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Rewardle Holdings Limited

ACN 168 751 746

5 September 2025

Dear Shareholders,

We're pleased that the release of our Appendix 4E – Preliminary Report brings the Company back into compliance with its outstanding financial reporting obligations.

This is a key milestone in addressing matters raised by the ASX in its letter to the Company dated 25 July 2025. We believe these can be appropriately resolved and look forward to engaging constructively with the ASX as we seek re-quotation of the Company's shares which will allow the market to properly reflect the successful execution of our growth strategy in the value of our shares. In this regard we note that on 1 September 2025 ASX raised further queries with us that we are due to respond to on Monday 8 September 2025.

For those unfamiliar with our journey, the COVID-19 pandemic posed an existential threat to the Company due to its impact on independent local businesses—our initial target market for our proprietary Business-to-Business-to-Consumer (B2B2C) software platform.

As Elon Musk famously said, *"Being an entrepreneur is like eating glass and staring into the abyss of death*". As we faced down and then moved on from the pandemic this quote has often come to mind as at times the abyss has loomed large and there has been plenty of glass to chew!

To take control of our destiny and protect shareholder value during this period of uncertainty, the Company adopted a strategy to leverage its operational capabilities, expertise, and IP to generate cash flow while developing new markets and opportunities. A key consideration was to avoid dilutive capital raising on unattractive terms while the Company was on its knees—which we have successfully done.

Over time, our survival strategy has evolved into our long-term growth strategy, and we've reinvested cash flow generated from operations into growth initiatives, creating a compounding flywheel effect to build shareholder value.

In FY25, our primary focus was our Growth Services engagement with CloudHolter Pty Ltd (CloudHolter), a fast-growing cardiac MedTech company that has opened a new market opportunity for our software platform in the healthcare sector. CloudHolter provides GPs with an innovative, in-practice cardiac testing service to diagnose heart rhythm issues and is developing an AI-powered ECG analysis solution with potential global application.

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As per our growth strategy, and as detailed in our quarterly reports, we've used a significant portion of our licensing and professional services fees from CloudHolter to subscribe for shares in CloudHolter under an agreement that has allowed us to balance operating cash flow needs with the opportunity to share in the upside we're helping to create. To date, the Company has invested $24.85 million to establish a 49.9% shareholding in CloudHolter - the maximum permissible under our arrangement with CloudHolter.

As set out in our most recently quarterly report, during the June quarter, CloudHolter raised capital via the issue of convertible debt to unrelated sophisticated investors based on a pre-money valuation parameter of $100 million. This provides an externally validated implied market value of the Company's investment in CloudHolter of $49.9 million.

While our relationship with CloudHolter has been successful in generating both significant revenue and equity upside potential, it created challenges in preparing our financial reports. Regrettably, trading in the Company's listed securities was suspended due to delays in lodging our FY23 accounts. The delay was primarily due to delays in obtain audited accounts for CloudHolter - a private company we do not control and have no board representation on which has a different auditor to ours.- These accounts were required to enable our Company's accounts to be finalised using the mandated equity accounting treatment for our investment in CloudHolter..

Although it has taken longer than anticipated to restore financial reporting compliance, we are confident that resourcing, coordination, and access issues have been addressed to ensure timely financial reporting going forward.

While the Company was profitable on a standalone basis in FY25, the application of equity accounting under AASB 128 for our investment in CloudHolter has contributed to a significant negative equity balance for the consolidated entity. Specifically, the carrying value of our investment in CloudHolter on the consolidated balance sheet has reduced to approximately $70,000, down from $4.64 million in the prior year. This carrying value includes recognition of the Company's share of CloudHolter's financial losses - typical of a "start-up" in its growth phase - which losses have been funded by Cloudholter through a combination of equity, convertible notes, and loans from Cloudholter's controlling shareholder.

To be clear, the reduction in the carrying value of CloudHolter on the Company's balance sheet is not due to impairment, market revaluation, cash outflow, write-off, change in ownership, or contractual arrangements. It reflects the application of equity accounting under AASB 128 to our investment in a start-up phase business. We believe our investment in CloudHolter has strong potential to deliver future returns through its combination of fast-growing diagnostic revenue and proprietary labelled data, which underpins its AI diagnostic software development.

Since 30 June 2025 our cash balance has increased from ~$1.2 million at 30 June to ~$2.3 million at the end of August 2025 as we've continued to receive Growth Services fees from CloudHolter which supports our working capital needs and will be applied to reducing accrued payables, which increased during FY25 in part due to the Company prioritising CloudHolter equity subscriptions to capture and maintain the maximum potential exposure to equity upside for our shareholders.

While CloudHolter was our primary focus in FY25, we also applied resources and made progress on the development of the local membership, points, rewards, and payments application of our B2B2C platform.

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Strategic investments made in prior periods have been integrated into the platform and operations, and beta testing of new merchant and member services is underway. These initiatives are designed to generate high-margin, incremental revenue and provide substantial future growth opportunities for the Company.

The past few years have tested us, but we are emerging stronger and more resilient, with a clear strategy that we are successfully executing to deliver meaningful long-term value for shareholders.

As always, I welcome interested investors to contact me directly via email or mobile to discuss our strategy, progress, and prospects.

Kind regards,

Ruwan Weeasooriya
Executive Chairman