

## DECEMBER PROGRESS UPDATE

As at 15<sup>th</sup> January 2015



Note: Image is for promotional purposes and does not represent a real business

(ASX : RXH)

# REWARDLE'S KEY METRICS DOUBLE IN 6 MONTHS

Average Growth Factor of 2.2x since preparation of IPO

**Merchants**

HY Growth Factor

**1.8x**

**Members**

HY Growth Factor

**2x**

**Check-ins**

HY Growth Factor

**2.3x**

**Prepaid Held**

HY Growth Factor

**2.8x**

# REWARDLE CONTINUES BUILDING KEY DRIVERS FOR FUTURE REVENUE



## Executing winner takes all strategy

Management is competently delivering on development of the business as planned. Initial focus is on building network and engagement with monetisation to follow.



## All key business growth metrics continue building

Increasing scale is enhancing the Rewardle Platform's inherent Network Effect, driving accelerating growth even through the traditionally slow December period.



## Steady flow of small to medium size chain signings

The continued signing of Service Agreements with small to medium size chains validates the upstream and cross sector application of the Rewardle Platform beyond independent merchants and cafes.



## Enterprise Edition a significant new revenue opportunity

The Enterprise Edition has leveraged learnings and maturation of the Rewardle Platform to develop a highly customisable offering that can be licensed at high margin to Enterprise clients. It uniquely positions Rewardle to service the needs of the full High St Merchant Spectrum.

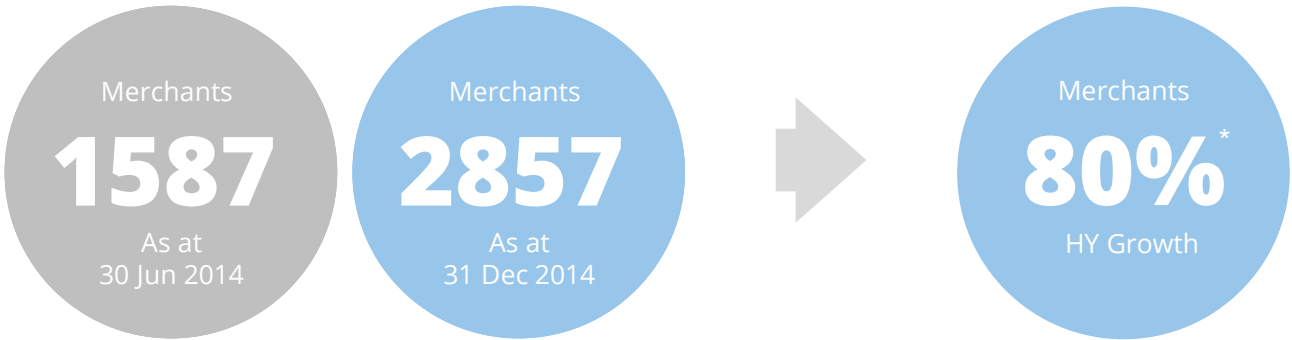


## Positive signs for future revenue generating opportunities

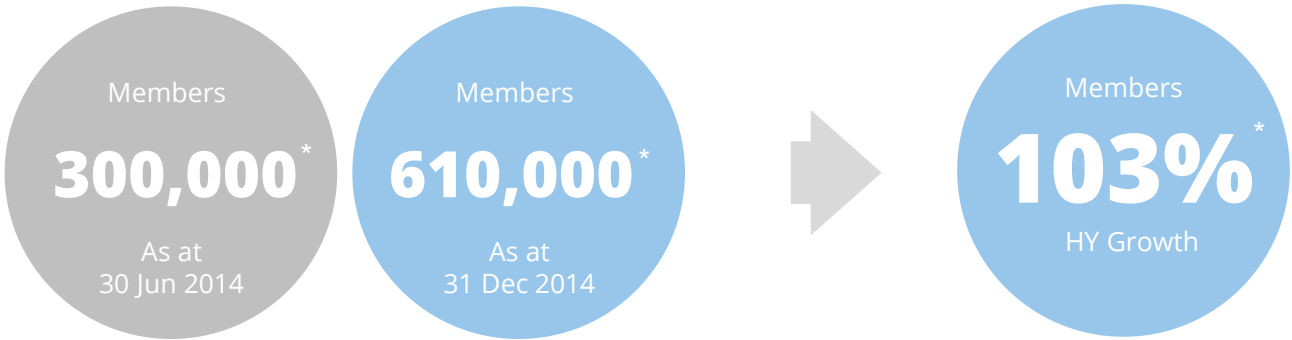
While Merchant and Member Network growth remains the current priority, as the business scales towards critical mass, positive signs with respect to revenue generation are organically emerging.

