

PROGRESS UPDATE:

BEANHUNTER STRATEGIC PARTNERSHIP

Executive Summary and Highlights

Rewardle Holdings Limited (ASX:RXH) (“Rewardle” or the “Company”) provides the following update with respect to undertaking fee for service work to accelerate the growth of Beanhunter, Australia’s leading online community for independent cafes and coffee lovers.

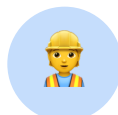
The work being undertaken is consistent with Rewardle’s strategy of leveraging its operations to secure equity positions in partner businesses and to generate professional services revenue.

Under the strategic partnership established with Beanhunter in August 2019, Rewardle is leveraging its resources to assist in growing Beanhunter’s business. Rewardle has been issued Options to acquire Beanhunter shares @ \$350k valuation within 3 yrs, giving Rewardle a 51% shareholding in Beanhunter on a fully diluted basis.



Accelerating growth and value of Beanhunter

Rewardle to provide a variety of professional services to Beanhunter to support accelerating its development and increasing the value of Rewardle’s equity position.



Beanhunter website upgrade

\$15,000 of software development services work to be undertaken by Rewardle during May and June to upgrade the Beanhunter website.



Integration of Beanhunter with Rewardle Platform

\$5,000 of software development services work to be undertaken by Rewardle during May and June to integrate Beanhunter content and services into the Rewardle Platform.



Ongoing operational support services

Following completion of the above, Beanhunter will commission Rewardle for ongoing customer support and sales at a rate of \$5000/month (Expected commencement, 1 July 2021).



\$250,000 extension of Directors Loan

Executive Chairman, Mr Ruwan Weerasooriyas has extended the existing \$1m unsecured, interest free working capital loan to \$1.25m. The loan is repayable at the Company’s discretion.

Rewardle’s Founder and Executive Chairman Ruwan Weerasooriya, said;

“We’re excited to be commencing work with Beanhunter. In the short term, the services work will contribute 20% towards our professional services target in May and June, with a 10% ongoing contribution from July.

“In the longer term, the work we’re doing to integrate Beanhunter’s content and services into our platform will allow us to leverage our resources to grow the value of Beanhunter and the value of our Options.”

Beanhunter’s Co-founder and Managing Director, James Crawford said;

“After a challenging 2020 we were looking forward to reinvigorating Beanhunter. The pandemic has driven the coffee industry to adopt innovative digital solutions that we’re ideally placed to provide with the support of Rewardle.”

“The work being undertaken will allow us to leverage Rewardle’s resources and scale to reduce our operating costs while unlocking new opportunities for growth.”

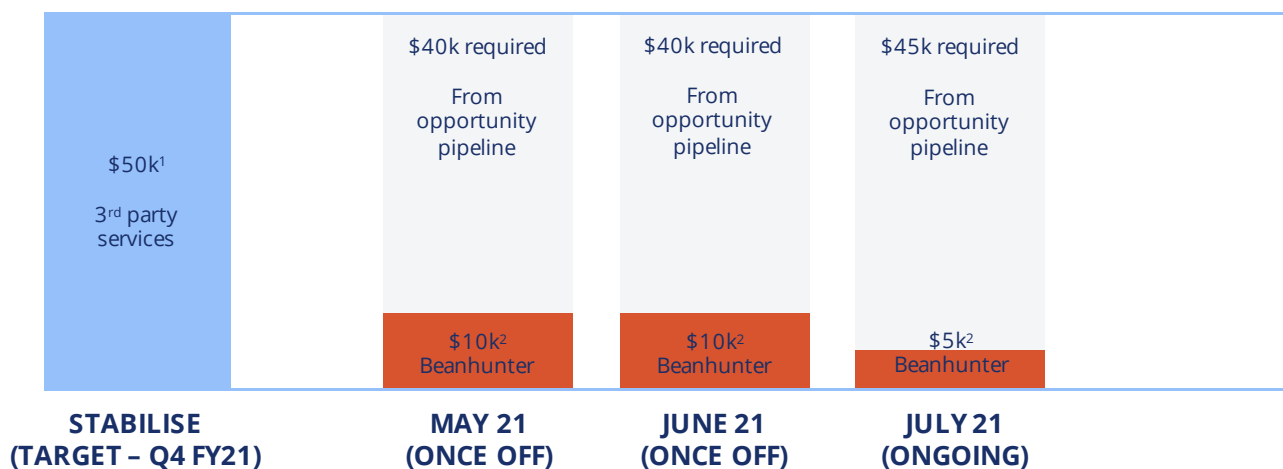
Contribution to 3rd Party Services component of breakeven target

A key component the Company's strategy is to leverage its resources to secure equity positions in complimentary businesses and and to generate 3rd party services revenue that supports maintaining Rewardle's team, intellectual property and operating capability.

For more information please visit www.rewardle.com/ASXrelease/marchpresentation (Slide 11)

As outlined below, Beanhunter will contribute 20% of the May and June 3rd party services target and 10% ongoingly from July.

TARGET MONTHLY REVENUE FROM 3rd PARTY SERVICES



1. Based on trading history of up to \$6k in 3rd party service provision during FY20 to present with allowance for opportunity pipeline.
 2. Based on anticipated billing and payment for services work.

The Company is working on a pipeline of 3rd party service opportunities that will be mutually beneficial for Rewardle and its partners by leveraging Rewardle's resources and expertise.

Management is encouraged by the initial Beanhunter service revenue that has been committed to date. The Company intends to build on this with its other opportunities to achieve the \$50,000/month 3rd party services revenue target in coming months. Other revenue components (primarily, Merchant SaaS fees and FY21 R&D rebate) remain on track.

