

Entertainment Rewards Ltd

30 October 2025

Q1 FY26 Quarterly Activities Report

Entertainment Rewards Ltd (**ASX:EAT** or the **Company**), Australia and New Zealand's Premier Entertainment, Lifestyle and Rewards Platform, is pleased to present its Appendix 4C and accompanying activities report for the quarter ended 30 September 2025.

Highlights:

- Revenues grew by 2.2% over the same quarter last year.
- Cash inflows of \$4.82 million were also higher than the previous quarter.
- Secured additional \$3.0 million unsecured loan facility with Suzerain Investments, confirming their continued confidence in the Company.
- Over \$320k raised for various charitable causes across Australia and New Zealand.
- Frequent Values program continues to benefit from strong growth. More than 19,000 new members added during the quarter, continuing the quarter-on-quarter growth trend.
- Card Linked Offers, including Personalised Card Linked Offers (PCLO), continues to show strong momentum, registering its highest ever revenue during the quarter.
- Net Operating cash loss of \$1.29 million improved from the previous quarter and the same quarter last year.
- Improving membership renewal rates create their lifetime value exceeding that of a single accounting period.
- Cash and cash equivalents of \$1.56 million at end of quarter.

Commenting on Q1, Entertainment Chief Executive Officer Heidi Halson said:

*With positive signs emerging for future quarters, we've focussed on our people and realigned our **Entertainment Fundraising Team** under the strong sales and marketing leadership. We've continued to invest in the valuable and unique Fundraising distribution channel specifically focussing on supporting the charitable, youth and corporate markets.*

*Our Enterprise business, **Frequent Values** and **Seamless Rewards** continue to remain uniquely positioned as a loyalty solution for many of Australia and New Zealand's major organisations, providing EAT with the annuity of multi-year commitments.*

*A new loan facility was secured in Q1 with **Suzerain**, providing us with the financial comfort to maintain our strategic focus. This support empowers the organisation to keep building high-value partnerships while seeking quality-led, revenue-generating opportunities.*

We are in the process of completing B-Corp certification, 1% for the Planet accreditation, and a climate target aligned with the Science Based Targets initiative (SBTi), while mapping our impact against the UN Sustainable Development Goals (SDGs) framework.

Our organisational culture continues to evolve and is generating a positive energy within the business to create and grow. We are excited to continue to announce new partnerships with major hospitality, retail and travel brands and forthcoming enhancements that will elevate the Entertainment experience even further.

Operational

Revenues

The Company reported a revenue increase of 2.2% over same quarter last year driven by strong growth in Frequent Values and PCLO.

Operating Losses

The Company reported a net operating loss of \$1.29 million, compared to a net operating loss of \$1.36 million from the same quarter last year driven by higher cash collections with a steady cost base.

Entertainment Membership

By getting involved with the local community, as well as the hospitality industry, at the grass roots level, we are really gaining an understanding of the consumer in Australia and New Zealand.

This quarter we hosted our first Entertainment Member Event, held at Taxi Kitchen in Melbourne, a sell-out evening of 5 courses with matching wines. This was the first of these events in the last 6 years and brings back the engagement of the Entertainment community that has been lacking.

We also hosted a Media Event at Baduzzi, a waterfront restaurant in Auckland. It was a brilliant luncheon hosted by Master Chef judge and owner Michael Dearth and local fundraiser, SPCA. The resulting media attention in New Zealand was incredible and has pushed the Entertainment fundraising results in the New Zealand market ahead of all others.

Thanks to these collective efforts, fundraisers raised over **\$320,000 this quarter** for a variety of causes.

Partnerships

New leadership structure and a renewed focus on quality has led to important new partnerships this quarter including David Jones, Coles, Spicers Resorts, and over 300 other individual businesses.

Enterprise Division

The **Frequent Values** B2B program had a fifth growth quarter in a row and continues to lead the way with new client pipeline activity.

Gift Cards

The addition of David Jones and Coles to our suite of Gift Card offerings will boost this area in the coming months.

Seamless Rewards

Cashback rewards through one of Australia's largest payment networks remained strong this quarter. We continued expanding our offer range across key categories especially focussing on dining during Q1 and Q2.

Financials

Comparison with Same Quarter last year.

<u>Particulars</u>	<u>Quarter (July'25-Sept'25)</u>	<u>Quarter (July'24-Sept'24)</u>
1. Cash Receipts	\$4.82 million	\$4.71 million
2. Net Operating Loss	\$1.29 million	\$1.36 million

Cash receipts increased slightly driven by higher collections in the Frequent Value, PCLO and Gift Cards. Net operating loss decreased slightly, driven by higher cash collection.

