

Preliminary Financial Report

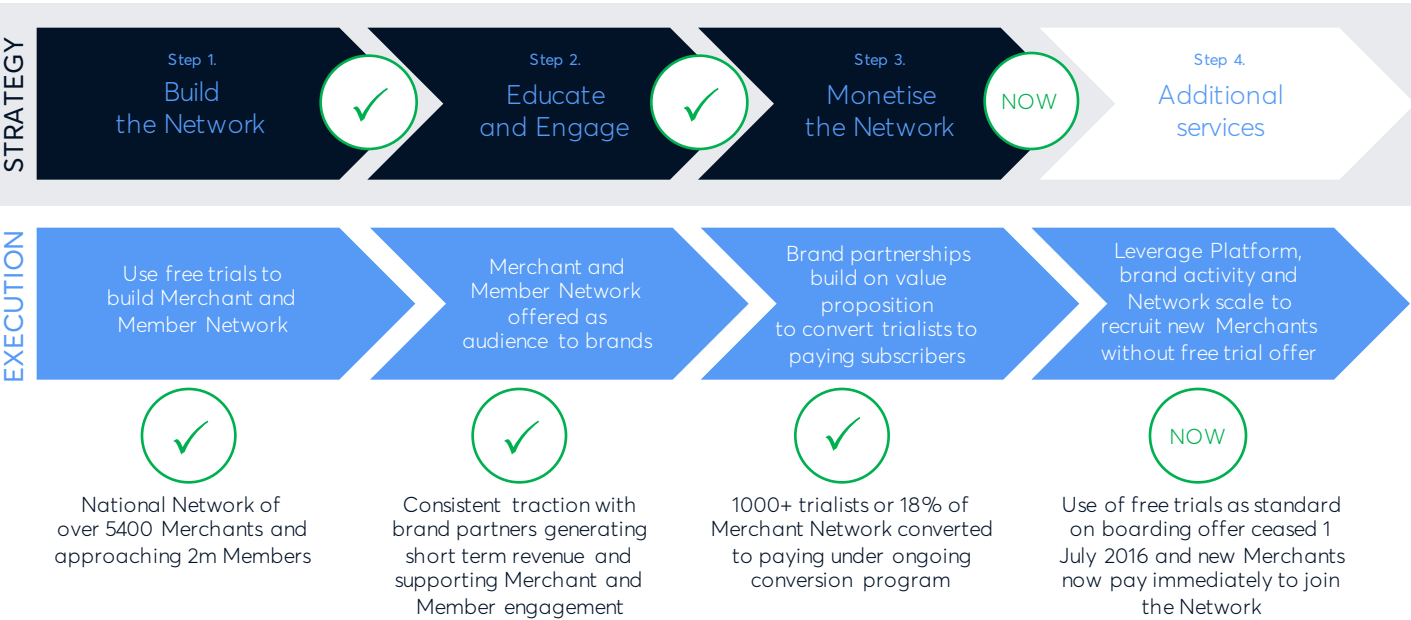
Successfully executing strategy to capture the digital migration of local commerce

Review of Operations

Rewardle Holdings Limited (ASX: RXH) ("Rewardle" or "Group" or "Company") is pleased to provide preliminary results for the Group for the year ended 30 June 2016. This was the expected position as the business is in the early stages of commercialisation

Moore Stephens (Vic) Pty Ltd is still in the process of completing the audit of the Group and subject to any adjustments required by the auditors, the preliminary result of the Group for the year ended 30 June 2016 is summarised as follows:

	30 June 2016 \$	30 June 2015 \$
Revenue	2,280,035	1,238,654
Loss before taxation and extraordinary items	4,516,653	6,280,903
Extraordinary Items	0	0
Loss after taxation and extraordinary items	4,516,653	6,280,903



Business summary

- ✓ Early mover advantage established through development of proprietary technology platform and building substantial network scale
- ✓ Critical mass established through the recruitment of over 5400 local businesses and approximately 2m Members
- ✓ Network effect powering ongoing organic growth and serving as barrier to entry for potential competitors
- ✓ 19% of free trialist Merchants that were part of building critical mass have been converted to paying Merchants over recent months
- ✓ Use of free trials as standard Merchant onboarding offer ceased as of 1 July 2016, new Merchants pay immediately to join the Rewardle Network
- ✓ Consistent traction in development of brand advertising and recurring, monthly Merchant Services (SaaS) fees
- ✓ Multiple opportunities being developed by management to leverage the growing network and platform data into additional revenue streams
- ✓ Scalable technology platform business model with largely fixed costs is designed to deliver highly profitable marginal revenue over time

Rewardle offers investors exposure to the high growth digital marketing and mobile payments sectors.

The Company is uniquely positioned to capture the digital migration of marketing budgets and customer relationships of up to 200,000 local businesses in Australia

Rewardle offers a digital marketing and payments solution to local independent businesses that is underpinned by a proprietary membership, points, rewards and payments platform.

