

MICRO-INVESTING ACQUISITION COMPLETED

DISTRIBUTION RIGHTS FOR UPSTREET FUND

Key Highlights and Summary



Completion of micro-investing acquisition to extend the Rewardle Platform's capability

Rewardle has completed the acquisition of the distribution rights for the Upstreet fund for \$30,000 (once off) and ~\$15,000/month (ongoing operating cost), which will provide the Rewardle Platform with micro-investing capability.



Low risk, high reward approach to adding micro-investing capability to Rewardle Platform

The transaction substantially reduces the cost and accelerates the speed to market of extending the Rewardle Platform to include micro-investing capability.



Integration of the micro-investing functionality into Rewardle Platform has commenced

Initial implementation expected to be live in the next 2-3 weeks with phased releases of additional features and functionality to follow in coming months.

Rewardle Holdings Limited (ASX:RXH) ("Rewardle"; or the "Company") provides the following update with respect to completion of its agreement with Cache Investments Ltd ("**Cache**") to acquire the distribution rights for the Upstreet Fund ("**Fund**").

As previously outlined, the Fund was established for Upstreet (**Upstreet**), an Australian fintech founded in 2019 out of the Antler venture capital accelerator program. Upstreet is the promoter/distributor of the Fund and Cache is the manager/administrator of the Fund.

Upstreet's initial concept was to reward shoppers with fractional shares in the Australian and US stocks when buying everyday items; in a similar manner to cash back apps. More recently, Upstreet pivoted its strategy to offer its fractional equity based platform to companies as a software solution to facilitate a modern, mobile first version of equity based staff rewards and recognition programs.

Having raised ~\$5m to launch and operate over the past 4 years, Upstreet recently announced that it was winding down its business and provided wind up instructions to Cache who secured the exclusive rights to appoint a new distributor/promoter to the Fund and entered into a binding Term Sheet with the Company.

The Company has completed its due diligence and entered into formal agreements with Cache, with costs associated with the transaction to be funded from its operating cash flow in keeping with the Company's strategy to operate and grow without the need for additional funding.

The Company will provide updates with respect to the integration of micro-investing features into Rewardle Platform and associated commercial progress as appropriate.

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

"We're looking forward to bringing micro-investing features and functionality to life as part of the Rewardle Platform. Embedding micro-investing capability into our mobile app is an exciting opportunity to build engagement and add value for our members."

"Extending the Rewardle Platform's capability to include micro-investing aligns with our strategy of developing new membership features that can generate high margin, digital revenue streams from our large, existing app membership."

"Our initial focus will be on supporting the existing partners and unit holders of the fund and then we'll move on to developing new features and benefits for our broader membership."

Upstreet Fund Background and Opportunity Summary

The Upstreet Fund (**Fund**) was established for Upstreet (**Upstreet**), an Australian fintech founded in 2019 out of the Antler venture capital accelerator program. Upstreet is the promoter/distributor of the Fund and Cache Investments Ltd ("**Cache**") is the manager/administrator of the Fund.

Upstreet's initial concept was to reward shoppers with fractional shares in the Australian and US stocks when buying everyday items; in a similar manner to cash back apps. More recently, Upstreet pivoted its strategy to focus on offering its fractional equity based platform to companies as a modern version of traditional equity based staff rewards and recognition programs.

Having raised ~\$5m to launch and operate over the past 4 years, Upstreet recently announced that it was winding down its business and issued wind up instructions to Cache who secured the exclusive rights to appoint a new distributor/promoter to the Fund and entered into a binding Term Sheet with the Company.

While Upstreet was ultimately unsuccessful, the Company believes it is uniquely placed to leverage Upstreet's learnings, micro-investing platform infrastructure and thousands of investor accounts that have been established.

For example, an Upstreet early partner was meal kit retailer Marley Spoon (ASX:MMM). As reported in the AFR, Upstreet users were offered \$45 worth of fractional equities as a sign-up bonus, as well as 2 per cent of meal kit value purchased from Marley Spoon being rebated back to the customer in Marley Spoon shares. The learnings and insight with respect to the impact of equity ownership on customer lifetime are relevant to the Company's partnership with rival meal kit service provider Pepper Leaf, and more broadly, the Company's recent acquisition and relaunch of Your Grocer, an online grocery marketplace and delivery service.

Acquiring the distribution rights for the Fund aligns the Company's strategy to leverage its operational capabilities, expertise and IP to expand into new markets and opportunities. It substantially reduces the cost and time associated with extending the Rewardle Platform's capabilities to include micro-investing features that can be leveraged across the substantial membership base that the Company has amassed, to generate new, high margin digital revenue streams.

Key terms of the transaction to acquire distribution rights for the Fund are as follows:

- RXH/Rewardle will rebrand the Fund and convert it into a new offering (that may be similar or different to Upstreet's offering).
- RXH/Rewardle will use reasonable endeavours to re-seed the Fund and will allow all unitholders to redeem their investment as soon as reasonably practicable. Any investment option that cannot be re-seeded will be shut down, allowing unitholders to redeem their investment.
- This agreement does not include any technology or services from Upstreet (such as Upstreet App or backend technology), it is purely related to the distribution rights for the Fund (including accountholders, Funds Under Management etc).
- RXH/Rewardle will pay Cache an amount of \$30k which will be paid to Upstreet to acquire the distribution rights for the Fund.
- RXH/Rewardle will pay Cache \$15k per month (plus GST) under a Platform Agreement.

The purchase of the distribution rights (\$30,000 once off) and the the ongoing operating costs (~\$15k/month) to Cache will be funded from Rewardle's operating cash flow, with other operational resources required being leveraged from Rewardle's broader operations and existing cost base.

The Company will provide updates with respect to the integration of micro-investing features into Rewardle Platform and associated commercial progress as appropriate.

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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