

Shares:	526.32m	Merchants (as at 30 Sept 2019):	4,800
Market cap (@ \$0.003):	\$1.58m (Approx)	Members (as at 30 Sept 2019):	3,290,255
Cash (as at 30 Sept 2019):	\$0.15m (Approx)	Check-ins (as at 30 Sept 2019):	72,093,628

# Beanhunter Partnership Update

**Key highlights:**

- **After following Beanhunter’s pre-emptive rights protocol for existing shareholders, Rewardle has formalised its non-binding agreement with Beanhunter by entering into an Options Deed.**
- **Under the terms of the Options Deed, Rewardle will be issued 17,279 options with an exercise price of between \$10.33.**
- **The options will vest in 30 months, expire in 3 years and on a fully diluted basis Rewardle will hold approximately 51% of Beanhunter’s equity.**
- **A summary of the rationale and highlights from the original announcement has been included for ease of reference along with a working capital management update.**

Rewardle is pleased to announce that the Company has formalised its strategic partnership with Beanhunter, Australia’s leading online community for independent cafes and coffee lovers.

The partnership with Beanhunter announced on 19<sup>th</sup> August 2019 was a non-binding agreement which was subject to the take up of pre-emptive rights by Beanhunter’s existing shareholders. After following Beanhunter’s pre-emptive rights protocol for existing shareholders, the parties have signed an Options Deed.

The Beanhunter partnership is part of the Company’s broader strategy to leverage its proprietary technology, data, operations and corporate infrastructure to support the objectives of complementary businesses with minor operational disruption or incremental cost.

**Beanhunter overview:**

Beanhunter was founded by James Crawford, Al Ramsay and Adam Lowe in 2009 and operates from Melbourne, Australia’s coffee capital.

Through the Beanhunter website (www.beanhunter.com) and mobile app coffee lovers can discover great independent cafés and share their coffee experiences. Beanhunter uses crowd sourced ratings and reviews to help users find great new coffee experiences. For cafés, Beanhunter provides a specialist platform to reach coffee lovers and attract new customers.

Beanhunter currently lists over 33,000 operating cafes, approximately 200,000 reviews and attracts over 200,000 user sessions a month across its website and mobile apps.

Beanhunter’s online directory and mobile app have become a top destination for coffee aficionados and coffee lovers around the world to find and share great coffee. The website and app has been featured in the mainstream and startup press including The Age, Sydney Morning Herald, Mashable, Lifehacker, Anthill, StartupDaily and SmartCompany.

Beanhunter currently commercialises its community through a combination of advertising and e-commerce:

- **Banner Advertising:**  
Banner advertising is sold across the Beanhunter.com and Coffeejobs.com websites.
- **Café and hospitality recruiting:**  
In October 2014 Beanhunter acquired CoffeeJobs.com, a leading café and hospitality jobs board that sells job ad packages to cafes and restaurants that are seeking to recruit new staff.

### **Beanhunter overview (cont.):**

- E-commerce:

In October 2015 Beanhunter launched the Beanhunter Coffee Club, a coffee subscription service delivering coffee from a featured specialty coffee roaster to members' doorsteps every month.

- Business listings:

Launched in January 2017, cafes can pay a small monthly fee to claim ownership of their business profile on the Beanhunter Directory and engage with Beanhunter users to attract new customers and grow their business.

### **Rewardle x Beanhunter partnership overview:**

Rewardle's operations are highly complimentary to those of Beanhunter. Under the partnership Rewardle will leverage its operations to support reducing the operating costs of Beanhunter and growing Beanhunter's current revenue streams as follows:

- Banner Advertising:

Beanhunter currently derives the majority of its banner advertising income from low yield programmatic advertising. Rewardle will include Beanhunter in its brand advertising sales process and seek to develop higher yielding direct advertising partnerships.

- Café and hospitality recruiting:

In conjunction with Joralocal, a subsidiary of Seek (ASX:SEK), Rewardle has previously conducted extensive market research into the recruiting needs and pain points of local businesses. Rewardle believes an opportunity exists to innovate CoffeeJobs.com into a market leading recruitment platform for local businesses.

- E-commerce:

Rewardle operates CoffeeScout, a coffee subscription service, as a test and learn brand. Consolidating the back office operations associated with fulfilment for CoffeeScout and the Beanhunter Coffee Club will result in operating efficiencies and cost reductions for both services.

- Business listings:

Rewardle has significant experience in the sale of online and in app business listings to local businesses and will apply its sales resources to growing the Beanhunter café listings revenue stream.

