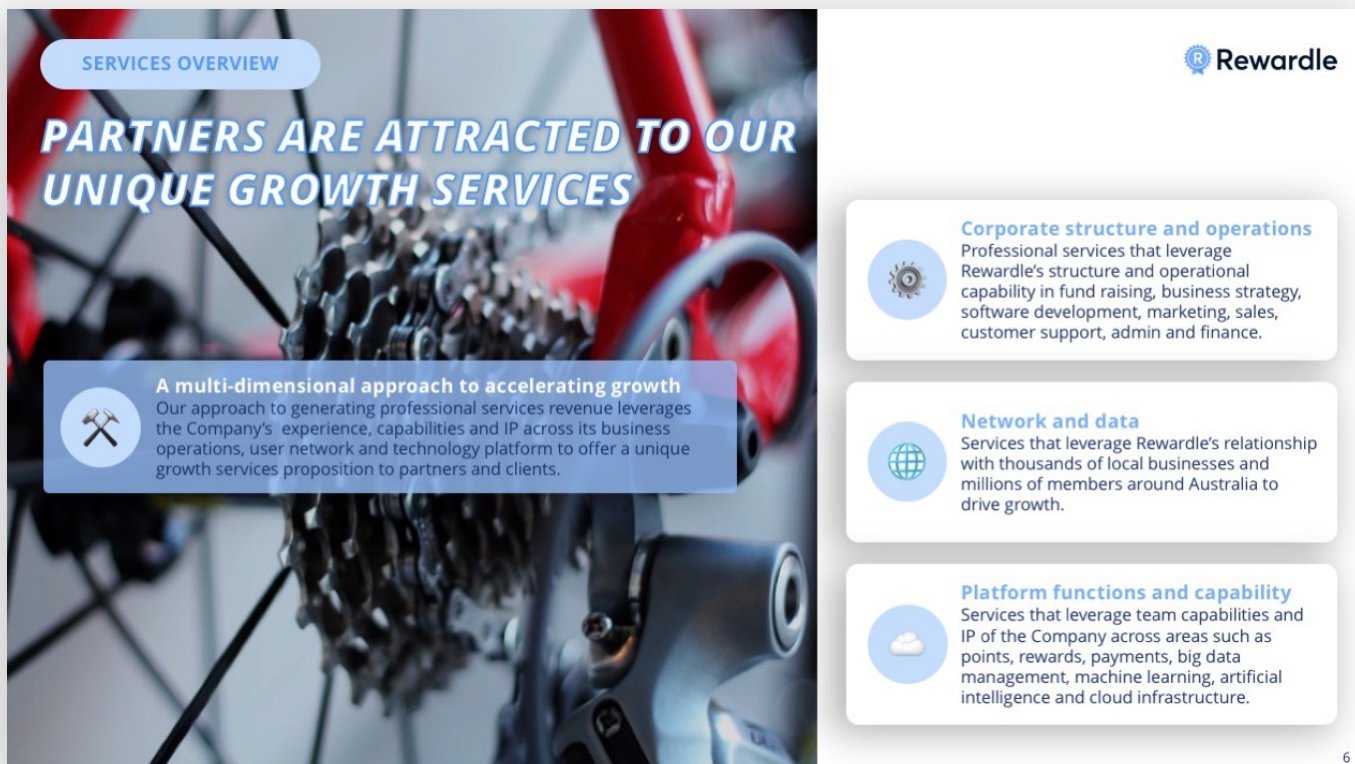
It should be noted that while September is on track to also be cash flow positive from operations, the Company is not forecasting the overall quarter to be cash flow positive but rather, that cash outflow is decreasing. In addition to its improving operating cash flow, the Company has commenced preparing its FY21 R&D rebate claim which will provide additional working capital to support the execution of the Company's plans.

While the current COVID-19 restrictions have created ongoing uncertainty, the Company is confident that it can maintain its positive momentum through the combination of professional services and licensing fees from developing new markets and opportunities, recurring merchant service fees and R&D rebate funds combining with management's ongoing work to achieve an efficient, low operating cost base.

Generating services revenue while developing new markets and opportunities

A key component of the Company's strategy to "Breakeven and Grow" is to leverage its operational capabilities, expertise and IP to generate professional services and platform licensing revenue while developing new markets and opportunities.