Further updates with respect to the progress of individual opportunities will be provided as appropriate, taking into account their nature and potential impact on the business.

Beanhunter Strategic Partnership Background

A component of Rewardle's strategy is to secure equity positions in partner businesses by leveraging the Company's operational team, platform and network merchants and members to provide the following services:

- Software development and/or licensing
- Sales and marketing
- 1st tier customer service/support
- Design and advertising
- Corporate/commercial strategy and fundraising support

As part of this strategy, in August 2019, Rewardle established a strategic partnership with Beanhunter, Australia's leading online community for independent cafes and coffee lovers. (For more information visit www.rewardle.com/ASXrelease/beanhunter).

Rewardle is leveraging its resources to assist in growing Beanhunter and Rewardle has been issued Options to acquire Beanhunter shares @ \$350k valuation within 3 yrs. The Options give Rewardle a 51% shareholding in Beanhunter on a fully diluted basis.

While partnership plans were paused during 2020 as each business managed the impact of the COVID-19, the parties re-engaged at the start of this year to develop a path forward.

Beanhunter website upgrade

After reviewing the Beanhunter business it was determined that a modest refresh of the Beanhunter website was required to position the business for growth.

A scope of work and fee estimate of \$15,000 has been established and Beanhunter has commissioned Rewardle to undertake the website upgrade project. Rewardle will commence work immediately and expects to conclude the project by the end of June. Rewardle will be paid via a series of progress payments during the course of completing the project.

The website upgrade will make Beanhunter more attractive to users and potential partners while also making it easier for Beanhunter to enhance features and develop new revenue opportunities through integrations and partnerships.

Integration of Beanhunter with Rewardle Platform

Further to the planned website upgrade detailed above, Rewardle will integrate Beanhunter content and services into the Rewardle Platform with a fee estimate for the work of \$5,000.

Beanhunter has commissioned Rewardle to undertake this work in conjunction with the website upgrade. The integration work is expected to be completed by the end of June and Rewardle will be paid via a series of progress payments during the course of completing the project.

Ongoing operational support services

From 1 July 2021, Beanhunter will pay Rewardle a \$5,000/month retainer for ongoing customer support and sales services.

Integration of operational resources is a key component of Rewardle's strategic partnership approach and the use of Rewardle's customer support and sales resources will give Beanhunter superior operating efficiency and flexibility while allowing Rewardle to commercialise excess operating capacity.

Directors loan extended to provide \$250,000 in additional working capital

The Company's most recent Investor Presentation outlined how Rewardle is aiming to achieve breakeven in the short term, with growth to follow.

Slide included for reference, full presentation available here: www.rewardle.com/ASXrelease/marchpresentation.

OUR PROGRESS

BREAKEVEN IS ON TRACK, GROWTH WILL FOLLOW

Phase 1 – STABILISE (Target Q4 FY21)

- Maintain Merchant Services fees with modest growth.
- Grow 3rd party services income to compensate for phasing out of JobKeeper and other COVID-19 support.
- R&D rebate provides margin for error.

Phase 2 – RECOVERY (Target Q2 FY22)

- Grow Merchant Services fees back to pre-COVID-19 levels.
- Maintain 3rd party services income.
- R&D rebate provides margin for error and/or accelerates growth.

Phase 3 – GROWTH (Target FY23)

- Grow Merchant Services fees beyond pre-COVID-19 levels.
- New merchant & member services drive incremental revenue.
- Maintain 3rd party services revenue.
- R&D rebate accelerates and/or provides margin for error.
- Modest Opex increase expected to support growth.

TARGET MONTHLY REVENUE VS OPEX SUMMARY

Category	RECENT (COVID-19)	STABILISE (TARGET – Q4 FY21)	RECOVERY (TARGET – Q2 FY22)	GROWTH (TARGET – FY23)
Merchant SaaS fees	\$30k ¹	\$35k ¹	\$50k ¹	\$50k ⁺¹
3 rd party services	\$0	\$50k ³	\$50k ³	\$0
COVID-19 support	\$20k	\$0	\$0	\$0
FY21 R&D rebate amortised mthly (Estimated)	\$35k ²	\$35k ²	\$35k ²	\$0
TOTAL	\$85k	\$120k	\$135k	\$50k

TARGET OPEX
\$100k/mth

1. Based on trading history of approximately \$20k - \$100k/month in Merchant SaaS fees during FY16 to FY20.
2. Based on FY20 R&D rebate of \$571k being \$47k amortised monthly with an allowance for reduction in R&D expenses for FY21.
3. Based on trading history of up to \$6k in 3rd party service provision during FY20 to present with allowance for opportunity pipeline.
4. These are based on upsell and cross sell opportunities outlined in slide 15 which are complimentary to and included in the dollar value of Merchant SaaS fees.

To support the Company's working capital requirements, Executive Chairman, Mr Ruwan Weerasooriyas has agreed to extended the existing \$1,000,000 unsecured, interest free working capital loan to \$1,250,000. The loan is repayable at the Company's discretion when it has capacity.

As outlined in the slide above, the successful development of 3rd party services revenue, to which the work commissioned by Beanhunter will contribute, combined with maintaining and growing Merchant SaaS fees are expected to be sufficient to sustain the Company's operations and support the development of future growth opportunities.

The additional working capital funding from Mr Weerasooriya will act as R&D financing on more attractive terms for the Company than commercial R&D financing options. Rewardle has previously used commercial R&D financing, and this remains available to the Company as an additional funding option.

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

About Rewardle Holdings Limited

Rewardle connects millions of Members with thousands of 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.

As part of its long term strategy, Rewardle is seeks to secure equity positions in partner businesses by leveraging the Company's operational team, platform and network merchants and members.

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)
Email: ruwan@rewardle.com
Mobile: 0412448769