

Rewardle Holdings Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity: Rewardle Holdings Limited
ABN: 37 168 751 746
Reporting period: For the year ended 30 June 2022
Previous period: For the year ended 30 June 2021

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	261.3% to	1,753,131
Loss from ordinary activities after tax attributable to the owners of Rewardle Holdings Limited	down	92.6% to	(41,531)
Loss for the year attributable to the owners of Rewardle Holdings Limited	down	92.6% to	(41,531)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the Consolidated entity after providing for income tax amounted to \$41,531 (30 June 2021: \$564,526).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(0.43)</u>	<u>(0.42)</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unmodified opinion has been issued.

11. Attachments

Details of attachments (if any):

The Annual Report of Rewardle Holdings Limited for the year ended 30 June 2022 is attached.

12. Signed



Signed _____

Date: 31 August 2022

Ruwan Weerasooriya
Executive Chairman



Annual Report - 30 June 2022

Rewardle Holdings Limited

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30 June 2022

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Rewardle Holdings Limited
Corporate Directory
30 June 2022

Directors	Ruwan Weerasooriya – Executive Chairman David Niall – Non-Executive Director Rodney House— Non-Executive Director
Company secretary	Nicholas Day
Registered office	Suite 70, Level 4, 80 Market St, South Melbourne VIC 3205 Telephone: 1300 407 891 Email: corporate@rewardle.com Website: www.rewardleholdings.com
Principal place of business	Suite 70, Level 4, 80 Market St, South Melbourne VIC 3205
Share register	Automic Registry Services Suite 1A, Level 1, 7 Ventnor Avenue West Perth WA 6005 Telephone: +61 8 9324 2099 Facsimile: +61 8 9321 2337
Auditor	Moore Australia Audit (Vic) Level 44, 600 Bourke Street, Melbourne VIC 3000
Solicitors	PwC Legal PricewaterhouseCoopers Brookfield Place 125 St Georges Terrace Perth WA 6000
Bankers	Westpac Banking Corporation Limited
Stock exchange listing	Rewardle Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: RXH)

Rewardle Holdings Limited
Directors' report
30 June 2022

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated entity') consisting of Rewardle Holdings Limited (referred to hereafter as the 'Company' or 'Parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2022.

Directors

The following persons were Directors of Rewardle Holdings Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Ruwan Weerasooriya – Executive Chairman
David Niall – Non-Executive Director
Rodney House – Non-Executive Director

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The loss for the Consolidated entity after providing for income tax amounted to \$41,531 (30 June 2021: \$564,526).

The Company has successfully executed its strategy to drive growth by developing opportunities that leverage its operations, resources and capabilities, achieving positive cash flow operations for the year ended June 2022.

- Revenue from Rendering of services (primarily SaaS Merchant fees and professional services and software licensing income) is up 262% to \$1,753,131(30 June 2022: 485,272).
- Other income (primarily R&D tax incentive rebate, government R&D and COVID-19 support) decreased 59% to \$367,365 due to reduced R&D tax incentive rebate claim during the current period and reductions in available COVID-19 support packages.
- Expenses increased by 26% to \$1,308,817 (30 June 2021: \$1,039,630).

The Company has been successfully executing its strategy to drive growth by taking advantage of the high operating leverage of its B2B2C software platform model.

Q4 FY22 was the Company's third consecutive quarter of positive cash flow from operating activities and this positive momentum is being carried into FY23.

As per the Company's growth strategy, cash flow generated by leveraging its operations, resources and capabilities are being invested into growth initiatives to create a compounding growth flywheel effect for the business moving forward.

The Company's growth strategy includes the development of a portfolio of transactional, licensing and equity positions in complementary partner businesses. Having established agreements with SplitPay (UK BNPL) and Cardiac Rhythm Diagnostics (Cardiac MedTech) to convert fees into equity, the Company's initial growth focus has been on building its high growth equity portfolio in these partner businesses.

In addition to the above, the Company has previously established strategic partnerships which include options to acquire controlling equity positions with Beanhunter, Australia's leading online community for independent cafes and coffee lovers and Pepper Leaf, a Melbourne based meal kit delivery service.

The next areas of focus will be the growth of merchant services revenue and the launch of new features in the Rewardle app for members that support the generation of additional, high margin revenue.

To support these growth initiatives, subsequent to FY22, the Company arranged to finance its FY22 R&D rebate and received \$290k. The R&D financing allows the Company to continue aggressively maximising its fee to equity conversion opportunities while ensuring sufficient working capital is available to support its new growth initiatives to gain traction.

The positive momentum gathered in FY22 is being carried into FY23 and the Company is becoming more robust as its diverse range of revenue streams and opportunities are developed.

While the most severe impact of the COVID-19 pandemic appears to have passed, as at the date of the Financial Statements, an estimate of the future effects of the COVID-19 pandemic on the Groups financial performance and/or financial position cannot be made and the Board and Management continue to monitor the situation and review the Company's strategy.

Rewardle Holdings Limited
Directors' report
30 June 2022

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Consolidated entity during the financial year.

Matters subsequent to the end of the financial year

Subsequent to the year end, the Company has established a \$290k financing facility for its FY22 R&D activity (up to the end of May 2022) with specialist R&D lender Radium Capital (Radium). The FY22 R&D financing provides the Company with non-dilutive working capital that will be used to accelerate the development of its growth initiatives.

The financing facility established with Radium allows the Company to manage the cashflow asymmetry associated with the timing difference between investment in research and development activity and receipt of the R&D refund. The Agreement with Radium is based on standard terms customary for this type of financing facility including the following key terms:

- Loan amount: \$289,035
- Security: Rewardle's FY22 R&D rebate
- Interest rate: 14% PA
- Maturity date: Earlier of 30 November 2022 or receipt of FY22 R&D rebate

The Company is in the process of preparing its FY22 R&D claim which when processed will retire the Radium loan and provide additional working capital to support the Company's execution of its growth strategy.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Consolidated entity's operations, the results of those operations, or the Consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the Consolidated entity and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Consolidated entity.

