

Shares:	327,642,540	Merchants (as at 31 Mar 2018):	4,900
Market cap (@ \$0.009):	\$2.95m (Approx)	Members (as at 31 Mar 2018):	2,853,075
Cash (as at 31 Mar 2018):	\$0.87m (Approx)	Check-ins (as at 31 Mar 2018):	57.2m

March Quarterly Operational and Cash Flow Update

Key highlights

- **Management’s focus on operational improvements has delivered a strong reduction in net cash outflow during the March Quarter while growing Rewardle’s substantial network of Merchants and Members.**
- **Record cash receipts of \$0.818 during the March Quarter from Merchant Services and Brand Partnerships.**
- **FY18 YTD Receipts from customers of \$1.463m is 35% higher than same period in FY17 and already 13% higher than \$1.294m for full FY17.**
- **Net cash used in operating and investing activity (excluding R&D rebate) was reduced by 58% from \$0.91m in December Quarter to \$0.38m in March Quarter.**
- **Focus on operational improvements has delivered a 38% reduction in cash used for operating and investing activity for FY18 YTD compared to same period FY17.**
- **\$1,003,440 refund for FY17 under the Federal Government’s Research and Development (R&D) Tax Incentive program was processed and funds received.**

Commenting on the quarterly activities, Rewardle founder and Executive Chairman, Ruwan Weerasooriya, said;

"Our focus on improving sales capability while managing costs is flowing through to our results and we are pleased with the progress we are making towards cash flow breakeven operations."

"Our team is committed to working to tight budgets and managing our working capital by balancing operating costs against closely monitored revenue generation targets."

"Our improving operational efficiency is giving us a more sustainable basis for accelerating growth of our network and we are continuing to invest in the development of the Rewardle Platform, including our R&D initiatives."

"Growing scale and technical capability supports our pursuit of short term commercialisation opportunities and longer term strategic goals."

"We are currently completing our Strategy and Budget planning process for the new Financial Year and expect to provide an update on this work in the near future".

Network summary

	Merchants	Members	Check-ins	Prepaid Added	Prepaid Used	Prepaid Held
As at 31 Mar 2018	4,900	2,853,075	57,155,401	\$7,176,860	\$5,876,966	\$1,299,894

Operational Update

Merchant Services acts as the central component of Rewardle's business model. The additional opportunities to monetise the Merchant and Member network through advertising, loyalty points and payments is enhanced by more cost effectively growing and servicing Rewardle's Merchant Network.

During the March Quarter the new CRM system and associated changes to Merchant Services operations were trialled with a small number of new and existing team members. Following positive initial feedback these changes are being deployed across the business. The stronger sales system that has been implemented is combining with the new product options and telco partnerships to deliver a substantially enhanced economic model for the business moving forward.

Brand Partnership activity for Suncorp, Mastercard, Commbank, energy drink Carabao and Pioneer Credit contributed significantly to the strong March Quarterly cash receipts. While fees from Merchant Services are recurring and hence more predictable, Brand Partnership income is typically once off and less predictable. Through a combination of direct sales and development of agency partnerships the Company is seeking to develop a more substantial pipeline of Brand Partnership opportunities with organisations seeking to access Rewardle's substantial network and transactional data set.

While closely managing operating costs against revenue generation activity the Company is continuing to invest in the development of new functionality and features of the Rewardle Platform. This investment incorporates our R&D initiatives and beta-testing of our universal points which support short term commercialisation opportunities and longer term strategic goals.

During the March Quarter, the Company's R&D claim of \$1,003,440 for FY17 under the Federal Government's Research and Development (R&D) Tax Incentive program was submitted, processed and funds received. As at 31 March 2018 the Company had access to almost \$1.3m of working capital.

During the March Quarter management began the formal Strategy and Budget planning process for FY19. This process will be completed in coming weeks and management intends to provide an update following formal board approval.

Working capital management

Management has continued to deliver on growing cash receipts while reducing operating costs and is committed to maintaining this momentum towards cash positive operations.

As at 31 March 2018, the Company had access to approximately \$1.3m which management anticipates is sufficient working capital to meet its budget objectives for FY18 and planning for FY19 based upon the following:

- Existing commercial operations and planned initiatives.
- Demonstrated progress in commercialisation with growing cash receipts against falling costs.
- Record cash receipts (excluding R&D rebate) of \$0.818m during March Quarter and net cash outflow from operating and investing activities of \$0.38m, down 56% from December Quarter.
- FY18 R&D activities eligible for rebate.
- Access an undrawn Directors loan on favourable terms to the Company.

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 2.8 million Members with around 5,000 local businesses across 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:

Ruwan Weerasooriya (Founder and Managing Director)

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Rewardle Holdings Limited

ABN

37 168 751 746

Quarter ended ("current quarter")

31 March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	818	1,463
1.2 Payments for		
(a) research and development	-	(1)
(b) product manufacturing and operating costs	(464)	(1,417)
(c) advertising and marketing	-	(20)
(d) leased assets	-	-
(e) staff costs	(663)	(2,089)
(f) administration and corporate costs	(61)	(246)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	1,003	1,003
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	633	(1,306)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(10)	(24)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(d) intellectual property	-	(44)
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	2
2.6	Net cash from / (used in) investing activities	(10)	(66)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	2,083
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(9)	(52)
3.5	Proceeds from borrowings	-	200
3.6	Repayment of borrowings	-	(200)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(9)	2,031

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	258	213
4.2	Net cash from / (used in) operating activities (item 1.9 above)	633	(1,306)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(10)	(66)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(9)	2,031

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	872	872

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	872	258
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	872	258

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

62

-

Director fees, salaries and travel reimbursements

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

-

-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	400	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

The Executive Chairman, Ruwan Weerasooriya has the Group an unsecured, non-recourse facility of \$400k that can be drawn down at any time. The facility is interest free and repayable at the Company's discretion.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(313)
9.3 Advertising and marketing	(7)
9.4 Leased assets	-
9.5 Staff costs	(558)
9.6 Administration and corporate costs	(61)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(938)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Director/Company secretary)

Date:30 April 2018.....

Print name: ...Ian Hobson.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.