

Shares:	188,435,949	Merchants (as at 31 Mar 2017):	5,230
Market cap (@ \$0.03):	\$5.65m (Approx)	Members (as at 31 Mar 2017):	2,348,627
Cash (as at 31 Mar 2017):	\$1.24m (Approx)	Check-ins (as at 31 Mar 2017):	43.7m

March Quarterly Report

Key highlights

- **Paying Merchants continued to grow with 2172 paying recurring Merchant Services fees as at 31 March.**
- **Paying Merchant growth of approximately 8% over a seasonally slow period is expected to accelerate in coming quarters.**
- **Consistent advertising revenue from Brand Partnerships is underpinned by the development of new advertising inventory units and the growing scale of the Rewardle Network.**
- **Substantial reduction of more than \$400,000 in quarterly cash outflow due to combination of growing cash receipts and reduced 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 resulting in \$1.24m cash on hand as at 31 March.**

Commenting on the quarterly performance, Rewardle founder and Managing Director, Ruwan Weerasooriya, said;

"Our transition to commercialisation is well underway with growing cash receipts and reduced operating costs resulting in a substantial reduction in operating cash outflow."

"We believe the significant reduction in our cash outflow for the quarter is the start of a trend that is underpinned by our focus on balancing operating costs against closely monitored revenue generation targets."

"While we are pleased with the progress made during the March quarter there is plenty of work ahead and we are doubling down on our efforts to grow revenue and reduce costs."

Network summary

	Merchants	Members	Check-ins	Prepaid Added	Prepaid Used	Prepaid Held
As at 31 Mar 2017	5230	2,348,627	43,738,905	\$5,585,785	\$4,451,917	\$1,133,868

Operational Update

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.

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 with a key highlight being repeat media bookings from a "Big 4" bank brand following initial test and learn advertising conducted during 2016.

The restructuring of Merchant acquisition and account management as part of the transition from Network establishment to commercialisation has resulted in a substantial, ongoing reduction in operating costs while maintaining servicing capability. Further restructuring is planned in coming periods and is expected to deliver further cost efficiencies.

Management expects the trend of reducing cash outflow to continue 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 commenced and iterations are being implemented based on beta user feedback.

Working capital management

During the quarter working capital was bolstered by a \$1.4m refund claim under the Federal Government's Research and Development (R&D) Tax Incentive program which was processed and funds received. As at 31 March the Company had \$1.24m cash on hand.

Rewardle is demonstrating growing cash receipts while substantially reducing operating costs. These trends are expected to continue as management remains focussed on aligning operational costs with revenue generation and balancing operating costs against closely monitored revenue targets.

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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