Environmental regulation

The Consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Governance

The Company and its Board are committed to achieving and demonstrating the highest standards of corporate governance. The Company has reviewed its Corporate Governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The 2022 Corporate Governance Statement was approved by the Board on 31 August 2022 and is current at this time. A copy of the Company's current Corporate Governance Statement and Plan can be viewed at <https://www.rewardleholdings.com/corporate-policies/>

Information on Directors

Name:	Ruwan Weerasooriya
Title:	Executive Chairman
Experience and expertise:	Ruwan Weerasooriya is the founder and Managing Director of Rewardle. Over 20 years he has consistently stayed at the forefront of the disruption caused by the advent and proliferation of the internet. He has established, built and operated a range of technology and media related businesses with multiple successful outcomes including trade sales to ASX listed industry leaders. In 2013 he was named in the Top 50 Australian Startup Influencers by Startupdaily.com.au. He established Rewardle in 2012 to provide Local SME Merchants with the digital customer engagement tools and business intelligence typically only available to large retail chains by unlocking the power of mobile computing, cloud-based software and big data analysis.
Other current directorships:	Nil
Former directorships (last 3 years):	During the past three years Mr Weerasooriya has held no other listed Company Directorships
Interests in shares:	397,031,678
Interests in options:	Nil

Rewardle Holdings Limited
Directors' report
30 June 2022

Name: David Niall
Title: Non-executive Director
Experience and expertise: David Niall has a BSc (Hons) and holds a Master of Business Administration from Harvard Business School. Formerly an executive at Telstra, he has a deep knowledge of the mobiles industry with extensive experience in developing and launching innovative products. He has extensive experience driving implementation of complex strategic programs across telecommunications, technology and management consulting industries
Other current directorships: Mayfield Childcare Ltd (ASX:MFD)
Former directorships (last 3 years): Buymyplace Ltd (ASX:BMP)
Interests in shares: 10,932,513

Name: Rodney House
Title: Non-executive Director
Experience and expertise: Rodney is a proven commercial leader with over 20 years of experience in media and sales. Most recently he held the role of Commercial Director at Australia Community Media (ACM), a division of Fairfax Media. In this role, Rodney's responsibilities included direct and agency sales teams along with call centre partnerships for print and digital media. He also headed up Fairfax Marketing Services – delivering a full suite of digital marketing services to regional clients. This comprised of approximately 650 employees, operating from 140 locations across rural and regional Australia. During his time with ACM Rodney led a significant sales transformation program and was instrumental in the sales teams' skill and digital capability development.
Other current directorships: Nil
Former directorships (last 3 years): Nil
Interests in shares: Nil

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary
Nicholas Day

Mr Day was appointed as Company Secretary on 14 February 2020. Mr Day has over 20 years' experience as a company director, CFO and company secretary for a broad range of listed and private technology companies and mining and exploration companies. Previously he was CFO and Company Secretary of Battery Minerals, Minbos Resources Limited, RTG Mining, Finance Director at Coventry Resources and Company Secretary to Paringa Resources Limited and Ebooks Corporation.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2022, and the number of meetings attended by each Director were:

	Attended	Held
Ruwan Weerasooriya	8	8
David Niall	8	8
Rodney House	8	8

Held: represents the number of meetings held during the time the Director held office.

Remuneration report (audited)

The remuneration report details the Key Management Personnel remuneration arrangements for the Consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

Rewardle Holdings Limited
Directors' report
30 June 2022

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to Key Management Personnel

Principles used to determine the nature and amount of remuneration

The objective of the Consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its Directors and executives. The performance of the Consolidated entity depends on the quality of its Directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Consolidated entity.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive Director and executive Director remuneration is separate.

Non-executive Directors remuneration

Fees and payments to non-executive Directors reflect the demands and responsibilities of their role. Non-executive Directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive Directors' fees and payments are appropriate and in line with the market.

ASX listing rules require the aggregate non-executive Directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 29 November 2021, where the shareholders approved a maximum annual aggregate remuneration of \$500,000.

Executive remuneration

The Consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Rewardle Holdings Limited
Directors' report
30 June 2022

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the Consolidated entity and comparable market remunerations in the technology sector.

The short-term incentives ('STI') are payable to Executives based upon the attainment of agreed corporate and individual milestones and are reviewed and approved by the Board of Directors. During the year, no STI were paid to the Executives.

The objective of long-term incentives is to reward Directors/Executives in a manner which aligns this element of remuneration with the creation of shareholder wealth. The incentive portion is payable based upon attainment of objectives related to the Director's/Executive's job responsibilities. The objectives vary, but all are targeted to relate directly to the Company's business and financial performance and thus to shareholder value.

Long term incentives (LTIs) granted to Directors/ Executives are delivered in the form of options.

LTI grants to Executives are delivered in the form of employee share options. These options are issued at an exercise price determined by the Board at the time of issue. The employee share options on issue during the year vest over a selected period not based on service conditions.

The objective of the granting of options is to reward Executives in a manner that aligns the element of remuneration with the creation of shareholder wealth. As such LTIs are made to Executives who are able to influence the generation of shareholder wealth and thus have an impact on the Company's performance.

The level of LTI granted is, in turn, dependent on the Company's recent share price performance, the seniority of the Executive, and the responsibilities the Executive assumes in the Company.

Typically, the grant of LTIs occurs at the commencement of employment or in the event that the individual receives a promotion and, as such, is not subsequently affected by the individual's performance over time.

Use of remuneration consultants

The Board does not seek the advice of Remuneration Consultants in fulfilling its roles and responsibilities associated with the Remuneration Committee and determining compensation for Directors, the Managing Director and any Key Management Personnel.

Voting and comments made at the Company's 29 November 2021 Annual General Meeting ('AGM')

At the 29 November 2021 AGM, 100% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2021. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of Key Management Personnel of the Consolidated entity are set out in the following tables.

