

Shares:	323,033,055	Merchants (as at 30 Sept 2017):	5,006
Market cap (@ \$0.015):	\$4.85m (Approx)	Members (as at 30 Sept 2017):	2,639,126
Cash (as at 30 Sept 2017):	\$1.01m (Approx)	Check-ins (as at 30 Sept 2017):	51.0m

September Quarterly Report

Key highlights

- **Stable base of Paying Merchants maintained while implementing initiatives to more efficiently acquire and manage clients (2269 Paying Merchants as at 30 September).**
- **Consistent advertising revenue from Brand Partnerships with bookings received from Suncorp, Mastercard and Commbank.**
- **Ongoing extension of platform capabilities and revenue opportunities including national operation of Postcoder.com.au and beta-testing of universal points functionality.**
- **Operating costs being closely monitored against budgets and revenue generation targets.**
- **Working capital bolstered by receipt of circa \$2m from fully underwritten rights issue with \$1.01m cash on hand as at 30 September.**
- **FY2017 Federal Government's Research and Development (R&D) Tax Incentive rebate submission being prepared.**

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

"We have maintained our paying merchant base while implementing a number of initiatives that support our goal of more efficiently acquiring and managing local business partners using the Rewardle Platform."

"In addition to more efficiently growing our existing revenue streams we continue exploring opportunities to leverage our significant merchant and member scale to develop new revenue streams."

"Development of our universal point currency is one of these opportunities and we are pleased with beta-user feedback and interest in our pre-registration program."

"Moving forward we remain focused on operating within our budgets, taking into account funding from the recent capital raising, our anticipated FY17 R&D rebate which is being prepared for submission and developing commercial operations."

Network summary

	Merchants	Members	Check-ins	Prepaid Added	Prepaid Used	Prepaid Held
As at 30 Sept 2017	5,006	2,639,126	51,038,725	\$6,471,170	\$5,243,865	\$1,227,305

Operational Update

Management is continuing to focus on the key objectives of reducing operating costs whilst growing existing and new revenue streams that leverage the growing network, platform data and operations of the business.

A variety of initiatives to decrease costs associated with sales and account management were implemented during the quarter and are expected to deliver results in coming periods. The operational changes are expected to reduce the cost to acquire paying merchants while accelerating the growth in recurring Merchant Services revenue.

Media bookings from Suncorp, Mastercard and Commbank contributed to consistent advertising revenue however timing associated with campaign invoicing has resulted in a short term impact on cash outflow which will be largely offset in the December quarter. Management is exploring a variety of partnerships opportunities to unlock further value from Rewardle's substantial network and transactional data set.

The Rewardle Platform continues to be developed and extended to enhance existing revenue streams and create new revenue opportunities.

Postcoder.com.au, an online city guide powered by Rewardle, is now operating nationally and revenue has been booked across all capital city markets.

Beta-testing of Rewardle's universal point currency continues and a pre-registration program for member access has been launched in the Rewardle app and via member communications.

Feedback from beta-testers has been encouraging and assisted in enhancing the user experience and value proposition. We are also very pleased with the level of pre-registrations which demonstrates valuable member engagement.

Working capital management

Management continues to manage working capital by balancing operating costs against closely monitored revenue generation targets.

During the quarter the Company raised approximately \$2m (before costs) via an underwritten rights issue. As at 30 September the Company had circa \$1m cash on hand and anticipates receiving its FY2017 Federal Government's Research and Development (R&D) Tax Incentive rebate prior to end of the December quarter.

The business is being managed against an operating budget that anticipates sufficient working capital to meet the target objectives for FY18 based upon:

- Working capital from the recent capital raising
- Anticipated FY17 R&D Tax Incentive
- Completion of partnership (see ASX announcement 4th April 2017: Strategic Partnership with Pioneer Credit)
- Existing commercial operations and planned initiatives

Management is focussed on growing cash receipts while reducing operating costs and is focus on aligning operational costs with revenue generation and balancing operating costs against closely monitored revenue targets.

The board is regularly reviewing operating budgets and strategy taking into consideration a variety of commercial and corporate scenarios and opportunities.

About Rewardle Holdings Limited

Rewardle connects over 2.6 million Members with over 5,000 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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