Rewardle Holdings Limited

ACN 168 751 746

Annual Report

30 June 2016

DIRECTORS

Ruwan Weerasooriya – Managing Director
Jack Matthews – Non-executive Chairman
Brandon Munro – Non-executive Director

COMPANY SECRETARY

Ian Hobson

REGISTERED OFFICE

Suite 5, 95 Hay Street
Subiaco WA 6008

Telephone: +61 8 9388 8290
Facsimile: +61 8 9388 8256
Email: corporate@rewardle.com
Website: www.rewardleholdings.com

PRINCIPAL PLACE OF BUSINESS

Level 4, 10-16 Queen Street
Melbourne VIC 3000

SHARE REGISTRY

Automic Registry Services
Suite 1A, Level 1, 7 Ventnor Avenue
West Perth WA 6005

Telephone: +61 8 9324 2099
Facsimile: +61 8 9321 2337

AUDITORS

Moore Stephens Audit (Vic)
Level 18, 530 Collins Street,
Melbourne VIC 3000

SOLICITORS

Nova Legal
Ground Floor, 10 Ord Street,
West Perth WA 6005

BANK

Westpac Banking Corporation Limited

AUSTRALIAN SECURITIES EXCHANGE

ASX Code RXH

Dear Shareholders,

Over the past year, Rewardle has continued to develop its transaction based social network, connecting consumers with their favourite places. Put simply, Rewardle has digitised the traditional “buy 9, get 1 free” paper punch card to provide extended utility by adding prepayment , mobile ordering, mobile payments and social media integrations while also offering merchants sophisticated data marketing capabilities.

Rewardle’s clients are your typical neighbourhood businesses - cafés, yoga studios, butchers, hairdressers etc. These time poor merchants, with limited operational and marketing support, don’t have access to the digital tools of large retail chains but desperately need them to connect with customers in an increasingly digital and connected world.

During the 2016 financial year, the Rewardle team, led by founder and Managing Director Ruwan Weerasooriya, has grown the national network from approximately 4,000 Merchants and over 1,000,000 Members to over 5,400 merchants and over 1,900,000 members.

During the year the company continued to develop brand partnerships with companies/brands such as KitKat, Cellarmasters, Brisbane Lions, Mövenpick, Commonwealth Bank of Australia and Vodafone.

During the second half of the year, the Company commenced a systematic program to convert trial merchants into monthly subscription customers with more than 1,000 Merchants signing up to become paying Merchants by 30 June 2016.

Rewardle is committed to its mission to provide local SME Merchants with the digital 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.

In the 2017 financial year, the Company will continue to focus on merchant subscription conversions and on other ways to effectively monetise its substantial merchant network.

On behalf of the Board of Rewardle, I would like to thank you for your support of the Company, and I look forward to an exciting and successful 2017 financial year for Rewardle.

Yours sincerely

Jack Matthews
Chairman

Rewardle Holdings Limited ("Rewardle" or "the Company") is an Australian based company.

CORPORATE

During the year and to the date of this report:

i. The Company, on 3 July 2015, issued to staff the following options to subscribe for ordinary fully paid shares:
   a. 60,000 unlisted performance options exercisable at 20 cents each expiring 7 February 2018;
   b. 836,500 unlisted performance options exercisable at 25 cents each expiring 7 February 2018;
   c. 550,000 unlisted performance options exercisable at 30 cents each expiring 7 February 2018; and
   d. 1,000,000 unlisted options exercisable at 30 cents each expiring 31 March 2018.
ii. On 10 August 2015, the Company issued 87,500 fully paid ordinary shares following the exercise of 87,500 unlisted performance options exercisable at 20 cents each on or before 7 February 2018.
iii. On 11 September 2015, the Company issued 150,000 fully paid ordinary shares following the exercise of 150,000 unlisted options exercisable at 20 cents each on or before 30 June 2017.
iv. On 17 August 2016, the Company issued 43,750,000 shares at $0.05 each for $2,187,500.
v. On 2 September 2016, the Company issued 13,296,934 shares at $0.05 each for $664,847.

COMPANY OVERVIEW

The Rewardle Platform is a marketing and transactional platform that combines membership, points, rewards, mobile ordering, payments and social media integration into a single cloud based platform powered by Big Data analysis.

