

FINANCING SECURED TO FUEL GROWTH

FY22 R&D FINANCING - \$290k RECEIVED

Key Highlights and Summary



Positive momentum in Q4 and \$290k R&D financing received to support future growth

The Company is successfully managing its working capital needs while investing in growth strategy initiatives without the need for additional funding.



Growth strategy is on track and gaining momentum

Strategy to develop a range of growth opportunities from the current cost base by leveraging the Company's existing IP, network and resources is on track and expected to deliver strong growth in FY23.



Well prepared to grow through macroeconomic ups and downs

The Company's multi-dimensional growth strategy and agile operating structure can be adapted as required to continue delivering growth.

Rewardle Holdings Limited (ASX:RXH) ("**Rewardle**" or the "**Company**") provides the following update with respect to establishing an R&D financing facility to support the execution of its strategy to drive growth through operating leverage.

As anticipated in the March Quarterly Activities Update, the positive operating momentum continued during the June quarter and the Company has arranged financing of its FY22 R&D rebate to support accelerating growth into FY23.

As per the Company's growth strategy, cash flow generated by leveraging its operations, resources and capabilities is being invested into growth initiatives to create a compounding growth flywheel effect for the business moving forward.

The momentum gathered in the June quarter is already being carried into FY23 and the business is becoming more robust as its diverse range of revenue streams and opportunities are developed.

Additional detail with respect to the June quarterly performance and the Company's investment in growth initiatives will be included in the June Quarterly Activities Report which will be released in coming weeks.

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

"We're very happy with the progress of our growth strategy, in particular the development of our high growth equity portfolio through our arrangements to convert service fees into equity."

"The R&D financing we've arranged allows us to continue aggressively maximising our fee to equity conversion opportunities while ensuring sufficient working capital is available to support our new growth initiatives while they gain traction."

"Our next focus is returning resources to growing our merchant services revenue and preparing to launch new features in the Rewardle app for members that can generate additional, high margin revenue."

"While we find ourselves emerging from the COVID-19 pandemic to face macroeconomic headwinds, we're confident that our multi-dimensional growth strategy and agile operating structure can be adapted as required so the business can operate and grow without requiring additional capital."

FY22 R&D financing to fuel growth

The Company has established a \$290k financing facility for its FY22 R&D activity (up to the end of May 2022) with specialist R&D lender Radium Capital (Radium). The FY22 R&D financing provides the Company with non-dilutive working capital that will be used to accelerate the development of its growth initiatives.

The R&D Tax Incentive is an Australian Government scheme which supports investment in innovation under which companies receive cash refunds for eligible expenditure on research and development benefiting Australia. The Company's has previously received refunds under scheme.

Due to its highly strategic nature, the Company has maintained its commitment to investing in research and development during FY22 while balancing the commercial challenges of steering the business to consistent cash flow positive operations.

While R&D expenditure is incurred progressively during the the Financial Year, the refunds from the program are typically received 3-9 months from the end of Financial Year. Due to this timing asymmetry Radium has developed a financing model to provide eligible companies with working capital advances secured by forecast R&D refunds.

The financing facility established with Radium allows the Company to manage the cashflow asymmetry associated with the timing difference between investment in research and development activity and receipt of the R&D refund.

The Agreement with Radium is based on standard terms customary for this type of financing facility including the following key terms:

- Loan amount: \$289,035
- Security: Rewardle's FY22 R&D rebate
- Interest rate: 14% PA
- Maturity date: Earlier of 30 November 2022 or receipt of FY22 R&D rebate

The Company is in the process of preparing its FY22 R&D claim which when processed will retire the Radium loan and provide additional working capital to support the Company's execution of its growth strategy.

Successfully executing growth strategy

As outlined in the Investor Presentation released on 22nd December 2021, the Company is driving growth by developing opportunities that leverage its operations, resources and capabilities.

Slide 7 of the presentation provides an overview of the Company's key growth areas and has been included below for reference. The full presentation is available to view at: www.Rewardle.com/ASX/InvestorPresentationDec2021.



KEY GROWTH AREAS

LEVERAGING OUR PLATFORM, NETWORK AND OPERATIONAL CAPABILITY

GROWTH

Multiple high growth opportunities

Rewardle's Business to Business to Consumer (B2B2C) technology platform business model offers multiple opportunities to generate highly profitable additional revenue and grow by leveraging existing operating resources and capabilities.

- Generate cash flow positive merchant sales**
New sales process, product offering & pricing transform merchant sales from negative to positive cash flow.
- Launch high margin, features and services**
Ongoing investment in platform features and functionality to launch new, high margin digital services for merchants & members.
- Explore geographic expansion opportunities**
The Rewardle Platform is a cloud/app based solution designed to operate globally with minimal, incremental operating costs.
- Create VC style portfolio of strategic partnerships**
Develop a portfolio of transactional, licensing and equity positions in complementary partner businesses to create VC style exposure.

OPERATING LEVERAGE

LARGE, ESTABLISHED, NATIONAL NETWORK OF MERCHANTS AND MEMBERS

LOW OPERATING COST BASE, COMPLETE OPERATING CAPABILITY

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Successfully executing growth strategy ... (cont.)

As anticipated in the March Quarterly Activities Update, the Company has experienced an acceleration in positive operating momentum during the June quarter. As per its strategy, cash flow has been and will continue to be invested into the growth initiatives to create a compounding growth flywheel effect for the business moving forward.

Additional detail with respect to the June quarterly performance and the Company's investment in growth initiatives will be included in the Company's June Quarterly Activities Report which will be released in coming weeks.

The Company's growth strategy includes the development of a portfolio of transactional, licensing and equity positions in complementary partner businesses. Having established agreements with SplitPay (UK BNPL) and Cardiac Rhythm Diagnostics (Cardiac MedTech) to convert fees into equity, the Company's initial growth focus has been on building its high growth equity portfolio in these partner businesses.

While the broad downturn in the BNPL sector has resulted in SplitPay scaling back operations to review its strategy, Cardiac Rhythm Diagnostics has continued to perform well. The Company has accelerated the growth of Cardiac Rhythm Diagnostics by providing additional resources and is sharing in the upside being created through the conversion of service fees into equity.

In addition to the ongoing development of the Company's portfolio of transactional, licensing and equity positions in complementary businesses, it is returning resources to growing merchant services revenue and launching new features in the Rewardle app for members that can generate additional, high margin revenue.

To support these growth initiatives, the Company has arranged to finance its FY22 R&D rebate and received \$290k. The R&D financing allows the Company to continue aggressively maximising its fee to equity conversion opportunities while ensuring sufficient working capital is available to support its new growth initiatives to gain traction.

As outlined above, the Company's growth strategy is well on track and the positive momentum gathered in the June quarter is being carried into FY23.

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

About Rewardle Holdings Limited

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.

Rewardle is a software business undertaking the development, operation and commercialisation of its proprietary Business to Business to Consumer (B2B2C) software platform (Rewardle Platform).

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

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.

In addition to operating the Rewardle Platform, the Company is building a portfolio of transactional, licensing and equity positions in partner businesses by leveraging the Company's operational team, platform and network of merchants and members.

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

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