

REWARDLE ACQUIRES YOURGROCER

A PIONEERING E-COMMERCE GROCERY SERVICE

Key Highlights and Summary



Rewardle has acquired pioneering e-commerce grocery service YourGrocer

Rewardle has acquired 100% of shares and is assuming the ongoing operating liabilities of pioneering e-commerce grocery service YourGrocer, which commenced an orderly wind up of its business in late 2022.



Rewardle will integrate YourGrocer's operations into its broader growth strategy

YourGrocer's grocery marketplace and delivery operations will be integrated into the Rewardle Platform and leveraged into Rewardle's partnership with Pepper Leaf, a Melbourne based Meal Kit delivery service.



YourGrocer transaction to be funded from Rewardle's operating cash flow

Shares acquired for ~\$3k and Rewardle will take on the ongoing operating obligations of YourGrocer which will be funded from Rewardle's cash flow and leveraged across the business.

Rewardle Holdings Limited (ASX:RXH) ("Rewardle" or the "Company") has acquired 100% of the shares of Your Grocer Pty Ltd ("YourGrocer") for ~\$3,000, taking on its assets (\$301k), liabilities (\$218k) and ongoing operational obligations.

YourGrocer, which ceased operations and commenced an orderly wind up of its business in late December 2022, is an e-commerce grocery retailer that allowed customers in metropolitan Melbourne to order from a marketplace of independent local grocers, fruiterers, butchers and fishmongers.

While YourGrocer has ceased operations, the assets and ongoing operating obligations of YourGrocer align with Rewardle's growth strategy, particularly the development of its strategic partnership with Pepper Leaf, a Melbourne based meal kit delivery service.

In keeping with the Company's strategy to operate and grow without the need for additional funding, the transaction will be funded from operating cash flow.

Based on Rewardle's discussions and investigations to date, the costs associated with the transaction are not expected to be material and the Company will provide updates with respect to the progress of relaunching and integrating YourGrocer as part of its regular, operational updates.

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

"Groceries, points and rewards are a proven winner with Aussie consumers. We believe that the combination of Rewardle and YourGrocer can create an innovative, local community powered grocery service."

"YourGrocer is a pioneer of grocery delivery in Australia and we have huge respect for what their team achieved. Over the past decade they built a beloved service and brand that brought together an amazing community of customers, employees, producers, and investors."

"We're excited about the opportunity to build on their work and carry on the mission of enabling local merchants to connect and transact with their local community."

YourGrocer's Founder and Managing Director, Morgan Ranieri, said;

"I'm excited that YourGrocer's journey and the mission I've invested ten years of my life into is not over."

"There is a huge opportunity for an innovative service to challenge the well entrenched grocery giants by harnessing changing consumer behaviours and technology to disrupt the status quo."

"I believe Rewardle is well positioned to leverage our many years of work into something very exciting."

YourGrocer Business and Transaction Summary

YourGrocer was founded in 2013 and has been a pioneer of online grocery ordering and delivery in Australia. In late December 2022 the business ceased accepting orders and commenced an orderly wind up of its operations.

Started in the Melbourne suburb of Brunswick, YourGrocer offered customers across metropolitan Melbourne a better way to shop for fresh, healthy and delicious food that saved time and effort while supporting local businesses.

YourGrocer's local marketplace model allowed customers to order grocery items from multiple local shops, markets, farms and producers that was consolidated into a single order and delivered by the Company's fleet of refrigerated vans.

For the past decade YourGrocer has facilitated online ordering and delivery of groceries from a marketplace of around 85 independent grocers, fruiterers, butchers and fishmongers for thousands of customers across metropolitan Melbourne.

YourGrocer has developed proprietary technology and operating know how to solve the complex challenges of large-scale grocery delivery that enable its team and partners to work smoothly, with minimal overheads while delivering industry-leading levels of customer satisfaction.

During 2022 YourGrocer faced a series of operational and funding challenges and in late December 2022 the business ceased accepting orders and commenced an orderly wind up of its operations.

While YourGrocer has ceased trading, its assets and remaining operational obligations such as premises and vehicle leases align with Rewardle's strategy for developing its portfolio of rewards and partnership with Pepper Leaf, a Melbourne based meal kit delivery service.

Following preliminary discussions and investigation, Rewardle determined that it could best leverage the opportunity by acquiring 100% of the issued capital of YourGrocer. Key terms of the transaction are outlined below:

- Rewardle has acquired 100% (on a fully diluted basis) of YourGrocer's issued equity at a nominal value of \$0.001/share.
- Total consideration paid = \$2,898.
- Morgan Ranieri (YourGrocer's founder) has been engaged as a consultant to YourGrocer for at least 3 months from completion to assist with relaunch and integration of the business.
- Rewardle intends to establish an employee share scheme for YourGrocer which Morgan Ranieri (YourGrocer founder) will participate in.

The costs associated with the transaction are not expected to be material. The share purchase is a nominal value (~\$2,898) and the ongoing operating obligations of YourGrocer, primarily premises and vehicle leases, will be funded from Rewardle's operating cash flow and leveraged across Rewardle's broader operations and partnerships.

The Company will provide a updates with respect to the progress of relaunching and integrating YourGrocer, as part of its regular operational updates and reporting.

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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