The Key Management Personnel of the Consolidated entity consisted of the following Directors of Rewardle Holdings Limited:

- Ruwan Weerasooriya – Executive Chairman
- David Niall – Non-executive Director
- Rodney House - Non Executive Director

Rewardle Holdings Limited
Directors' report
30 June 2022

	Short-term benefits	Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	Super-annuation	Long service leave	Equity-settled	Total
30 June 2022	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>					
David Niall	36,363	3,637	-	-	40,000
Rodney House	36,363	3,637	-	-	40,000
<i>Executive Directors:</i>					
Ruwan Weerasooriya	150,000	15,000	4,312	-	169,312
	<u>222,726</u>	<u>22,274</u>	<u>4,312</u>	<u>-</u>	<u>249,312</u>

As at 30 June 2022, a balance of \$894,206 was payable to the Directors inclusive of superannuation.

	Short-term benefits	Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	Super-annuation	Long service leave	Equity-settled	Total
30 June 2021	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>					
David Niall	36,530	3,470	-	-	40,000
Rodney House	36,530	3,470	-	-	40,000
<i>Executive Directors:</i>					
Ruwan Weerasooriya	150,000	14,250	7,913	-	172,163
	<u>223,060</u>	<u>21,190</u>	<u>7,913</u>	<u>-</u>	<u>252,163</u>

As at 30 June 2021, a balance of \$649,212 was payable to the Directors inclusive of superannuation.

Service agreements

Remuneration and other terms of employment for Key Management Personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Mr Ruwan Weerasooriya
Title: Executive Chairman & Managing Director
Agreement commenced: 20 July 2014
Term of agreement: The Managing Director's remuneration package comprises an annual salary of \$150,000 plus statutory superannuation. The service agreement has no fixed term and Mr Weerasooriya or the Company can terminate the agreement upon provision of six months written notice.

Name: Mr David Niall
Title: Non-executive Director
Agreement commenced: 30 May 2017 and revised on 1 October 2018
Term of agreement: David Niall entered into a revised agreement from 1 October 2018 as a Non-executive Director at a package of \$40,000 per annum inclusive of superannuation. Prior to this, David Niall had an agreement that consists of a package comprising \$120,000 per annum plus superannuation, a notice period of six months and that he devote 70% of his working time to the Company.

Rewardle Holdings Limited
Directors' report
30 June 2022

Name: Mr Rodney House
Agreement commenced: 2 January 2019
Term of agreement: Rodney has entered into an agreement that consists of a package comprising \$40,000 per annum inclusive of superannuation.

Key Management Personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to Directors and other Key Management Personnel as part of compensation during the year ended 30 June 2022.

Options

There were no options over ordinary shares issued to Directors and other Key Management Personnel as part of compensation that were outstanding as at 30 June 2022.

There were no options over ordinary shares granted to or vested by Directors and other Key Management Personnel as part of compensation during the year ended 30 June 2022. No shares were issued to Directors on exercise of compensation options during the year.

Additional disclosures relating to Key Management Personnel

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of Key Management Personnel of the Consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
R Weerasooriya	397,031,678	-	-	-	397,031,678
D Niall	10,932,513	-	-	-	10,932,513
	<u>407,964,191</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>407,964,191</u>

Option holding

There were no options over ordinary shares in the Company held during the financial year by the Director and other members of Key Management Personnel of the Consolidated entity, including their personally related parties.

This concludes the remuneration report, which has been audited.

Loans from Directors and executives

The Executive Chairman, Ruwan Weerasooriya has provided a unsecured, non-recourse fee and interest facility to support working capital requirements of the Group. To support the Company's working capital requirement as its strategy to 'Breakeven and Growth' is implemented, During September 2021 quarter the facility was extended from \$1,250,000 to \$1,300,000. The Company has drawn a total of \$86,304 from this facility during the year and a total loan balance of \$1,277,971 is payable as of 30 June 2022.

Shares under option

There were no unissued ordinary shares of Rewardle Holdings Limited under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of Rewardle Holdings Limited issued on the exercise of options during the year ended 30 June 2022 and up to the date of this report.

Indemnity and insurance of officers

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

Rewardle Holdings Limited
Directors' report
30 June 2022

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Officers of the Company who are former partners of Moore Australia Audit (Vic)

There are no officers of the Company who are former partners of Moore Australia Audit (Vic).

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Auditor

Moore Australia Audit (Vic) continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in blue ink, consisting of a circular scribble followed by a long horizontal line extending to the right.

31 August 2022

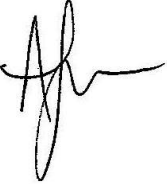
**AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF REWARDLE HOLDINGS LIMITED AND CONTROLLED ENTITY**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



MOORE AUSTRALIA AUDIT (VIC)
ABN 16 847 721 257



ANDREW JOHNSON
Partner
Audit and Assurance

Melbourne, Victoria

31 August 2022

Rewardle Holdings Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

		Consolidated	
	Note	30 June 2022	30 June 2021
		\$	\$
Rendering of services	5	1,753,131	485,272
Other income	6	367,365	903,917
Expenses			
Operating expenses associated with Rewardle network	7	(1,308,817)	(1,039,630)
Employee benefits expense		(852,921)	(913,520)
Depreciation and amortisation expense	12	<u>(289)</u>	<u>(565)</u>
Loss before income tax expense		(41,531)	(564,526)
Income tax expense	8	<u>-</u>	<u>-</u>
Loss after income tax expense for the year attributable to the owners of Rewardle Holdings Limited	18	(41,531)	(564,526)
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year attributable to the owners of Rewardle Holdings Limited		<u>(41,531)</u>	<u>(564,526)</u>
		Cents	Cents
Basic earnings per share	30	(0.01)	(0.11)
Diluted earnings per share	30	(0.01)	(0.11)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Rewardle Holdings Limited
Statement of financial position
As at 30 June 2022