The rationale for Rewardle's growth services offering is detailed in the Strategy Update presentation which was released on 14th May 2021 and can be viewed in full at www.rewardle.com/asx/maystrategyupdate. Slide 6 of the presentation has been included below for reference.



SERVICES OVERVIEW

PARTNERS ARE ATTRACTED TO OUR UNIQUE GROWTH SERVICES

A multi-dimensional approach to accelerating growth
Our approach to generating professional services revenue leverages the Company's experience, capabilities and IP across its business operations, user network and technology platform to offer a unique growth services proposition to partners and clients.

- Corporate structure and operations**
Professional services that leverage Rewardle's structure and operational capability in fund raising, business strategy, software development, marketing, sales, customer support, admin and finance.
- Network and data**
Services that leverage Rewardle's relationship with thousands of local businesses and millions of members around Australia to drive growth.
- Platform functions and capability**
Services that leverage team capabilities and IP of the Company across areas such as points, rewards, payments, big data management, machine learning, artificial intelligence and cloud infrastructure.

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As outlined in the slide above, the Company's has developed a unique, multi-dimensional proposition for partners and clients that generates revenue by leveraging the Company's experience, capabilities and IP across its business operations, user network and technology platform. This has been termed "Growth Services" and is outlined in the Strategy Update released on 14 May 2021 which can be viewed at www.rewardle.com/asx/maystrategyupdate.

The Company is prioritising Growth Services engagements that generate short term cash flow and develop new markets and opportunities that have the potential to create long term value and benefits for the Company in areas such as ongoing transaction fees, software licensing, equity participation, enhanced network effects and user engagement.

As previously announced, the Company has established strategic equity positions with Beanhunter and Pepper Leaf via options agreements and software licensing with Cardiac Rhythm Diagnostics.

The Company is working on a pipeline of Growth Services opportunities and will provide further updates with respect to the progress of individual opportunities as appropriate, taking into consideration the nature and potential impact on the business.

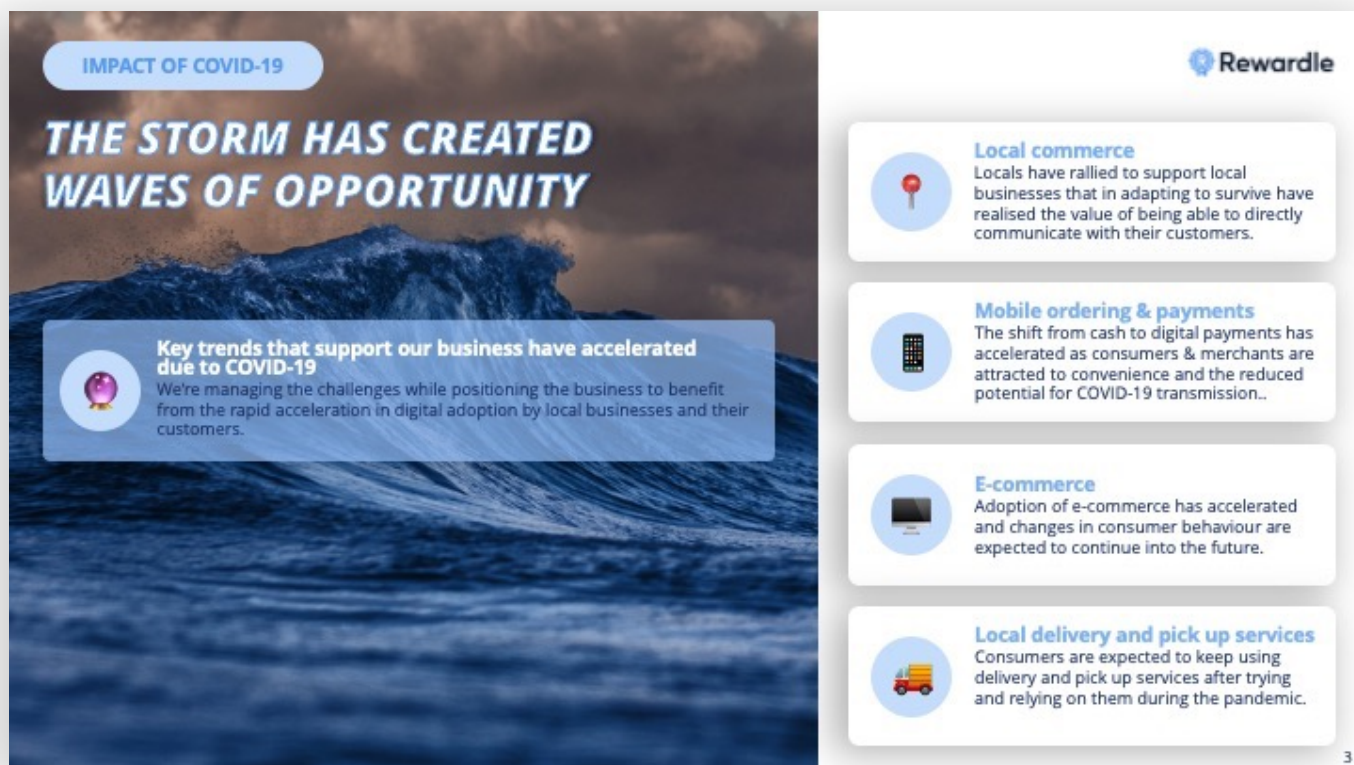
As a technology platform based business with largely fixed costs, the Company has the potential to generate highly profitable additional revenue by leveraging its capabilities and substantial network of local businesses and members that it has already been amassed.