Rewardle is positioned to be a leading player as the worlds of social media, marketing, mobile and payments converge to transform how we connect, share and transact.

The Company is led by an experienced entrepreneurial team with a successful background in Internet and media businesses.

During the year the Company has continued to build on the Network effects inherent within the Rewardle Platform. In January 2016, the Company commenced converting free trial Merchants to paying with excellent early results. This has assisted the Company in increasing its revenue and decreasing its loss, summarised as follows:

	30 June 2016 $	30 June 2015 $
Revenue	2,280,035	1,238,654
Loss before taxation and extraordinary items	4,516,653	6,280,903
Extraordinary items	0	0
Loss after taxation and extraordinary items	4,516,653	6,280,903

OPPORTUNITY SUMMARY

- Early mover advantage established through development of proprietary technology platform and building substantial network scale
- Critical mass established through the recruitment of over 5400 local businesses and approximately 2m Members
- Network effect powering ongoing organic growth and serving as barrier to entry for potential competitors
- 19% of free trialist Merchants that were part of building critical mass have been converted to paying Merchants over recent months
- Use of free trials as standard Merchant onboarding offer ceased as of 1 July 2016, new Merchants pay immediately to join the Rewardle Network
- Consistent traction in development of brand advertising and recurring, monthly Merchant Services (SaaS) fees
- Multiple opportunities being developed by management to leverage the growing network and platform data into additional revenue streams
- Scalable technology platform business model with largely fixed costs is designed to deliver highly profitable marginal revenue over time

Rewardle offers investors exposure to the high growth digital marketing and mobile payments sectors.

The Company is uniquely positioned to capture the digital migration of marketing budgets and customer relationships of up to 200,000 local businesses in Australia

Rewardle offers a digital marketing and payments solution to local independent businesses that is underpinned by a proprietary membership, points, rewards and payments platform.

The Company has captured a substantial early mover advantage through platform development and recruitment of over 5400 local businesses and nearly 2m Members since founding in 2012.

Initial monetisation is being demonstrated through consistent brand advertising and growing, recurring, Merchant Services (SaaS) fees.

As a highly scalable technology business with largely fixed costs there is substantial potential in development of new revenue streams that leverage the Company's consistently growing network and platform data.

While continuing to build existing revenue streams, management is working on the development of new revenue opportunities through a variety of approaches including building, partnering and acquisition.

STRATEGY

Step 1. Build the Network ✓

Step 2. Educate and Engage ✓

Step 3. Monetise the Network NOW

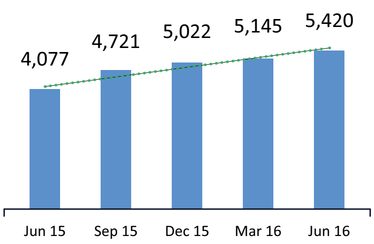
Step 4. Additional services

EXECUTION

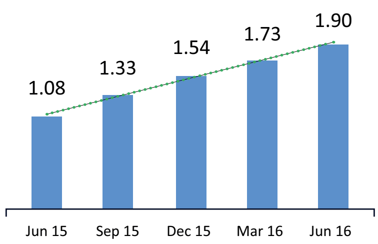
Use free trials to build Merchant and Member Network	Merchant and Member Network offered as audience to brands	Brand partnerships build on value proposition to convert trialists to paying subscribers	Leverage Platform, brand activity and Network scale to recruit new Merchants without free trial offer
✓	✓	✓	NOW
National Network of over 5,400 Merchants and approaching 2m Members	Consistent traction with brand partners generating short term revenue and supporting Merchant and Member engagement	1,000+ trialists or 10% of Merchant Network converted to paying uder ongoing conversion program	Use of free trial as standard on boarding offer ceased 1 July 2016 and new Merchants now pay immediately to join the Network

NETWORK EFFECTS CONTINUING TO DRIVE NETWORK GROWTH AND ENGAGEMENT

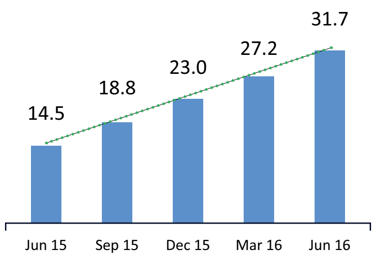
Merchants growing



Members growing faster (m)