	Note	Consolidated 30 June 2022 \$	30 June 2021 \$
Assets			
Current assets			
Cash and cash equivalents	9	132,794	57,777
Trade and other receivables	10	34,502	54,300
Total current assets		<u>167,296</u>	<u>112,077</u>
Non-current assets			
Financial assets at fair value through profit or loss	11	347,072	-
Property, plant and equipment	12	1,294	1,583
Total non-current assets		<u>348,366</u>	<u>1,583</u>
Total assets		<u>515,662</u>	<u>113,660</u>
Liabilities			
Current liabilities			
Trade and other payables	13	1,320,585	913,960
Borrowings	14	1,277,971	1,191,667
Provisions	15	148,314	145,983
Unearned Income	16	44,988	96,715
Total current liabilities		<u>2,791,858</u>	<u>2,348,325</u>
Total liabilities		<u>2,791,858</u>	<u>2,348,325</u>
Net liabilities		<u>(2,276,196)</u>	<u>(2,234,665)</u>
Equity			
Issued capital	17	18,190,908	18,190,908
Accumulated losses	18	(20,467,104)	(20,425,573)
Total deficiency in equity		<u>(2,276,196)</u>	<u>(2,234,665)</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Rewardle Holdings Limited
Statement of changes in equity
For the year ended 30 June 2022

	Issued capital \$	Retained losses \$	Total deficiency in equity \$
Consolidated			
Balance at 1 July 2020	18,190,908	(19,861,047)	(1,670,139)
Loss after income tax expense for the year	-	(564,526)	(564,526)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(564,526)	(564,526)
Balance at 30 June 2021	<u>18,190,908</u>	<u>(20,425,573)</u>	<u>(2,234,665)</u>

	Issued capital \$	Retained losses \$	Total deficiency in equity \$
Consolidated			
Balance at 1 July 2021	18,190,908	(20,425,573)	(2,234,665)
Loss after income tax expense for the year	-	(41,531)	(41,531)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(41,531)	(41,531)
Balance at 30 June 2022	<u>18,190,908</u>	<u>(20,467,104)</u>	<u>(2,276,196)</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Rewardle Holdings Limited
Statement of cash flows
For the year ended 30 June 2022

	Note	Consolidated	30 June 2021
		30 June 2022	30 June 2021
		\$	\$
Cash flows from operating activities			
Receipts from customers		1,744,143	407,240
Payments to suppliers and employees		(1,799,355)	(1,775,245)
R&D and other Government incentives		367,365	903,917
Interest and other finance costs paid		-	(21,456)
		<u> </u>	<u> </u>
Net cash from/(used in) operating activities	29	<u>312,153</u>	<u>(485,544)</u>
Cash flows from investing activities			
Payments for investments		<u>(323,440)</u>	-
Net cash used in investing activities		<u>(323,440)</u>	-
Cash flows from financing activities			
Proceeds from borrowings		86,304	630,705
Repayment of borrowings		-	(125,000)
		<u> </u>	<u> </u>
Net cash from financing activities		<u>86,304</u>	<u>505,705</u>
Net increase in cash and cash equivalents		75,017	20,161
Cash and cash equivalents at the beginning of the financial year		<u>57,777</u>	<u>37,616</u>
Cash and cash equivalents at the end of the financial year	9	<u><u>132,794</u></u>	<u><u>57,777</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Rewardle Holdings Limited
Notes to the financial statements
30 June 2022

Note 1. General information

The financial statements cover Rewardle Holdings Limited as a consolidated entity consisting of Rewardle Holdings Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Rewardle Holdings Limited's functional and presentation currency.

Rewardle Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Suite 70, Level 4, 80 Market St, South Melbourne VIC 3205
Telephone : 1300 407 891
Email: corporate@rewardle.com
Website: www.rewardleholdings.com

Principal place of business

Suite 70, Level 4, 80 Market St, South Melbourne VIC 3205

A description of the nature of the Consolidated entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 31 August 2022. The Directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Going Concern

For the year ended 30 June 2022 the Consolidated entity had an operating net loss of \$41,531 (2021: \$564,526), net cash inflows from operating activities of \$312,153 (2021(outflows): (\$485,544)) and net current liabilities of \$2,624,562 (2021: \$2,236,248). However, the current liabilities as at 30 June 2022 contain a number of liability accounts, including loan from Directors of \$1,277,971 and salaries and Directors fee payable to the current Directors of \$894,206 and unearned Income of \$44,988 which represent the results of accounting adjustments and do not represent amounts currently payable, or expected to become payable, to third parties. If these liability accounts are removed from the calculation of working capital at 30 June 2022, the adjusted working capital deficit is reduced to approximately \$407,397 (2021: \$298,654).

Note 2. Significant accounting policies (continued)

The ability to continue as a going concern is dependent upon a number of factors, one being the continuation and availability of funds. The financial statements have been prepared on the basis that the Consolidated entity is a going concern, which contemplates the continuity of its business, realisation of assets and the settlement of liabilities in the normal course of business.

The impact of the COVID-19 pandemic has resulted in the group experiencing challenging and uncertain times. Actual economic events and conditions in future may be materially different from those estimated by the group at the reporting date. In the event the COVID-19 pandemic impacts are more severe or prolonged than anticipated, this may have further adverse impacts to the group. At the date of the annual report an estimate of the future effects of the COVID-19 pandemic on the group cannot be made, as the impact will depend on the magnitude and duration of the economic downturn, with the full range of possible effects unknown. Whilst the situation is evolving, the Directors remain confident that the group will be able to continue as a going concern which assumes it will be able to continue trading and realise assets and discharge liabilities in the ordinary course of business for at least 12 months from the date of the consolidated financial statements.