Aligning with opportunities for future growth

Rewardle was established based on the understanding that macro technology trends are changing how consumers connect, engage and transact. The Company has successfully established a digital, mobile and transactional relationship with thousands of local businesses and millions of members around Australia.

While the COVID-19 pandemic has created short term operating challenges, it has also accelerated key macro trends that underpin Rewardle's founding thesis, business model and value proposition. In particular, the adoption of eCommerce/omni-channel retail, cashless payments and digital media.

These opportunities are outlined in slide 3 of the presentation released on the 24th March 2021 which is included below for reference. The full presentation can be viewed at: www.rewardle.com/asx/maystrategyupdate.



IMPACT OF COVID-19

THE STORM HAS CREATED WAVES OF OPPORTUNITY

Key trends that support our business have accelerated due to COVID-19
We're managing the challenges while positioning the business to benefit from the rapid acceleration in digital adoption by local businesses and their customers.

- Local commerce**
Locals have rallied to support local businesses that in adapting to survive have realised the value of being able to directly communicate with their customers.
- Mobile ordering & payments**
The shift from cash to digital payments has accelerated as consumers & merchants are attracted to convenience and the reduced potential for COVID-19 transmission..
- E-commerce**
Adoption of e-commerce has accelerated and changes in consumer behaviour are expected to continue into the future.
- Local delivery and pick up services**
Consumers are expected to keep using delivery and pick up services after trying and relying on them during the pandemic.

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While stabilising the Company's operations by generating professional services and platform licensing revenue to develop new markets and opportunities, the Company is continuing to invest in research and development to extend the capabilities of the Rewardle Platform enhancing its value proposition for local businesses and other commercial partners.

Previously announced engagements with Beanhunter, Pepper Leaf, SplitPay and Cardiac Rhythm Diagnostics enhance the Company's exposure to the accelerated adoption of ecommerce, home delivery, digital payments/BNPL and telehealth due to the COVID-19 pandemic.

The Company intends to launch new features and services that align with the accelerated adoption of eCommerce/omni-channel retail, cashless payments and digital media across its substantial Merchant and Member network to drive high margin, incremental revenue.

As a technology platform based business with largely fixed costs, the Company has the potential to generate highly profitable additional revenue by leveraging its capabilities and substantial network of local businesses and members that has already been amassed.

About Rewardle Holdings Limited

The Company's business is based on the development, operation and commercialisation of a proprietary Business to Business to Consumer (B2B2C) software platform and the Company has developed the requisite operational capabilities and expertise for this undertaking.

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. It connects millions of members with thousands of local businesses across Australia.

The Company is led by an experienced entrepreneurial team with a successful background in Internet and media businesses and is positioned to be a leading player as media, marketing, and payments converge on mobile devices to transform how we connect, share and transact.

As part of its long term strategy, the Company is seeking to leveraging its operational capabilities, expertise and IP to develop new markets and opportunities. The Company is actively pursuing opportunities to create long term value and benefits through ongoing transaction fees, software licensing, equity participation, enhanced network effects and user engagement.

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