Check-ins growing fastest (m)



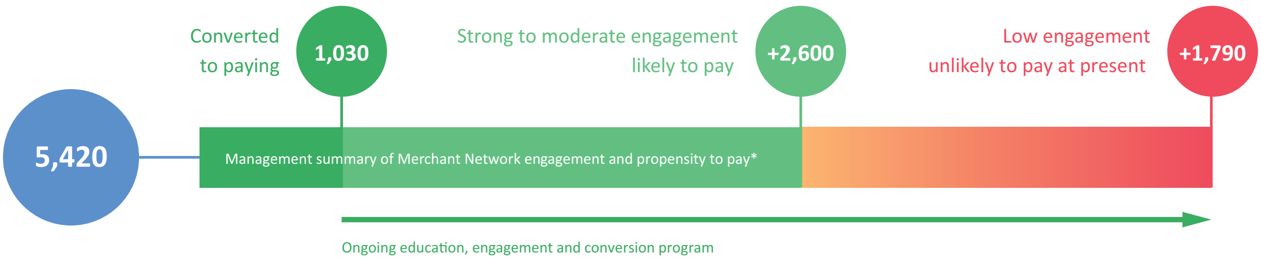
CONSISTENT TRACTION WITH ADVERTISING PARTNERS IS BEING ENHANCED AS NETWORK AND ENGAGEMENT GROWS

Uber, AirAsia, KitKat, Brisbane Lions, Emporium Hotel, Mövenpick, Vodafone

2012 — **July 2015** — **July 2016**

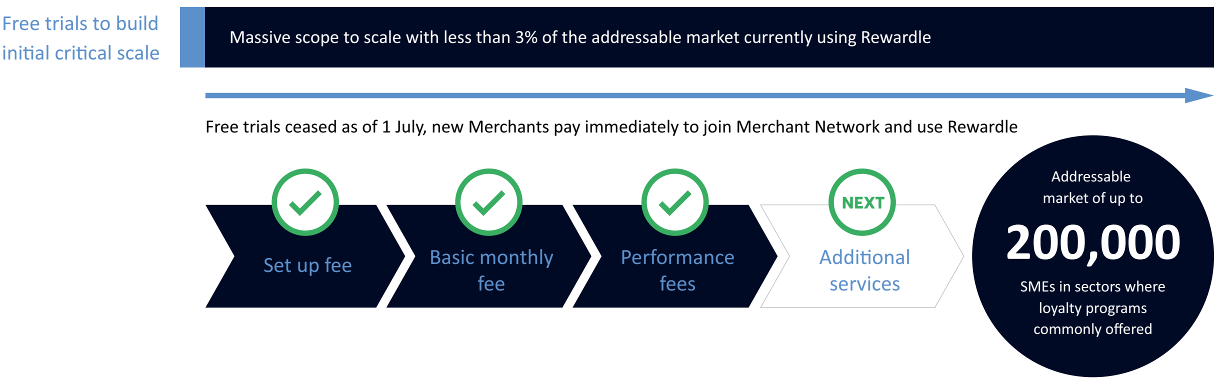
Ben and Jerrys Openair cinema, Quickflix, Cellarmasters, Little Shop of Horrors, Fiddler on the Roof, Commonwealth Bank

DEMONSTRATING CONSISTENT TRACTION IN CONVERTING TRIALIST MERCHANTS TO PAYING RECURRING MONTHLY FEES



While unlikely to pay at present, low engagement status can be upgraded through education and support which Rewardle is conducting. In the meantime, these Merchants continue to acquire Members and provide valuable Network density while paying Merchant coverage develops.

CEASED FREE TRIALS AS OF JULY 1 2016, CONTINUING TO GROW THE NETWORK WITH MERCHANTS PAYING IMMEDIATELY



SET TO LEVERAGE EARLY MOVER ADVANTAGE TO GROW NETWORK AND REVENUE

✓	Early move advantage captured through investment in platform and network development	Macro technology trends support business model	Network effect supports growth and act as barrier for competitors	Demonstrating initial commercial traction with substantial upside
✓	Highly scalable business model and massive addressable market	Highly scaleable platform, fast growing network	Largely fixed cost base business model with scope to increase scale by up to 35x	Set to yield highly profitable marginal revenue
NOW	Continue growing initial revenue steams	Brand Advertising	Conversion of trialist Merchants to paying recurring monthly fees	Acquisition of new Merchants to pay recurring monthly fees immediately
NEXT	Develop additional revenue streams that leverage network, platform data, and operations	Build	Partner	Buy

Your directors present their report on the Company and its controlled entities for the year ended 30 June 2016.

