



ASX Announcement

30 April 2020

Quarterly 4C Update

REFFIND LTD (ASX: RFN) ('RFN', 'Reffind' or 'the Company'), has today released its Appendix 4C and is pleased to provide an operational update for the quarter ended 31 March 2020.

Completion of WooBoard strategic review

During the previous quarter, the Company conducted a strategic review of the WooBoard operations, sales and marketing. Much of the review was conducted during the March quarter with recommendations being released by the Company post quarter end. The COVID-19 global pandemic during the quarter expanded and extended the Company's review. Due to the pandemic, the rise of remote working has meant organisations across the world are being forced to quickly establish work-from-home environments, a shift that has placed a far greater emphasis on the need for employee engagement and recognition software. The Company had already been developing WooBoard as an employee engagement platform prior to the COVID-19 outbreak based on the rising trend of employees working remotely due to general improvements in technologies and telecommunications. COVID-19 has fast-tracked the need for organisations to adopt employee engagement and recognition software that can acutely respond to the current operational needs of Australian businesses and their working environments. The Company believes the current COVID-19 environment will be conducive to a lasting shift in traditional business models and result in longer-lasting trends in the remote and work-from-home capabilities of enterprises today. As a result, Reffind is now in the process of implementing the recommendations of the strategic review into WooBoard as well as considering platform enhancements in light of the changes brought about by the COVID-19 outbreak.

Capital Raising

During the quarter, the Company was pleased to announce the completion of two placements. The first placement was largely by way of convertible loans and a placement to sophisticated investors to raise in total \$500,000 (refer ASX release 20 January 2020). The second placement was made to sophisticated investors raising in total \$530,000 (refer ASX release 2 March 2020). The funds from these capital raisings has been used for development activities in relation to the WooBoard platform, costs and investments in relation to the Company's investment in Loyyal, along with general working capital requirements of the Company.



Cash Flow Analysis

During the period the Company has reported net operating cash flow of -\$485,000. \$160,000 comprised of payments to related parties (the directors). The Company has made a one-off final \$113,000 contractual termination payment to outgoing director Eugene Loy for all of his entitlements which comprised the majority of the related party payments. For the quarter, the other directors received \$47,000. Therefore, the related party payments for the next quarter will be significantly reduced.

Outlook

The outbreak of COVID-19 during the quarter has presented many challenges for both domestic and international businesses. The Company is pleased to be able to report that the current environment has also presented opportunities which Reffind is now well placed to benefit from.

The Company's decision to undertake a strategic review of its WooBoard employee engagement platform has proved timely and the Company is now in the process of not only implementing the recommendations of the strategic review, but we are also considering product enhancements to improve the platform as small to large organisations globally search for ways to improve and enhance employee engagement and recognition in the remote working environment. The Company looks forward to updating the market on the progress to be made in relation to WooBoard over coming quarters.

Having completed two capital raisings during the quarter, the Company has demonstrated it is well placed to continue to execute on its business plan and create further value for our shareholders – in particular through the expansion of WooBoard. Due to the findings of the Company's Strategic Review and the significant opportunities now present due to COVID-19 (COVID-19 has morphed organisations' work behaviours globally) for software vendors with solutions in the remote working space such as WooBoard (for example, the rise of applications such as Zoom).

Considering the current economic climate and the opportunities presented by WooBoard, the Company wishes to increase its cash position (without further capital raising from investors at these levels) and therefore made the commercial decision to call in for repayment the Company's unsecured convertible promissory note entered into between Loyyal Corporation (**Loyyal**) and the Company during the quarter. The Company has decided not to convert the Note for additional shares and instead requested repayment of all outstanding moneys (being USD\$845,315 as at 30 April 2020). The Company is currently negotiating with Loyyal regarding the repayment and will update the market in due course.



In order to further preserve cash during these economic times and to focus on WooBoard's expansion, the Company has also decided to pause the **OTC Listing** announced on 5 March 2020. The OTC Listing process can easily be resumed, without penalty, at a time deemed appropriate to the Company in the future. The Company would hope to see the stock market conditions in North America stabilise before seeking to resume the OTC Listing process. The Company has taken this approach with the intention to entirely fund itself and WooBoard's expansion in the upcoming quarters without needing to raise further capital from investors at the current share price level. The Company continues to retain its current shareholding in Loyyal and depending on the success of the WooBoard expansion in upcoming quarters intends to assess selling the Company's shareholding in Loyyal in order to further sure up the Company's cash position and dedicate resources to expanding WooBoard. The Board's view during these economic times is that the ability to stockpile cash, diversify the Company's balance sheet and seize the unique opportunities currently presented to WooBoard is a prudent business strategy.

Authorised for release by Declan Jarrett, non-executive director and company secretary for Reffind Limited.

-ENDS-

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About REFFIND

REFFIND (ASX:RFN) is an Australian-based software-as-a-service solutions company that is revolutionising employee peer recognition as well as how customer loyalty and employee incentives are created, rewarded and managed. Our employee experience technology platform, WooBoard, uses a gamified, social cloud-based platform to allow employees to send recognition and share updates instantly. Using proprietary blockchain and smart contract technology, our blockchain loyalty rewards investment, Loyyal, provides customers with an innovative, cloud-based SaaS app that enables them to communicate with their customers in a mobile, collaborative and effective manner.

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