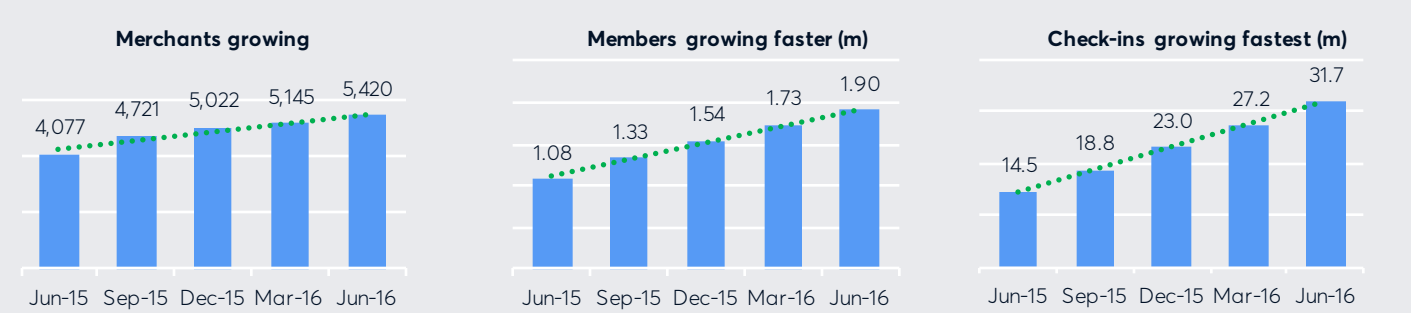
The Company has captured a substantial early mover advantage through platform development and recruitment of over 5400 local businesses and nearly 2m Members since founding in 2012.

Initial monetisation is being demonstrated through consistent brand advertising and growing, recurring, Merchant Services (SaaS) fees.

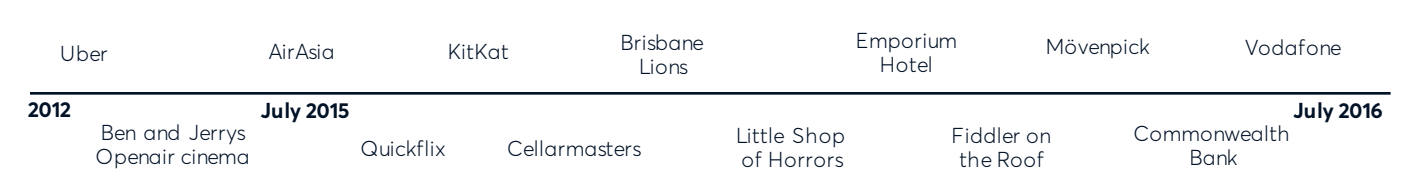
As a highly scalable technology business with largely fixed costs there is substantial potential in development of new revenue streams that leverage the Company's consistently growing network and platform data.

While continuing to build existing revenue streams, management is working on the development of new revenue opportunities through a variety of approaches including building, partnering and acquisition.

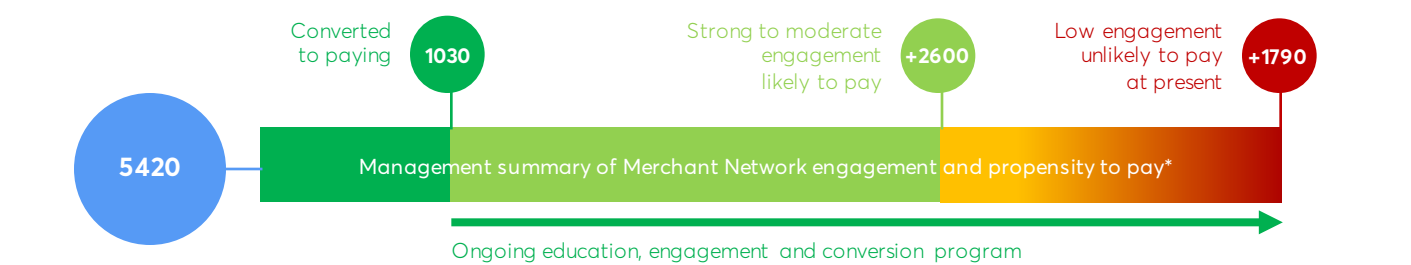
Network effects continuing to drive Network growth and engagement



Consistent traction with advertising partners is being enhanced as Network and engagement grows