DIRECTORS

The names of the Directors of the Company in office during the financial year and up to the date of this report are as follows:
Ruwan Weerasooriya – Managing Director
Jack Matthews – Non-executive Chairman
Brandon Munro – Non-executive Director

Directors have been in office since the start of the financial year until the date of this report unless otherwise stated.

The following persons held the position of Company Secretary during the financial year:
Ian Hobson

The particulars of the qualifications, experience and special responsibilities of each Director are as follows:

Ruwan Weerasooriya – Managing Director
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.

At the date of this report, Mr Weerasooriya has interests in the following shares and options of the Company:

- 107,500,000 ordinary shares
- 9,375,000 unlisted options exercisable at $0.20 each and expiring 30 June 2017
- 10,000,000 performance options exercisable at $0.20 each and expiring 7 February 2018

During the past three years Mr Weerasooriya has held no other listed company directorships.

Jack Matthews – Non-Executive Chairman
Jack Matthews holds a B.A. in Philosophy from The College of William & Mary (Williamsburg, VA) and is a member of the Australian Institute of Company Directors and the New Zealand Institute of Directors.

Jack Matthews brings extensive knowledge of the evolving digital media landscape, strong commercial networks and experience in executing and successfully integrating digital business acquisitions. He has held a number of senior leadership positions within the digital media and subscription television industries in Australia and New Zealand. Jack played an integral role in the success of Fairfax's digital strategy, first as CEO of Fairfax Digital and most recently as CEO of Fairfax Metropolitan Media.

At the date of this report, Mr Matthews has interests in the following shares and options of the Company:

- 266,667 ordinary shares
- 1,150,000 unlisted options exercisable at $0.20 each and expiring 30 June 2017

During the past three years Mr Matthews has held the following listed company directorships:

- Trilogy International Limited (New Zealand) – 15 August - present
- APN Outdoor Group Limited – 17 October 2014 - present

Brandon Munro – Non-Executive Director
Brandon Munro holds a Bachelor of Economics and Bachelor of Laws from University of Western Australia, and Graduate Diploma in Applied Finance and Investment from Securities Institute of Australia. He is a Fellow of the Financial Services Institute of Australia (Finsia) and is a Graduate Member of the Australian Institute of Company Directors.

Brandon brings regulatory, governance, mergers and acquisitions and capital markets knowledge to the team.

At the date of this report, Mr Munro has interests in the following shares and options of the Company:
- 3,175,000 ordinary shares
- 1,300,000 unlisted options exercisable at $0.20 each and expiring 30 June 2017

During the past three years Mr Munro has held the following other listed company directorships:
- Department 13 International Limited – 4 April 2014 – 18 December 2015
- Novatti Group Limited – 12 October 2015 – present
- Bannerman Resources Limited – 9 March 2016 - present

Ian Hobson – Company Secretary
Ian Hobson is a Fellow Chartered Accountant and Chartered Secretary who provides company secretarial and financial controller services to ASX listed companies. Ian has had 30 years' experience in the profession. Ian is experienced in due diligence, transaction support, capital raising and corporate governance.

CORPORATE INFORMATION

Corporate Structure
Rewardle Holdings Limited is a limited liability company that is incorporated and domiciled in Australia. Rewardle Holdings Limited (Group) has prepared a consolidated financial report incorporating the entities that it controlled during the financial year as follows:

Rewardle Holdings Ltd	-	parent entity
Rewardle Pty Ltd	-	100% owned controlled entity

Nature of Operations and Principal Activities
The principal continuing activities during the year of entities within the consolidated entity was Digital Customer Engagement platform for local SME merchants.

OPERATING AND FINANCIAL REVIEW

Review of Operations
A review of operations for the financial year and the results of those operations are contained within the Company review.

Operating Results
Consolidated loss after income tax for the financial year was $4,516,653 (2015: $6,280,903 loss).