As detailed in the attached ASX Appendix 4C, the Company had \$1.56 million in cash and cash equivalents as at 30 September 2025.

Comparison with Previous Quarter.

<u>Particulars</u>	<u>Quarter (July'25-Sept'25)</u>	<u>Quarter (Apr'25-June'25)</u>
1. Cash Receipts	\$4.82 million	\$4.80 million
2. Net Operating Loss	\$1.29 million	\$1.47 million

Cash Receipts increased due to higher revenues across Frequent Values and Staff Perks. Net operating loss improved due to lower staff costs as we continue to restructure our business.

Related Party Disclosures.

Pursuant to Listing Rule 4.7C.3 and as disclosed in Item 6.1 of the attached Appendix 4C, \$66k was paid in respect of directors' fees and other reimbursements to associated entities of the directors and \$69k was paid for interest and line fees to associated entities of directors. The interest and fees are in relation to the loans provided to the Company by associates of the directors and Suzerain, the terms of which have previously been disclosed to the market.

This announcement has been authorised for release by the Board of Directors of Entertainment Rewards Ltd.

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CFO and Company Secretary

About Entertainment Rewards Ltd

Through its Entertainment-branded subsidiaries, Entertainment Rewards Ltd provides a marketplace for offers and rewards which connects merchants wanting more business with consumers seeking entertainment, lifestyle, and leisure experiences at great value.

Founded in 1994, Entertainment is a trusted and iconic source of member-only offers and deals that manages the largest and most comprehensive amount of entertainment-related merchant content; provides fundraisers, merchants and enterprises with advanced data and campaign analytics; and markets to the largest closed-group of subscription-paying members in Australia and New Zealand.

It generates revenue through member subscription fees and marketplace features that provide data-as-a-service and targeted campaign value to merchants, enterprise, and fundraising partners.

www.entertainment.com.au

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Appendix 4C

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

Name of entity

Entertainment Rewards Ltd

ABN

43 167 603 992

Quarter ended ("current quarter")

30 September 2025

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	4,817	4,817
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(3,311)	(3,311)
(c) advertising and marketing	(203)	(203)
(d) leased assets	-	-
(e) staff costs	(2,201)	(2,201)
(f) administration and corporate costs	(180)	(180)
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 (GST refunded/(paid), old tax liabilities)	(218)	(218)
1.9 Net cash from / (used in) operating activities	(1,296)	(1,296)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(g) entities	-	-
(h) businesses	-	-
(i) property, plant and equipment	-	-
(j) investments	-	-
(k) intellectual property	-	-
(l) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(m) entities	-	-
	(n) businesses	-	-
	(o) property, plant and equipment	-	-
	(p) investments	-	-
	(q) intellectual property	-	-
	(r) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (security deposit returned)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	1,500	1,500
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(31)	(31)
3.8	Dividends paid	-	-
3.9	Interest and other costs of finance paid	(38)	(38)
3.10	Net cash from / (used in) financing activities	1,431	1,431

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,425	1,425
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,296)	(1,296)
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)	1,431	1,431

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(4)	(4)
4.6	Cash and cash equivalents at end of period	1,556	1,556

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	1,556	1,425
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)	1,556	1,425

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	66
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p>Payment to associated entities of directors of \$66k.</p> <p><i>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.</i></p>		

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7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	12,200	9,700
7.2	Credit standby arrangements	-	-
7.3	Other	-	-
7.4	Total financing facilities	12,200	9,700
7.5	Unused financing facilities available at quarter end		2,500
7.6	<p>Interest bearing Loan (Previously Converted Loan facility)</p> <p>Interest rate:10%</p> <p>Maturity date: Amended to 31 December 2026 (Previously 31/12/2025)</p> <p>Security: First ranking security over all the Group's present and future property</p> <p>Principal Drawn down as at 30 September 2025: \$0.50m</p> <p>Available funds as at 30 September 2025: \$0.00m</p> <p>On 27 February 2020, Suzerain opted to convert \$19,300,257 of their convertible loan into 410,643,766 ordinary shares at \$0.047 per share, in accordance with the Convertible Loan Deed approved by shareholders at the AGM held in December 2019. Company signed an amendment deed in August 2023 to defer the Principal and Interest payment to December 2024, 2nd amendment deed in December 2023 to defer the Principal and Interest payment to December 2025, and 3rd amendment deed in December 2024 to defer the Principal and Interest payment date to 31 December 2026. The current principal outstanding as at 30 September 2025 is \$0.50m and interest outstanding is \$0.35m.</p> <p>Transformational Capital Facility</p> <p>Interest rate:12.5%</p> <p>Maturity date: 31 December 2026 (Previously December 2025)</p> <p>Security: Second ranking security over all the Group's present and future property</p> <p>Principal Drawn down as at 30 September 2025: \$1.20m</p> <p>Available funds as at 30 September 2025: \$0.00m</p> <p>A further \$1.2m facility was approved and the transformational capital expenditure was subsequently agreed between the Company and the lender, Skybound Fidelis Investment Limited as trustee for the Skybound Fidelis Credit Fund (Skybound) (a related entity of Suzerain). During the AGM in December 2020, the resolutions were passed to enter a second ranking security deed (ranking behind Suzerain). Company signed an amendment deed in July 2024 to defer the Principal repayment date to December 2025 and another amendment deed in December 2024 to defer the Principal repayment date to December 2026. The current principal outstanding as at 30 September 2025 is \$1.20m and interest outstanding is \$0.008m.</p>		