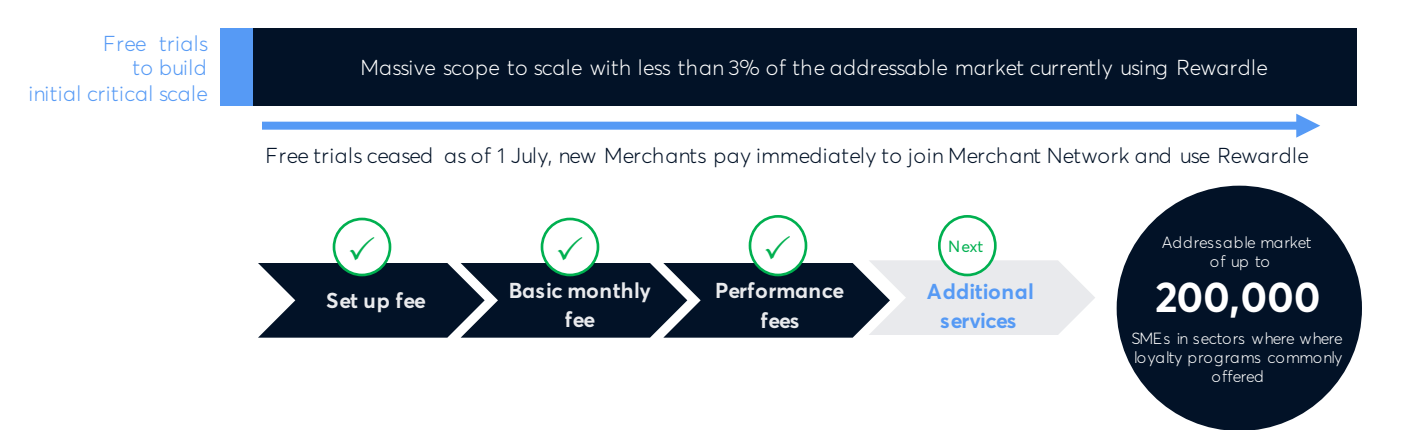


Demonstrating consistent traction in converting trialist Merchants to paying recurring monthly fees

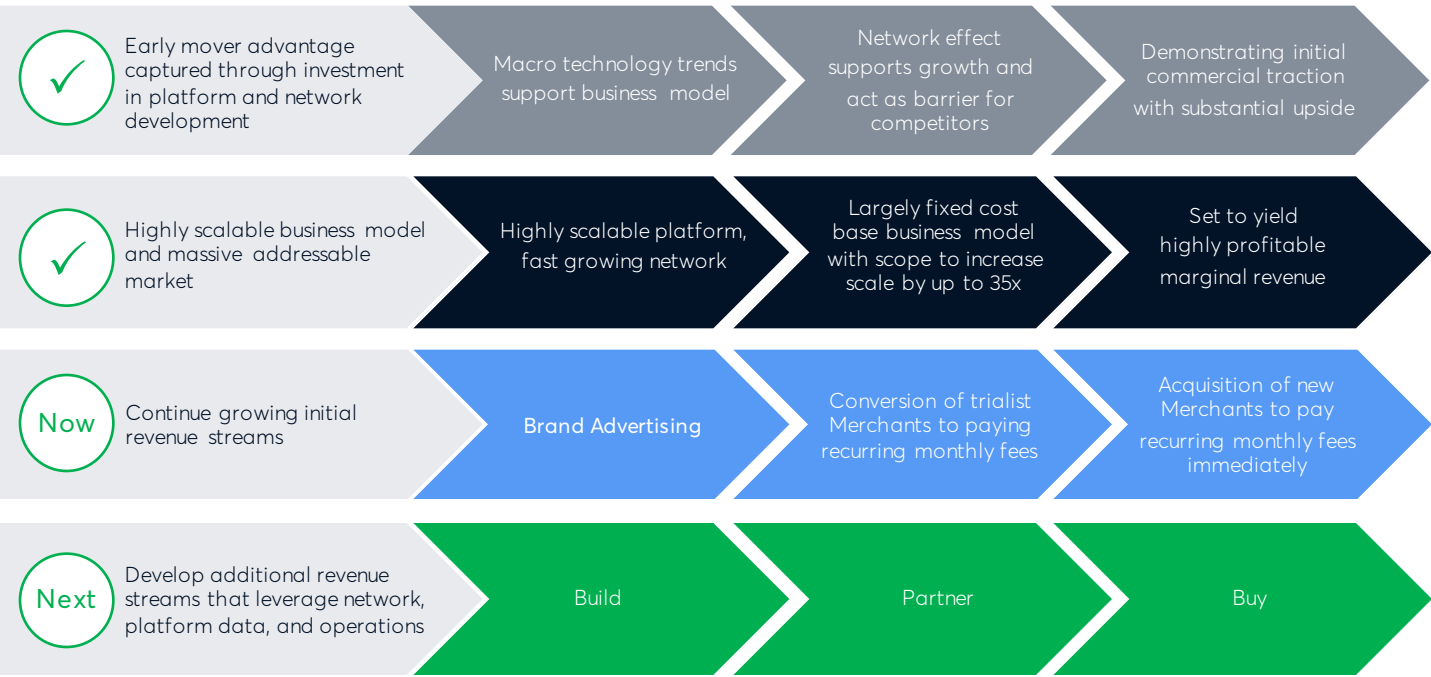


While unlikely to pay at present, low engagement status can be upgraded through education and support which Rewardle is conducting. In the meantime, these Merchants continue to acquire Members and provide valuable Network density while paying Merchant coverage develops.

Ceased free trials as of 1 July 2016, continuing to grow the Network with Merchants paying immediately



Set to leverage early mover advantage to grow network and revenue



About Rewardle Holdings Limited

Rewardle is a social network that connects almost 2 million Members with over 5,400 local businesses around Australia.

The Rewardle Platform is a marketing and transactional platform that combines membership, points, rewards, mobile ordering, payments and social media integration 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.

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