# Cumulative Merchant and Member Network and engagement growth metrics over 6 months

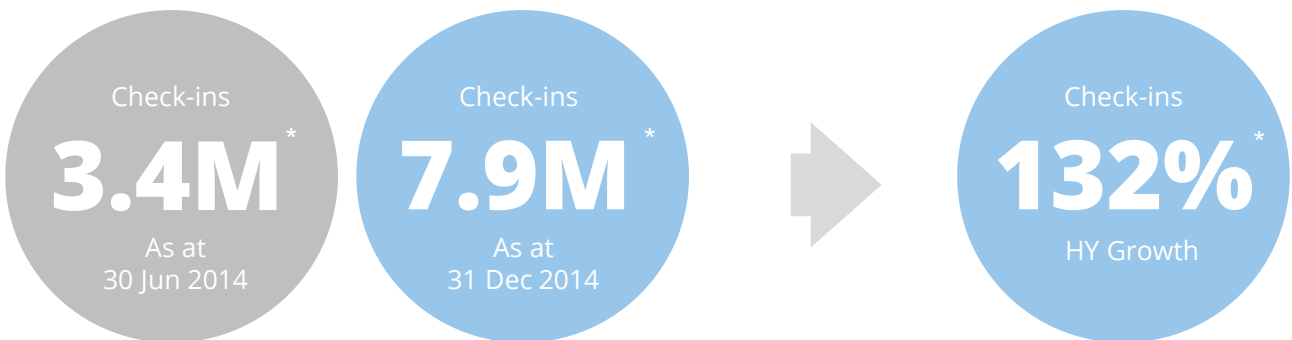
## Merchants



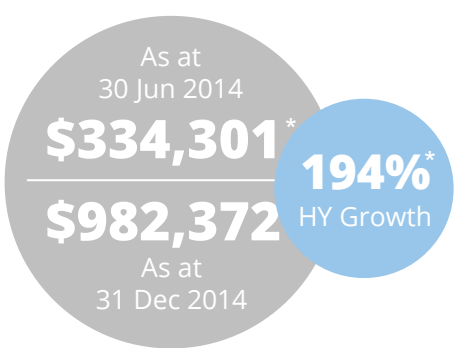
## Members



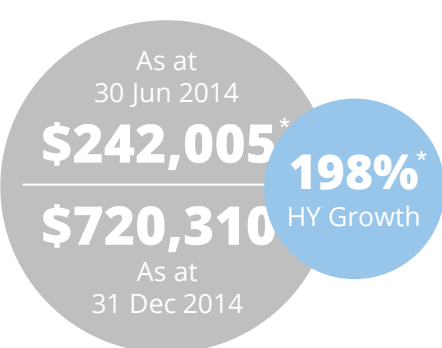
## Check-ins



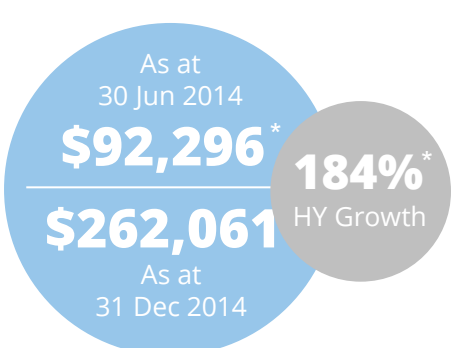
## Prepaid Added



## Prepaid Used



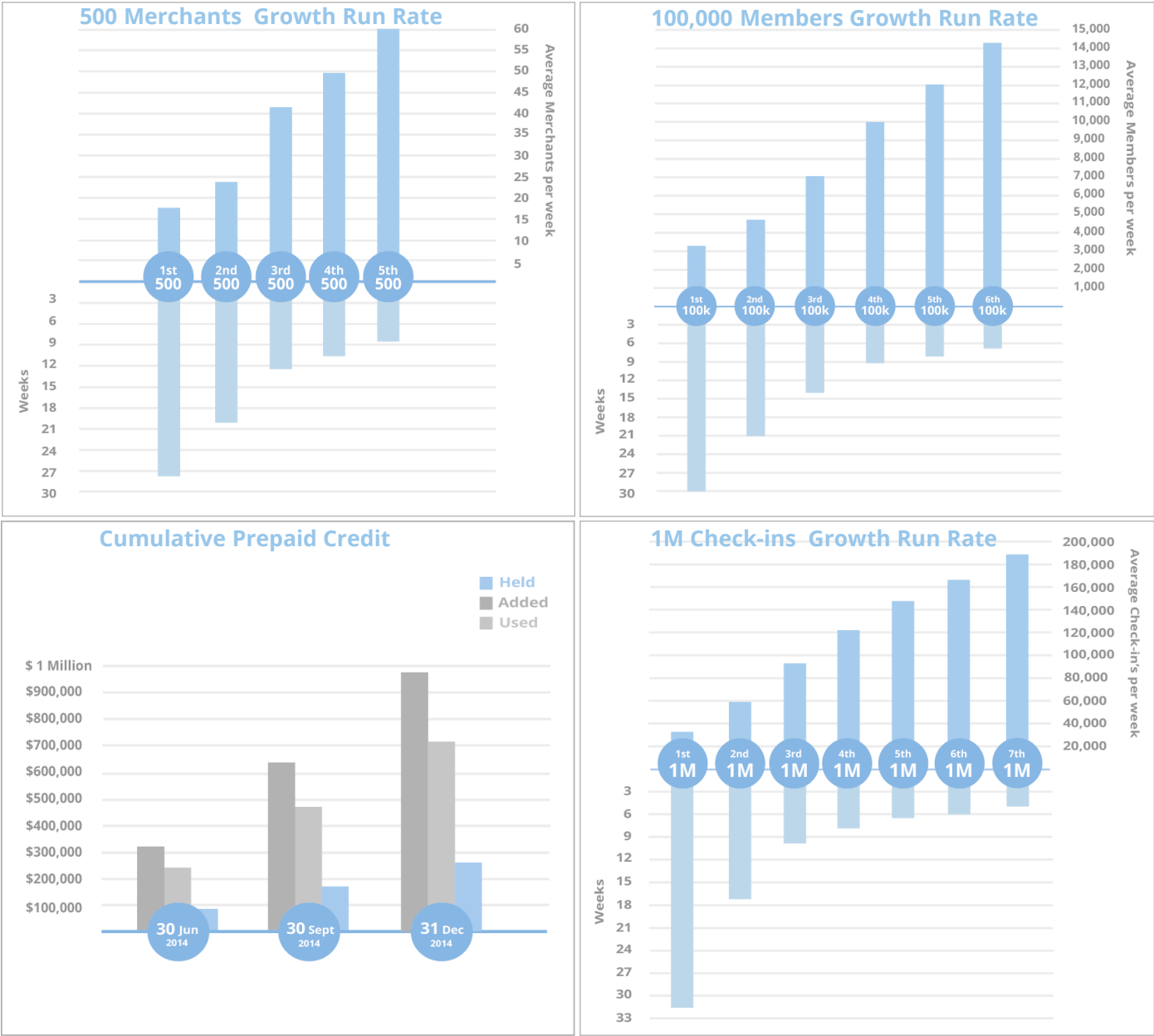
## Prepaid Held



\* Approximate value  
Source: Rewardle Prospectus 20 August 2014, and Rewardle Platform Statistics as at 15 January 2015

# All key growth metrics continue accelerating through quarter

During the normal trading period of the December quarter the trend of accelerating measured increments of growth across all key business metrics as reported in the September Progress Update continued.