Suzerain Investment Holdings Ltd Convertible Loan Facility (Novated from New Gold Coast Holdings)

Interest rate: 12.5% per annum

Maturity date: 31 December 2026 (Previously 31/12/2025)

Security: First ranking security over all the Group's present and future property

Principal Drawn down as at 30 September 2025: \$22.5m

Available funds as at 30 September 2025: \$0.00m

New Gold Coast Holdings \$5m Loan facility was approved on 3 June 2021. During the Annual General Meeting in January 2022, the resolutions were passed to enter a second ranking security deed (ranking behind Suzerain). On the 16th of March 2022 IncentiaPay Ltd announced it has secured additional funding of \$17.5M from New Gold Coast Holdings Limited via a conditional non-binding convertible loan deed increasing the loan facility limit to \$22.5m. Approval was gained from Shareholders in May 2022. The original funding agreement has been superseded by this new funding deed and has changed the maturity date from December 2022 to December 2024. An amendment deed was signed with the debtholder in April 2023 to defer interest payments on the loan until 31 December 2024 and to reduce the monthly administration fee by 25%. Another amendment deed signed in December 2023 to defer the principal and interest payment until 31 December 2025. Novation Deed was signed in October 2024 to novate the loan in favour of Suzerain from New Gold Coast Holdings. Suzerain signed another amendment deed in January 2025 for the following changes effective from 31 December 2024:

- a. Option to convert shifted to the Company
- b. Interest Rate : 0%
- c. Conversion Price: Fixed at 2.2 cents
- d. Interest Payment deferred to 31 December 2026
- e. Principal Payment deferred to 31 December 2026

Suzerain signed another amendment deed on 25 October 2025 to extend Principal conversion period and principal repayment date extended till 31 December 2028 and to make accumulated interest also convertible into equity at the option of the company at 2.2 cents per share. Both conversion period and interest repayment date extended till 31 December 2028. These 2 amendments are subject to shareholders' approval at 2025 AGM.

The current principal amount outstanding as at 30 September 2025 is \$22.5m and interest outstanding is \$4.53m.

Convertible loan note totalling \$22.5 million has been reclassified to equity reserves in accordance with AASB 132, and are therefore not included in Section 7 of the Appendix 4C.

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Suzerain Investment Holdings Ltd Loan Facility (Unsecured Loan)

Interest Rate: 13.0% per annum

Maturity Date: 31 December 2026 (Previously 31/12/2025)

Security: Unsecured loan

Principal Drawn down as at 30 September 2025: \$8.00m

Available funds as at 30 September 2025: \$2.50m

Company signed a \$5 million unsecured loan facility with Suzerain Investment Holdings in June 2024 to fund its revenue pivot strategy and an amendment deed in December 2024 to defer the principal and interest payment until 31 December 2026. The Company further signed amendment deed in April 2025 to secure an additional funding of \$2.5 million under the same terms and conditions raising total loan facility amount to \$7.5 million. The Company signed a third amendment deed in August 2025 to increase the existing loan facility by additional \$3.0 million under the same terms and conditions raising total loan facility amount to \$10.5 million. The current principal amount outstanding as at 30 September 2025 is \$8.00m and interest outstanding is \$0.60m.

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,296)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,556
8.3	Unused finance facilities available at quarter end (item 7.5)	2,500
8.4	Total available funding (item 8.2 + item 8.3)	4,056
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	3.1
	<i>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.</i>	
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: Not applicable	
	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: Not applicable	
	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: Not applicable	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

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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.

Authorised by: Board of Directors.

Date: 30 October 2025

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 – e.g., 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.