

Shares:	188,435,949	Merchants (as at 31 Dec 2016):	5,459
Market cap (@ \$0.03):	\$5.65m (Approx)	Members (as at 31 Dec 2016):	2,216,613
Cash (as at 31 Dec 2016):	\$0.78m (Approx)	Check-ins (as at 31 Dec 2016):	39.9m

# Operational Update

## Key highlights

- **Paying Merchants and recurring Merchant Services revenue continued to grow.**
- **Consistent advertising revenue from Brand Partnerships continuing to develop.**
- **Monthly operating costs reduced substantially with potential for further cost reduction identified.**
- **Improving cash flow due to growing revenue and reductions in operating costs.**
- **Ongoing extension of platform capabilities and revenue opportunities including launch of Postcoder.com.au and beta-testing of universal points functionality.**
- **Working capital bolstered by receipt of \$1.4m R&D Tax Incentive program refund claim.**

Rewardle Holdings Limited ("Rewardle" or the "Company") is pleased to provide the following summary of operational progress for the March quarter. A more comprehensive March Quarterly Report is planned to be released at the end of April in conjunction with the Appendix 4C.

Management is pleased with continued progress against objectives of reducing operating costs whilst growing existing and new revenue streams that leverage the growing network, platform data and operations of the business.

Having initially focused on establishing network scale, the transition to commercialisation is well underway and Management is continuing to work on lowering the cost to acquire and serve the Merchants, whilst maintaining high levels of service and Merchant satisfaction.

Paying Merchants and recurring Merchant Services revenue continued to grow in line with Management expectations. Following the seasonal slow down associated with the months of December and January, growth rates are expected to increase in coming quarters.

Consistency of advertising revenue from Brand Partnerships is continuing to develop. A positive signal for Rewardle's media proposition during the quarter was receipt of its third advertising booking from a "Big 4" bank following initial test and learn advertising conducted during 2016.

Cash flow improved as a result of growing revenue and reductions in operating costs. Management expects cash flow to continue improving as working capital is managed by balancing operating costs against closely monitored revenue generation targets.

The Rewardle Platform continues to be developed and extended to enhance existing and create new revenue streams. Postcoder.com.au, an online city guide powered by Rewardle, was launched in Melbourne, Sydney and Brisbane with advertising support from Lion Beer brands. Initial beta-testing of Rewardle's universal point currency has also commenced.

Working capital was bolstered during the quarter with a \$1.4m refund claim under the Federal Government's Research and Development (R&D) Tax Incentive program processed and funds received.

## **About Rewardle Holdings Limited**

Rewardle connects over 2.2 million Members with over 5,400 local businesses around Australia.

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.

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.

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

### **For more information please contact:**

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