Source: Rewardle Platform 31 December 2014 Statistics as at 15 January 2015

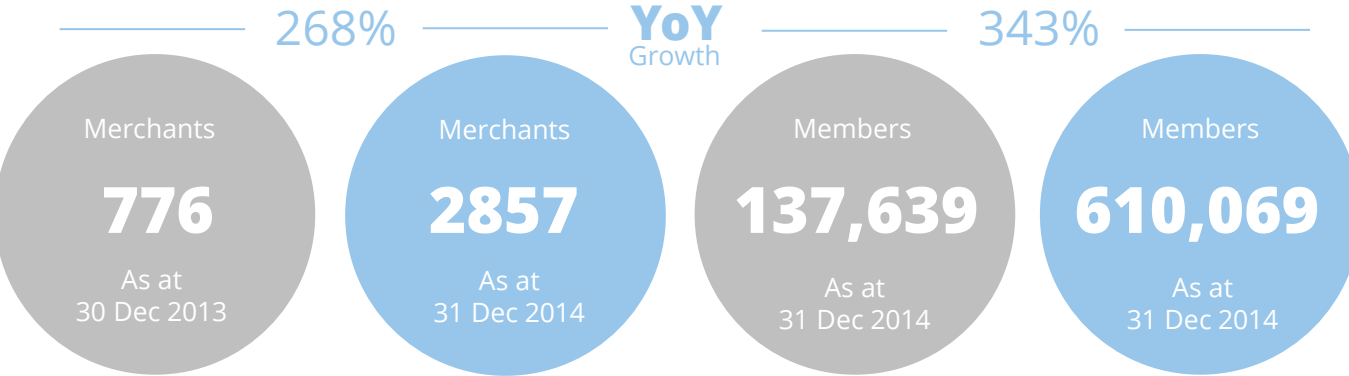
Based on historical data, the period from the start of December to the end of January is seasonally slow with respect to growth of the Merchant and Member Network and engagement with the Rewardle Platform.

By the end of January, it is apparent that Merchants and Members return to their normal daily routines and key metrics move back into line with where they finished in November and continue building from the start of February. The Company expects this pattern to be played out over December 2014 and January 2015.

# A substantial increase in scale has resulted in an enhanced Network Effect driving growth and engagement

While Merchant growth slowed as expected during December, stronger than expected Member growth was recorded which drove membership to over 610,000 as at 31 December. Member check-ins during December was similarly stronger than expected with approximately 7.9M Check-ins recorded as at 31 December.

Management attributes the unexpected strength of growth in Members and Check-ins during December to substantially increased scale of the Merchant and Member Network which has enhanced the inherent Network Effect of the Rewardle Platform and driven growth.



Source: Rewardle Platform Statistics as at 15 January 2015

## Positive signs emerging for future revenue

During the December 2014 quarter revenue was \$42,672. This is up from \$18,421 in the September 214 quarter. As a point of reference, revenue for the 2013/14 Financial Year was \$19,939.



Source: Rewardle 2013/14 Annual Report and Rewardle Management Accounts as at 31 December 2014

Revenue growth in the current Financial Year is largely a result of organic conversion of merchants from Freemium to the Company’s standard monthly subscription rate of \$49 per month and ancillary services.

