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ASX Announcement
1 November 2020

September 2020 Quarterly Update

Highlights

- Wooboard development continues in response to COVID-19 – new accounts up 39% on the comparable quarter 2019
- Major executive hire for Wooboard – new Executive General Manager of Wooboard appointed
- Reffind continues to be engaged with the consortium of sophisticated investors to bid for the assets of Loyyal ("Consortium")
- Successful capital raising to sophisticated investors to support growth initiatives

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 30 September 2020.

Wooboard product enhancements, new paid customer acquisitions, continued progress with BDO

The COVID-19 global pandemic has resulted in a challenging macroeconomic environment. However, this environment has also created opportunities for businesses who are able to adapt and benefit from the transition towards mobile and remote working environments. Reffind has continued to progress its Wooboard offering as the Company believes it is expertly placed to capture commercial opportunities arising from this transition, with the platform targeting both domestic and international small, medium to large enterprises.

Reffind is pleased to announce that Wooboard continued to make good progress during the September quarter with the number of new accounts up 39% on the comparable period in 2019. These new accounts have added on average 390 users per month to the platform. The targeted measures implemented by the Company following the completion of a strategic review in April (refer to ASX Announcement on 28 April 2020), continues to show good traction.

The company has seen an increase in revenue during the quarter, attributable to the new customer acquisitions during the period include a chain of Sydney restaurants and a tutoring centre for high school aged students. These customer acquisitions are paid customer acquisitions. The Company during the period and beyond is continuing to work with BDO to secure a national deal to sign up all of BDO's staff Australia-wide in the taxation division. Due to the scale of such a large customer acquisition with a substantial organisation such as BDO, there is a long trial period and due diligence (by the tax and HR teams) that continues to be conducted by a select pilot programme involving numerous BDO staff.

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The Company is currently in the process of recruiting staff, particularly developers, to ensure Wooboard is able to continue to deliver new features and enhancements to the platform. The Company also continues to provide extended trial periods to customers to support user adoption.

Significant executive hire for Wooboard – new executive leadership

The Company during the period has strengthened the executive team of Wooboard by hiring Letrecia Tippett as Executive General Manager of Wooboard. Letrecia has extensive senior leadership experience with Morgan McKinley and LinkedIn. Her last role at LinkedIn was Director, Sales Solutions for the Australia and New Zealand region.

The Company is confident that under Letrecia's leadership that Wooboard will be well placed to seize on the unique market opportunities it is currently presented with. Letrecia will be remodelling the Wooboard team by reviewing and reorganising the team of developers, customer support and sales support prior to 31 December 2020.

Termination of Licencing Agreement with InterBio

During the quarter, InterBio and Reffind announced they were unable to finalise a contractual agreement and have resolved to discontinue the proposed licencing agreement (Refer ASX Announcement 17 July 2020). Reffind continues to focus on the core Wooboard platform and to look for potential product integrations and partnerships that would be palatable to the ASX.

Update on Loyyal Investment

As summarised in Reffind's announcement to the market on 28 July 2020: In January 2018, Reffind invested a total of USD$2.3 million into Loyyal Corporation ('Loyyal'), consisting of USD$1.5 million worth of Series A-3 Preferred Stock and USD $800,000 worth of two-year convertible promissory notes in Loyyal.

During the previous quarter, Reffind announced it had decided not to convert the promissory note in Loyyal, seeking repayment of USD$845,314 (Reffind's 'Note'). COVID-19 has for the time being adversely impacted Loyyal's clients in the airline sector (such as major client Emirates) and hotel chains.

In the previous quarter on 24 June 2020 the group filed a claim in the United States District Court (Northern District of California) in the amount of USD$883,969. On 28 July 2020, Loyyal Corporation entered Chapter 7 bankruptcy protection in the United States.

Reffind has continued to work with a consortium of sophisticated investors to take a controlling stake in the ownership of the assets of Loyyal where Reffind will be a non-controlling investor. Reffind through its corporate advisors, including Barclay Pearce who managed the recent capital raise to sophisticated investors as announced to the market on 21 July 2020, have indicated that

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Reffind playing a role in the consortium would result in strong sophisticated investor support for Reffind conducting future capital raisings.