In determining that the going concern assumption is appropriate, the Directors have had regard to:

- The Group cashflow forecast shows a positive cash position for the period extending beyond twelve months for this report;
- Forecast revenue from historical Merchants Services products (SaaS) continuing in keeping with historical performance and growing in the future in keeping with management assumptions;
- Forecast revenue from new Merchant Services products (SaaS) in keeping with management assumptions;
- Forecast revenue from brand partnerships continuing in keeping with historical performance and forecast revenue from new brand partnership products in keeping with management assumptions;
- Forecast professional services revenue resulting from strategic partnership agreements for the provision of technology, marketing, operational support and corporate strategy services to Pepper Leaf, Beanhunter, SplitPay and Cardiac Rhythm Diagnostics in keeping with management assumptions;
- Forecast Growth Services revenue in keeping with management assumptions including development of new partnership opportunities;
- Strategic partners ability to generate income and/or raise sufficient capital to support their ongoing growth and forecast professional services income;
- Ongoing growth of membership and development of opportunities to generate new revenue streams from members;
- Ongoing management of the underlying cost base (primarily through employee costs, improved technology efficiencies and other operating cost reductions) such that they are in keeping with management assumptions;
- Forecast receipt of FY22 research and development tax incentive rebate (R&D) in keeping with historical levels of cost apportionment and management assumptions;
- Access to R&D financing on quarterly draw down on similar terms provided to the Company previously;
- Access to loans which Directors may elect to provide on terms yet to be negotiated and agreed;

The Consolidated entity's ability to continue to operate as a going concern is dependent upon the items listed above. Should these events not occur as anticipated, the Consolidated entity may be unable to continue as a going concern and may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated entity only. Supplementary information about the parent entity is disclosed in Note 26.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Rewardle Holdings Limited ('Company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. Rewardle Holdings Limited and its subsidiaries together are referred to in these financial statements as the 'Consolidated entity'.

Subsidiaries are all those entities over which the Consolidated entity has control. The Consolidated entity controls an entity when the Consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated entity. They are de-consolidated from the date that control ceases.

Note 2. Significant accounting policies (continued)

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Revenue recognition

The Consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised either at a point in time or over time when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers. All revenue is stated net of the amount of Goods and Services Tax (GST).

Rendering of services

Revenue from providing services is recognised in the accounting period in which the services are rendered. Revenue is recognised over time based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. The customer pays the fixed amount based on a payment schedule per the contract. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability (Unearned income) is recognised. Customers are invoiced on a monthly basis and consideration is payable when invoiced. Service contracts do not contain provisions for sales returns, rebates, discounts or any ongoing service and the total transaction price does not contain any variable consideration in relation to such items.

Set up fees

Fees charged for set up services are recognised as revenue at a point in time on completion of set up.

Other income

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Note 2. Significant accounting policies (continued)

R&D Tax incentive rebate

R&D tax offset income is income recognised when there is reasonable assurance that it will be received. It is recognised in the statement of comprehensive income in the same period that the related costs are recognised as expenses and relates to refundable amounts on approved expenses.

Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Financial Instruments

A financial asset is measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI').

An 'expected credit loss' ('ECL') model is used to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

Refer to Note 19 for the new disclosures taken from the adoption of this Standard.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

Note 2. Significant accounting policies (continued)

A liability is classified as current when: it is either expected to be settled in the Consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Note 2. Significant accounting policies (continued)

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	40 years
Leasehold improvements	3-10 years
Plant and equipment	3-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 2. Significant accounting policies (continued)

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Note 2. Significant accounting policies (continued)

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Rewardle Holdings Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Note 2. Significant accounting policies (continued)

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Share-based payment transactions

The Consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Employee benefits provision

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Rewardle Holdings Limited
Notes to the financial statements
30 June 2022

Note 4. Operating segments

Identification of reportable operating segments

The Consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM') in assessing performance and in determining the allocation of resources

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The Board considers that the Consolidated entity has only operated in one segment, that is the development, operation and commercialisation of its proprietary Business to Business to Consumer (B2B2C) software platform (Rewardle Platform) by leveraging the Company's operational capabilities, expertise and IP.

Where applicable, corporate costs, finance costs, and interest revenue are not allocated to segments as they are not considered part of the core operations of the segments and are managed on a group basis.

The Consolidated entity is domiciled in Australia. All revenue from external customers is generated from Australia only. Segment revenues are allocated based on the country in which the project is located.

Revenue of \$1,219,999.99 representing 69.6% of total revenue from ordinary activities was derived from a single customer.

The information reported to the CODM is on a monthly basis.

Note 5. Rendering of services

Disaggregation of revenue

Revenue from contracts with customers is categorised into the reportable segments disclosed below. Revenue is recognised when the performance obligations are delivered over time except for Setup fee which is recognised point in time. Once a contract has been entered into, the Group has a enforceable right to payment for work completed to date.

	Consolidated	
	30 June 2022	30 June 2021
	\$	\$
Merchant Licensing fees (SaaS)	360,860	408,799
Services and Licensing Fees	1,374,863	54,338
Set up fees	13,408	16,408
Brand partnership fees	4,000	5,727
Rendering of services	<u>1,753,131</u>	<u>485,272</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	30 June 2022	30 June 2021
	\$	\$
<i>Timing of revenue recognition</i>		
Services transferred over time	364,860	414,526
Services transferred at a point in time	<u>1,388,271</u>	<u>70,746</u>
	<u>1,753,131</u>	<u>485,272</u>

Rewardle Holdings Limited
Notes to the financial statements
30 June 2022

Note 6. Other income

	Consolidated	
	30 June 2022	30 June 2021
	\$	\$
R&D tax incentive rebate	347,365	573,517
COVID-19 incentives	20,000	330,400
	<u>367,365</u>	<u>903,917</u>

COVID-19 incentive includes \$20,000 payroll tax incentives due to COVID-19.