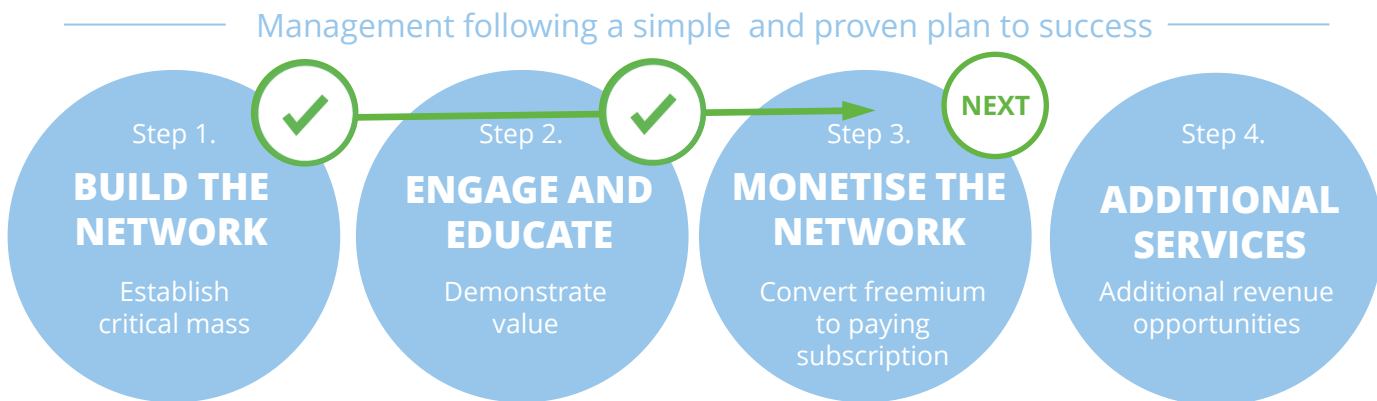
This growth has occurred organically while the primary focus of the management and staff remains growth of the Merchant and Member Network.

Management believes that the organic development of revenue as outlined above, along with developments detailed in the following pages, point to positive signs for the development of future revenue.

## Management competently executing winner takes all strategy

During the December quarter the Company made significant progress towards achieving Merchant and Member Network critical mass.

When critical mass is achieved a substantial barrier to entry and platform for revenue generation will have been established at which point management attention will turn to monetisation of the network as per the staged development approach outlined below.



## Short term revenue supported by recent chain signings

The small to medium sized chains that Rewardle has started working with have a level of marketing and technology sophistication which gives them a higher propensity to invest in the services Rewardle offers.

They operate with marketing and technology budgets and represent potential short to medium term revenue subject to successful outcomes from trials and pilots that have formally been initiated.

## Building demand evident as network approaches critical mass. Exploring use of 600,000+ members to drive demand

The growing scale of Rewardle's Merchant and Members Network is resulting in record unsolicited inbound Merchant enquiries and referrals.

To further enhance the generation of Merchant demand the Company is experimenting with techniques to crowdsource qualified Merchant leads from the 600,000+ strong Rewardle Member base.

As inbound demand for the Company's services builds, it provides management with the opportunity to review the Merchant onboarding process and explore options that reduce the operational capex associated with the Freemium offering that is currently in place to minimise friction and allow for rapid growth.

## Primed for Brand Partnership and Enterprise Client deals

While encouraging signs are being seen in the development of the Merchant Subscription component of the business model, it will require the benefit of time, scale and market education to develop.

Independent of Merchant Subscription revenue developing, management believes that both Brand Partnerships and Enterprise Edition licensing each represent substantial potential revenue opportunities for the Company.

The Rewardle Merchant and Member Network has reached a scale that permits management to pursue Brand Partnership opportunities. Separately, the maturation of the Rewardle Platform and release of the Enterprise Edition has created Enterprise client licensing fee opportunities.

Rewardle's senior management have substantial experience and skills required to advance the Company's business development efforts on both Brand Partnerships and Enterprise Edition licensing.

The Company has an active pipeline of business development discussions with respect to both opportunities and is in the process of recruiting additional business development resources to assist in exploiting them.

----- End of December Progress Update -----

# ABOUT REWARDLE HOLDINGS LIMITED

ASX: RXH

Rewardle Holdings Limited (Rewardle) is a marketing technology service provider to local SME merchants, small to medium size chains and Enterprise clients.

As technology changes how we connect, share and transact, Rewardle is positioning itself to be a leading player as the worlds of social media, marketing, mobile and payments converge.

Having secured a substantial early mover advantage the Company has established a number of barriers for new entrants, with arguably the most significant being the powerful Network Effects that accompany the growing Merchant and Member Network.

The Company listed on the ASX on the 7th October 2014 and is led by an experienced entrepreneurial team with a successful background in Internet and media businesses.

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