### **Rewardle's Corporate Partnership Strategy:**

The Beanhunter partnership is part of the Company's broader strategy to leverage its proprietary technology, data, operations and corporate infrastructure to support the objectives of complementary businesses with minor operational disruption or incremental cost.

The Company is developing a pipeline of partnership opportunities based on earning equity in return for the provision of the following services:

- Marketing/advertising
- Software Licensing and/or development
- Telephone and field sales
- 1st tier customer service
- Corporate strategy and fundraising

While transactions that progress in this manner are not expected to deliver significant short term cash flow contributions. The development of these opportunities aligns with the long term strategic objectives of the Company.

In addition to Beanhunter and the previously announced partnerships with Pepper Leaf and SportsPass, the Company is in discussions with a number of potential partners and will provide updates with respect to progress of transactions as appropriate.

## Working capital management:

As previously outlined, the board is regularly reviewing operating budgets and strategy taking into consideration a variety of commercial and corporate scenarios and opportunities.

The Company expects to be able to continue its operations and meet its business objectives based on the following key points:

### 1. Ongoing management of significantly reduced underlying operating costs:

The Company is continuing to implement organisational efficiencies and in doing so is establishing a stronger pathway into cashflow positive operations in future periods.

Further opportunities for incremental improvements and cost reductions have been identified and are being implemented across the business.

### 2. Development of new and existing Merchant revenue streams:

The Company has been developing new products and services which are planned for launch in early 2020. These will be taken to market using a new sales approach that has been developed and refined over recent months.

The new services leverage the existing network and operations and successful sales will deliver superior margins and cashflow to previous iterations. The revised sales process has been tested at small scale and delivered superior results to previous approaches.

At present, it is too early to provide commentary on progress and potential cashflow impact of these new sales. The Company will provide updates in the general course of business activities reporting as meaningful data and insight comes to hand.

### 3. Current and prospective Brand Partnership (Advertising) opportunities:

The Company is currently delivering campaigns for RedBalloon and Mövenpick that make use of the Company's digital signage, email and in-app media assets. In addition, the Company is managing an active pipeline of direct and indirect (via commission based partners) advertising opportunities.

While brand advertising revenue is high margin for the Company, unlike the predictable nature of recurring Merchants Services (SaaS) fees, brand advertising revenue is typically based on once off transactions and requires ongoing sales pipeline development and nurturing.

The Company has evaluated the challenges faced in developing consistent brand advertising revenue and is revising how it presents its media assets to create a more unique advertising proposition in the highly competitive digital media sector that is dominated by Google and Facebook.

Pre-sales discussions of the new media packages with a number of prospective clients has commenced and the Company will provide updates with respect to progress in the general course of business activities reporting.

### 4. Development of commercial partnership opportunities:

As previously outlined, the Company has identified that Rewardle's proprietary technology, data, operations and corporate infrastructure can be leveraged to support the objectives of complimentary businesses with minor operational disruption or incremental cost.

To date, strategic partnerships have been established with Pepper Leaf, SportsPass and Beanhunter. The specific nature of each partnership has been covered in detail in previous ASX announcements. These partnership opportunities are based on the Company earning equity and cash fees in return for the provision of services including but not limited to the following:

- Marketing/advertising
- Software Licensing and/or development
- Telephone and field sales
- 1<sup>st</sup> tier customer service
- Corporate strategy and fundraising

**Working capital management (cont.):**

While the primary rationale for the partnership transactions is their alignment with the long term strategic objectives of the Company, each is expected to deliver incremental short term cash flow contributions.

In addition to the current partnerships, the Company is developing a pipeline of opportunities and will provide updates on the progress of these as appropriate, taking into consideration the nature and potential impact on the business.

**5. Research and Development financing:**

As outlined in the ASX release on 13<sup>th</sup> November 2019 the Company received \$125k of R&D finance from Radium which was based on the Company's September quarterly R&D expenditure. The Company intends to continuing to work with Radium to finance subsequent quarterly R&D expenditure.

Based on management assumptions, funds of \$153k on hand at the start of the current quarter plus the \$125k of R&D financing from Radium are expected to be adequate to support the ongoing operations of the Company based on continued implementation of the previously stated strategy of reducing operating costs and further developing existing and new revenue streams and other initiatives detailed in this response.

**6. Ongoing financial support from Directors:**

To support the Company's working capital requirements, Executive Chairman, Mr Ruwan Weerasooriyas has provided an unsecured, interest free working capital loan of up to \$250,000. The loan is repayable at the Company's discretion when it has capacity.

This ASX announcement has been approved for release by Executive Chairman, Ruwan Weerasooriya.

**For more information please contact:**

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**About Rewardle Holdings Limited**

Rewardle connects over 3.2 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.