Throughout the quarter, Reffind has been engaging in consultation with ASX on the issue of the role Reffind is seeking to play in the consortium to acquire Loyyal's assets.

Reffind confirms its desire to maximise its role in the consortium. Pending a final ASX decision on the role Reffind can take in the consortium, which is expected shortly, Reffind will continue to progress with its intention.

Throughout the quarter Reffind via US bankruptcy attorneys engaged in discussions and negotiations with the bankruptcy trustee of Loyyal with a view to purchasing the assets of Loyyal as part of a consortium

Cash flow analysis

On 22 July 2020, the company completed a capital raise of $880,000 at $0.002 per share. The capital raise was conducted in two tranches. The first tranche for $440,000 (220,000,000 shares) was conducted using the company's existing placement capacity. The remaining $440,000 was raised by way of convertible note, subject to shareholder approval, at a conversion price of $0.002 redeemable within 12 months with a capitalised interest rate of 6% per annum paid on maturity. The funds raised will be applied to working capital, accelerate sales growth, to fund product development and costs of the offer.

The Company at 30 September 2020 had $345,000 in cash on hand. During the quarter the Company reported net operating cash flow of -$413,000. More information about the Company's cash flows is available in the Appendix 4C.

Outlook

During the quarter, Reffind continued to make good progress with the development of the Wooboard platform in order to respond to current challenges and opportunities arising from the COVID-19 operational environment. The Company sees the hire of Letrecia Tippett as a major step forward in the evolution of Wooboard. It is a major step by the Company to hire someone of Letrecia's pedigree to lead this business function.

Reffind continues to remain engaged with the Consortium and the ASX during the Chapter 7 bidding process in the US for the assets of Loyyal. The Company is confident that if ASX allows for its participation in the Consortium and the Consortium is successful in winning the assets of Loyyal, this will prove to be a beneficial outcome for shareholder value in Reffind.

Authorised for release by the Rumi Guzder, Executive chairman of Reffind Ltd.

– ENDS –

For further information, please contact:

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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.

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Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

REFFIND LIMITED

ABN	Quarter ended ("current quarter")
64 600 717 539	30-Sep-20

	Consolidated statement of cash flows	Current quarter $A'000	Year to date (3 months) $A'000
1	**Cash flows from operating activities**		
1.1	Receipts from customers	23	23
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(99)	(99)
	(c) advertising and marketing	(38)	(38)
	(d) leased assets	-	-
	(e) staff costs	(68)	(68)
	(f) administration and corporate costs	(276)	(276)
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	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (Profit on sale of shares)	45	45
1.9	**Net cash from / (used in) operating activities**	**(413)**	**(413)**
2	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets (Loyyal Bid Process)	(174)	(174)
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) 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**	**(174)**	**(174)**

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	Consolidated statement of cash flows	Current quarter $A'000	Year to date (3 months) $A'000
3	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	440	440
3.2	Proceeds from issue of convertible debt securities	338	338
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(68)	(68)
3.5	Proceeds from borrowings	150	150
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**	**860**	**860**

4	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	72	72
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(413)	(413)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(174)	(174)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	860	860
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**345**	**345**

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	345	72
5.2	Call deposits	-	-
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)**	**345**	**72**

6	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
	Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments	

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7	**Financing facilities**	**Total facility amount at quarter end**	**Amount drawn at quarter end**
	Note: the term "facility' includes all forms of financing arrangements available to the entity.	**$A'000**	**$A'000**
	Add notes as necessary for an understanding of the sources of finance available to the entity.		
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**		

7.5	**Unused financing facilities available at quarter end**	**-**
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(413)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	345
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	345
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	(0.84)

Note:- if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:
No, the company expects ongoing revenue growth from business operations combined with prudent management of expenditure to result in lower net operating cash outlfow.

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:
The company intends to undertake a capital raise after the EGM on 16 November 2020.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:
Yes, the company through its Corporate Advisor (Barclay Pearce Capital) is confident that it can raise capital to continue to continue it operations and meet its business objectives.

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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.

Date: 1 November 2020

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Authorised by: By the board

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(Name of body or officer authorising release – see note 4)

Notes

1 This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2 If this quarterly cash flow 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 cash flow 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.

4 If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5 If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* , the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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