



REFFIND APPENDIX 4C COMMENTARY

Loyalty and rewards technology company REFFIND Limited (ASX: RFN) has released its Appendix 4C for the quarterly period ended 31 December 2017.

CASHFLOW

- Net cash flows used in operations were \$420k including receipts for the quarter of \$49k.
- The issue of 82.5m shares under ASX LR7.1 and LR7.1A raised \$2.005m in the period before issue expenses of \$232k.
- REFFIND holds total cash of \$5.010m as at 31 December 2017.

BUSINESS PROGRESS UPDATE

- The Company is ahead of schedule of its next version release for its core WooBoard product platform which for the first time will provide customers with its mobile iOS and Android Apps in addition to its Web based App. In addition to a new user interface with improved navigation and user experience features, the overall platform update will provide its enterprise and employee user base with improved performance and reward based badge functionality. The Company's target date for release of this major update is end of March 2018.
- REFFIND announced on 29 January 2018 that the Company and San Francisco-based Loyal Corporation (Loyal) have completed execution of investment documentation seeing the Company invest a total of US\$2.3m in Loyal through the subscription of:
 - US\$1,500,000 worth of Series A-3 Preferred Stock giving the Company 4,670,714 shares with an immediate equity interest of 9.38%% in Loyal on a fully diluted basis; and
 - US\$800,000 worth of 2-year convertible promissory notes in Loyal;

Conversion of the convertible promissory notes would see a further equity interest of 5.33% to be obtained which would combine for a total fully diluted equity holding of 14.71% in Loyal.

- The Company has also advanced negotiations regarding the exclusive licence under which the Company will be granted rights to Loyal's advanced blockchain based loyalty and rewards platform in Australia, New Zealand and the Asia Pacific region (**Territory**). The Company has entered into a binding heads of agreement with Loyal with the following licence terms having been agreed:

ABN 64 600 717 539

Office: WeWork, 100 Harris Street, Pyrmont NSW 2009 | Mail: PO Box R478, Royal Exchange NSW 1225
Phone: 1300 491 049 | Web: <http://www.reffind.com>



- the Company is entitled to incorporate Loyyal's blockchain technology into its own products, pursuant to a limited use, non-transferable, non-assignable license;
 - the Company may resell Loyyal's platform within the Territory;
 - the Company can provide consulting services to parties in the Territory who use Loyyal's platforms; and
 - the Company's right to an exclusive licence will continue for five years, and shall be subject to annual review, the payment of a fixed licence fee per Territory country, royalties, technical support and the achievement of yearly transaction volume targets, all of which are to be agreed in a Territory Licence and Service Level Agreement.
 - Subject to complying with its obligations under the licence the Company has an exclusive first right of refusal to negotiate with Loyyal for any licences of Loyyal's technology in countries and territories in the Asia Pacific region including Japan, Thailand, Singapore, Hong Kong, India, Indonesia, South Korea, Philippines, Taiwan and Vietnam.
- Under the agreed investment terms, the Company has Loyyal board representation rights with Anthony Dunlop to join Loyyal's board of directors as the Company's nominee director.

OUTLOOK

- The Company is undertaking specific technical, commercial and sales-based training with the senior executive team from Loyyal Corporation for its world class blockchain based loyalty and rewards platform in San Francisco in February.
- This strategic product and marketing workshop is also designed to discuss and plan the Company's activities around initial customer leads and opportunities for Loyyal's product offering in the Asia Pacific region.
- The Loyyal investment provides an opportunity for the Company to significantly expand its existing enterprise rewards customer base. It will also allow it to take advantage of significantly larger-scale opportunities with existing and new loyalty programs in the Asia Pacific region, including employee and customer loyalty programs.
- The Company is preparing to establish a dedicated and highly experienced product management and business development team expanding the Company's reach and direct presence into new territories initially in South East Asia to support large scale new customer opportunities as well as targeting a number of the largest loyalty and rewards programs in Australia and New Zealand.



For more information please contact:

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Company Secretary
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About REFFIND Limited

REFFIND Limited is a Software as a Service (SaaS) solutions provider with a product focus on enterprise to employee solutions including rewards, loyalty and recognition, employee communication and engagement. Based in Sydney, Australia the Company is listed on the Australian Securities Exchange (ASX: RFN). The Company has built its growth to date through both organic growth and acquisition. For more information please visit www.reffind.com

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

REFFIND LTD

ABN

64 600 717 539

Quarter ended ("current quarter")

31 DECEMBER 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	49	135
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(121)	(206)
(c) advertising and marketing	-	(1)
(d) leased assets	(23)	(54)
(e) staff costs	(121)	(272)
(f) administration and corporate costs	(203)	(338)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	(4)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(1)	(1)
1.9 Net cash from / (used in) operating activities	(420)	(741)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	2,005	3,530
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(232)	(303)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	1,773	3,227

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	3,657	2,524
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(419)	(741)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,773	3,227

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	5,010	5,010

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,897	3,438
5.2	Call deposits	113	219
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,010	3,657

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
51
-

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7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	40	2
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

ANZ Corporate Credit Card

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	85
9.3 Advertising and marketing	1
9.4 Leased assets	8
9.5 Staff costs	90
9.6 Administration and corporate costs	150
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	334

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Director/Company secretary)

Date: 31 January 2018.....

Print name: Robert Lees.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.