Note 7. Operating expenses associated with Rewardle network

	Consolidated	
	30 June 2022	30 June 2021
	\$	\$
Consulting fees	527,668	324,587
Sales commission and service fees	175,910	167,002
Impairment of trade receivables	95,792	126,202
Merchant and member network costs	105,046	95,346
Auditing fees	39,006	41,328
Company secretarial and accounting fees	34,214	36,610
Rent	695	4,000
Legal fees	2,353	2,856
IT consumables	1,849	-
Other operating expenses	326,284	241,699
	<u>1,308,817</u>	<u>1,039,630</u>

Note 8. Income tax expense

	Consolidated	
	30 June 2022	30 June 2021
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(41,531)	(564,526)
Tax at the statutory tax rate of 25% (2021: 26%)	(10,383)	(146,777)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	228,112	284,402
R&D tax incentive rebate	(86,842)	(149,114)
	130,887	(11,489)
Deferred tax not brought into the accounts	-	11,489
Utilisation of prior year losses	(130,887)	-
Income tax expense	<u>-</u>	<u>-</u>

Rewardle Holdings Limited
Notes to the financial statements
30 June 2022

Note 8. Income tax expense (continued)

	Consolidated	
	30 June 2022	30 June 2021
	\$	\$
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	<u>9,206,937</u>	<u>9,730,487</u>
Potential tax benefit at statutory tax rates	<u>2,301,734</u>	<u>2,529,927</u>

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 9. Current assets - cash and cash equivalents

	Consolidated	
	30 June 2022	30 June 2021
	\$	\$
Cash on hand	100	100
Cash at bank	<u>132,694</u>	<u>57,677</u>
	<u><u>132,794</u></u>	<u><u>57,777</u></u>

Note 10. Current assets - trade and other receivables

	Consolidated	
	30 June 2022	30 June 2021
	\$	\$
Trade receivables	320,020	239,389
Less: Allowance for expected credit losses	<u>(313,984)</u>	<u>(218,192)</u>
	<u>6,036</u>	<u>21,197</u>
Other receivables	<u>28,466</u>	<u>33,103</u>
	<u><u>34,502</u></u>	<u><u>54,300</u></u>

Allowance for expected credit losses

The ageing of the trade receivables and allowance for expected credit losses provided for above are as follows:

Consolidated	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	%	%	\$	\$	\$	\$
0 to 3 months overdue	78%	45%	27,357	38,618	21,321	17,421
3 to 6 months overdue	100%	100%	<u>292,663</u>	<u>200,771</u>	<u>292,663</u>	<u>200,771</u>
			<u><u>320,020</u></u>	<u><u>239,389</u></u>	<u><u>313,984</u></u>	<u><u>218,192</u></u>

Rewardle Holdings Limited
Notes to the financial statements
30 June 2022

Note 11. Non-current assets - Financial assets at fair value through profit or loss

	Consolidated	
	30 June 2022	30 June 2021
	\$	\$
Investment in Cardiac Rhythm Diagnostics	310,000	-
Investment in SplitPay	37,072	-
	<u>347,072</u>	<u>-</u>

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening fair value	-	-
Additions	347,072	-
	<u>347,072</u>	<u>-</u>
Closing fair value	<u>347,072</u>	<u>-</u>

The Company's growth strategy includes the development of a portfolio of transactional, licensing and equity positions in complementary partner businesses. Having established agreements with SplitPay (UK BNPL) and Cardiac Rhythm Diagnostics (Cardiac MedTech) to convert fees into equity, the Company's initial growth focus has been on building its high growth equity portfolio in these partner businesses.

During the FY22 the Company converted \$37,072 of fees to equity in SplitPay which equates to a total shareholding in SplitPay to approximately 0.8%. In addition, the Company converted \$310,000 of fees into equity in Cardiac Rhythm Diagnostics to give the Company a shareholding of approximately 6%.

Refer to note 21 for further information on fair value measurement.

Note 12. Non-current assets - property, plant and equipment

	Consolidated	
	30 June 2022	30 June 2021
	\$	\$
Plant and equipment - at cost	35,265	35,265
Less: Accumulated depreciation	(33,971)	(33,682)
	<u>1,294</u>	<u>1,583</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	\$	Total
	\$	\$
Balance at 1 July 2020	2,148	2,148
Depreciation expense	(565)	(565)
	<u>1,583</u>	<u>1,583</u>
Balance at 30 June 2021	1,583	1,583
Depreciation expense	(289)	(289)
	<u>1,294</u>	<u>1,294</u>
Balance at 30 June 2022	<u>1,294</u>	<u>1,294</u>

Rewardle Holdings Limited
Notes to the financial statements
30 June 2022

Note 13. Current liabilities - trade and other payables

	Consolidated	
	30 June 2022	30 June 2021
	\$	\$
Trade payables	360,457	201,302
Other payables	960,128	712,658
	<u>1,320,585</u>	<u>913,960</u>

As at 30 June 2022, the other payables balance includes salaries and Directors fee payable and superannuation payable to the current Directors of \$894,206 (2021: \$649,212).

Trade and other payables are non-interest bearing and are normally settled on 30-day terms. The loan from Director is unsecured and non-interest bearing. Due to the short-term nature of the above financial instruments, their carrying value is assumed to approximate their fair value

Amounts are expected to be settled within twelve months. Refer to note 19 for further information on financial instruments.

Note 14. Current liabilities - borrowings

	Consolidated	
	30 June 2022	30 June 2021
	\$	\$
Loan from Director	<u>1,277,971</u>	<u>1,191,667</u>

Refer to Note 20 for further information on financial instruments.

The loan from Director is unsecured and non-interest bearing.

Note 15. Current liabilities - provisions

	Consolidated	
	30 June 2022	30 June 2021
	\$	\$
Employee benefits	<u>148,314</u>	<u>145,983</u>

Employee benefits represent annual leave and long service leave entitlements of employees within the Group and is non-interest bearing. The entire obligation is presented as current, since the Group does not have a right to defer settlement.

Note 16. Current liabilities - Unearned Income

	Consolidated	
	30 June 2022	30 June 2021
	\$	\$
Unearned income	<u>44,988</u>	<u>96,715</u>

Unearned income represents payment received in advance for services to still be provided within the Group and is non-interest bearing.

Rewardle Holdings Limited
Notes to the financial statements
30 June 2022

Note 17. Equity - issued capital

	Consolidated			
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>526,321,488</u>	<u>526,321,488</u>	<u>18,190,908</u>	<u>18,190,908</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The Consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Consolidated entity would look to raise capital when an opportunity to invest in a business or Company was seen as value adding relative to the current Company's share price at the time of the investment. The Consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 2021 Annual Report.

Note 18. Equity - accumulated losses

	Consolidated	
	30 June 2022	30 June 2021
	\$	\$
Accumulated losses at the beginning of the financial year	(20,425,573)	(19,861,047)
Loss after income tax expense for the year	<u>(41,531)</u>	<u>(564,526)</u>
Accumulated losses at the end of the financial year	<u><u>(20,467,104)</u></u>	<u><u>(20,425,573)</u></u>

Note 19. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 20. Financial instruments

Financial risk management objectives

The Consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Consolidated entity. The Consolidated entity uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The Consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Consolidated entity's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk

The Consolidated entity is not exposed to any significant foreign currency risk through foreign exchange rate fluctuations as it does not undertake any material transaction denominated in foreign currency.

Price risk

The Consolidated entity is not exposed to any significant price risk.

Interest rate risk

The Consolidated entity's main interest rate risk arises interest income it can potentially earn on surplus cash deposits. The Company has no interest bearing borrowings from long-term borrowings and hence not exposed to any interest rate risk from related variable rates.

The Consolidated entity has cash and cash equivalent totalling \$132,794 (2021: \$57,777). An official increase/decrease in interest rates of 0.5% (2021: 0.5%) basis points would have an adverse/favourable effect on profit before tax of \$664 (2018: \$288) per annum.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated entity. The Consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Consolidated entity does not hold any collateral.

The Consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk

Vigilant liquidity risk management requires the Consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Rewardle Holdings Limited
Notes to the financial statements
30 June 2022

Note 20. Financial instruments (continued)

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 21. Fair value measurement

Fair value hierarchy

The following tables detail the Consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated - 30 June 2022	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Investment in Cardiac Rhythm Diagnostics shares	-	-	310,000	310,000
Investment in SplitPay	-	-	37,072	37,072
Total assets	-	-	347,072	347,072

There were no transfers between levels during the financial year.

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

Consolidated	Investment in CRD \$	Investment in SplitPay \$	Total \$
Balance at 1 July 2020	-	-	-
Balance at 30 June 2021	-	-	-
Additions	310,000	37,072	347,072
Balance at 30 June 2022	310,000	37,072	347,072

The level 3 assets and liabilities unobservable inputs and sensitivity are as follows:

Description	Unobservable inputs	Valuation methodology	Sensitivity
Unlisted shares	Acquisition cost	Retention at acquisition cost where the investment was within six months of the valuation date. The Company assessed that there has been no material change in the prospects of the investee.	A 10% increase/decrease in shares would increase/ decrease the net asset position of the Consolidated entity by approximately \$35k respectively.

Rewardle Holdings Limited
Notes to the financial statements
30 June 2022

Note 22. Key Management Personnel disclosures

Directors

The following persons were Directors of Rewardle Holdings Limited during the financial year:

Ruwan Weerasooriya	Executive Chairman
David Niall	Non-executive Director
Rodney House	Non-executive Director

Compensation

The aggregate compensation made to Directors and other members of Key Management Personnel of the Consolidated entity is set out below:

	Consolidated	Consolidated
	30 June 2022	30 June 2021
	\$	\$
Short-term employee benefits	222,726	223,060
Post-employment benefits	22,274	21,190
Long-term benefits	4,312	7,913
	<u>249,312</u>	<u>252,163</u>

Note 23. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by , the auditor of the Company:

	Consolidated	Consolidated
	30 June 2022	30 June 2021
	\$	\$
<i>Audit services -</i>		
Audit or review of the financial statements	<u>39,006</u>	<u>41,328</u>

Note 24. Contingent liabilities

The Group has no material contingent liabilities as at the date of this report (2021: nil).

Note 25. Related party transactions

Parent entity

Rewardle Holdings Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 27.

Key Management Personnel

Disclosures relating to Key Management Personnel are set out in note 22 and the remuneration report included in the Directors' report.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Rewardle Holdings Limited
Notes to the financial statements
30 June 2022

Note 25. Related party transactions (continued)

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	30 June 2022	30 June 2021
	\$	\$
Current borrowings:		
Loan from Key Management Personnel*	1,277,971	1,191,667

* The represents an unsecured, interest free and non-recourse facility of the same value provided by the Executive Chairman, Mr Ruwan Weerasooriya.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 26. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	30 June 2022	30 June 2021
	\$	\$
Loss after income tax	(431,717)	(411,268)
Total comprehensive income	(431,717)	(411,268)

Statement of financial position

	Parent	
	30 June 2022	30 June 2021
	\$	\$
Total current assets	11,862	11,356
Total assets	26,097,185	11,356
Total current liabilities	1,025,115	758,170
Total liabilities	1,025,115	758,170
Equity		
Issued capital	29,366,808	29,366,808
Accumulated losses	(4,294,738)	(30,113,622)
Total equity/(deficiency)	<u>25,072,070</u>	<u>(746,814)</u>

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

Rewardle Holdings Limited
Notes to the financial statements
30 June 2022

Note 27. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 June 2022 %	30 June 2021 %
Rewardle Pty Ltd	Australia	100.00%	100.00%

Note 28. Events after the reporting period

Subsequent to the year end, the Company has established a \$290k financing facility for its FY22 R&D activity (up to the end of May 2022) with specialist R&D lender Radium Capital (Radium). The FY22 R&D financing provides the Company with non-dilutive working capital that will be used to accelerate the development of its growth initiatives.

The financing facility established with Radium allows the Company to manage the cashflow asymmetry associated with the timing difference between investment in research and development activity and receipt of the R&D refund. The Agreement with Radium is based on standard terms customary for this type of financing facility including the following key terms:

- Loan amount: \$289,035
- Security: Rewardle's FY22 R&D rebate
- Interest rate: 14% PA
- Maturity date: Earlier of 30 November 2022 or receipt of FY22 R&D rebate

The Company is in the process of preparing its FY22 R&D claim which when processed will retire the Radium loan and provide additional working capital to support the Company's execution of its growth strategy.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Consolidated entity's operations, the results of those operations, or the Consolidated entity's state of affairs in future financial years.

Note 29. Cash flow information

Reconciliation of loss after income tax to net cash from/(used in) operating activities

	Consolidated	
	30 June 2022	30 June 2021
	\$	\$
Loss after income tax expense for the year	(41,531)	(564,526)
Adjustments for:		
Depreciation and amortisation	289	565
Impairment of trade receivables	95,729	126,202
Change in operating assets and liabilities:		
Increase in trade and other receivables	(99,607)	(103,184)
Increase in trade and other payables	406,666	31,557
Increase/(decrease) in other provisions	(49,393)	23,842
Net cash from/(used in) operating activities	<u>312,153</u>	<u>(485,544)</u>

Note 30. Earnings per share

	Consolidated	
	30 June 2022	30 June 2021
	\$	\$
Loss after income tax attributable to the owners of Rewardle Holdings Limited	<u>(41,531)</u>	<u>(564,526)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>526,321,488</u>	<u>526,321,488</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>526,321,488</u>	<u>526,321,488</u>
	Cents	Cents
Basic earnings per share	(0.01)	(0.11)
Diluted earnings per share	(0.01)	(0.11)

Note 31. Share-based payments

(a) Share Options

There are no new options granted during the year.

(b) Shares issued as share-based payments

Employee Share Contribution Plan

The Group has an employee share contribution plan (ESCP) to assist in the attracting, motivating and rewarding employees who are eligible to participate. The key terms of the ESCP are;

- Eligible participants may opt to receive shares in lieu of normal net salary and wages, and receive a 20% value on the nominated amount in consideration for choice;
- Eligible participants are full-time, part-time or casual employees (including an executive Director) of the Company or an Associated Body Corporate, a non-executive Director of the Company or a Contractor of the Company;
- Shares rank equally in all respect with shares already on issue and vest immediately on issue; and
- Shares are issued at the volume weighted average price of the 30 consecutive days trading for the relevant quarter.

There were no shares issued during the year in lieu of salary and fee payable.

Rewardle Holdings Limited
Directors' declaration
30 June 2022

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Consolidated entity's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



31 August 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REWARDLE HOLDINGS LIMITED AND CONTROLLED ENTITY

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Rewardle Holdings Ltd and Controlled Entity (the Company), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- a) the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2, Going Concern in the financial report, which indicates that the Company incurred a net loss of \$41,531 during the year ended 30 June 2022 and, as of that date, the Company's total liabilities exceeded its total assets by \$2,276,196. As stated in Note 2 (Going Concern), these events or conditions, along with other matters as set forth in Note 2 (Going Concern), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf.

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 5 to 9 of the directors' report for the year ended 30 June 2022.


In our opinion, the Remuneration Report of Rewardle Holdings Ltd and Controlled Entity, for the year ended 30 June 2022 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



MOORE AUSTRALIA AUDIT (VIC)
ABN 16 847 721 257



ANDREW JOHNSON
Partner
Audit and Assurance

Melbourne, Victoria

31 August 2022

Rewardle Holdings Limited
Shareholder information
30 June 2022

The shareholder information set out below was applicable as at 29 August 2022.

Share Capital

The issued capital of the Company is 526,321,489 ordinary fully paid shares

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	50	3,562	0.00%
above 1,000 up to and including 5,000	61	186,360	0.04%
above 5,000 up to and including 10,000	89	812,796	0.15%
above 10,000 up to and including 100,000	317	12,081,388	2.30%
above 100,000	158	513,237,383	97.51%
Totals	675	526,321,489	100.00%

Based on the price per security, number of holders with an unmarketable holding: 427, with total 6,416,890, amounting to 1.22% of Issued Capital.

The top 20 Shareholders of Ordinary Shares are:

Position	Holder Name	Holding	% IC
1	RUWAN WEERASOORIYA	339,725,553	64.55%
2	MARMALADE HOLDINGS PTY LTD <MARMALADE A/C>	24,734,695	4.70%
3	NALEY PTY LTD	24,020,122	4.56%
4	MARMALADE HOLDINGS PTY LTD <MARMALADE A/C>	21,428,572	4.07%
5	MR TRENT ANTONY GOODRICK	11,248,047	2.14%
6	MARMALADE HOLDINGS PTY LTD <MARMALADE A/C>	11,142,858	2.12%
7	MR DAVID NIALL	10,932,513	2.08%
8	MR JASON POTTER	6,681,128	1.27%
9	GOLDFIRE ENTERPRISES PTY LTD	3,214,774	0.61%
10	NALEY PTY LTD	2,277,555	0.43%
11	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	2,025,406	0.38%
12	MRS LISA JANE BECKER	2,000,000	0.38%
13	FRONTIERA PTY LTD <K S L SUPER FUND A/C>	1,755,670	0.33%
14	LANDMARK HOLDINGS (WA) PTY LTD <THE NESRAL A/C>	1,697,143	0.32%
15	MISS PENNY BOLGIA	1,470,019	0.28%
16	MR TUAN SIT NGO	1,325,545	0.25%
17	MS VANESSA JANE ROBERTSON	1,287,858	0.24%
18	MR PETER SERGENT & MRS NICOLE SERGENT	1,060,000	0.20%
19	MR DAVID ALAN MCSEVENY	1,040,513	0.20%
20	MR MATTHEW SULTANA	1,007,512	0.19%
	Total	470,075,483	89.31%
	Total issued capital - selected security class(es)	526,321,489	100.00%

Rewardle Holdings Limited
Shareholder information
30 June 2022

Equity security holders

Unquoted equity securities

There are no unquoted equity securities.

Substantial holders

Name	Units	% of Total
RUWAN WEERASOORIYA	397,031,678	75%

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Consistency with business objectives

The Company confirms that it has been using the cash and assets for the year ended 30 June 2022 in a way that is consistent with its business objectives and strategy.

Restricted Securities

There are no shares subject to escrow.

On-market buy back

There is currently no on-market buyback program for any of the Company's listed securities.