Financial Position
At 30 June 2016, the Group had net assets of $467,287 (2015: $4,639,649) with cash reserves of $906,533 (2015: $4,859,008).

Financing and Investing Activities

The company issued the following securities during the year:

- 60,000 unlisted $0.20 performance options expiring on 7 February 2018;
- 836,500 unlisted $0.25 performance options expiring on 7 February 2018;
- 550,000 unlisted $0.30 performance options expiring on 7 February 2018;
- 1,000,000 unlisted $0.30 options expiring on 31 March 2018;
- 87,500 ordinary fully paid shares on the exercise of $0.20 options expiring 7 February 2018; and
- 150,000 ordinary fully paid shares on the exercise of $0.20 options expiring 30 June 2017.

Dividends

No dividends were paid during the year (2015: nil) and no recommendation is made as to the payment of dividends.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the Group during the financial year are detailed in the company review.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in this report or in the financial report.

EVENTS SINCE THE END OF THE FINANCIAL YEAR

No matters or circumstances have arisen, since the end of the financial year, which significantly affected, or may significantly affect, the operations of the group, the results of those operations, or the state of affairs of the Group in subsequent financial years, other than as follows or outlined in the company review which is contained in this Annual Report:

On 9 August 2016, the Company announced an accelerated one for two pro rata non-renounceable entitlement offer of up to 65,694,508 fully paid ordinary shares at $0.05 each to raise $3,284,725 (before costs). The Entitlement Offer comprised an accelerated institutional component and a retail component.

The Institutional Entitlement Offer was completed on 11 August 2016, with 43,750,000 shares issued on 17 August 2016 at $0.05 each, raising $2,187,500 (before costs). The Company's Managing Director and founder, Mr Ruwan Weerasooriya, subscribed for 20,000,000 shares of his entitlement under the Institutional Entitlement Offer. Arising from the partial underwriting of the shortfall shares under the Institutional Entitlement Offer, 2,000,000 shares were subscribed for by the underwriter (Sequoi Nominees Pty Ltd), a company in which Mr Brandon Munro, a Director of the Company, is a director and shareholder.

The Retail Entitlement Offer was completed on 31 August 2016. On 2 September 2016, 9,315,818 shares were issued under the Retail Entitlement Offer acceptances and 3,981,116 shares under the shortfall applications, at $0.05 each, raising a total of $664,847. Mr Brandon Munro subscribed for his entitlement of 391,667 shares under the Retail Entitlement Offer.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group will continue to pursue its principal activity of rolling out its Digital Customer Engagement platform for local SME merchants.

MEETINGS OF DIRECTORS

The numbers of meetings of directors held during the year and the numbers of meetings attended by each director were as follows:

	Board of Directors	
	Number eligible to attend	**Number attended**
R Weerasooriya	6	6
J Matthews	6	6
B Munro	6	6

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each director and key management personnel of Rewardle Holdings Limited. The information provided in the remuneration report includes remuneration disclosures that are audited as required by section 308(3C) of the Corporations Act 2001.

For the purposes of this report Key Management Personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

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

Ruwan Weerasooriya	Managing Director
Jack Matthews	Non-executive Chairman
Brandon Munro	Non-executive Director

There were no other persons that fulfilled the role of a key management person during the year, other than those disclosed as Directors.

The remuneration report is set out under the following main headings:
- Remuneration policy
- Remuneration structure
- Employment contracts of directors and senior executives
- Details of remuneration for year
- Compensation options to key management personnel
- Shares issued to key management personnel on exercise of compensation options
- Voting and comments made at the Company's last Annual General Meeting
- Loans with key management personnel
- Additional disclosures relating to key management personnel
- Other transactions with key management personnel

RENUMERATION GOVERNANCE

Remuneration Committee
The full Board carries out the roles and responsibilities of the Remuneration Committee and is responsible for determining and reviewing the compensation arrangements for the Directors themselves, the Managing Director and any Executives.

Executive remuneration is reviewed annually having regard to individual and business performance, relevant comparative remuneration and internal and independent external advice.

A. Remuneration policy

The board policy is to remunerate directors at market rates for time, commitment and responsibilities. The board determines payments to the directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of directors' fees that can be paid is subject to approval by shareholders in a general meeting, from time to time. However, to align directors' interests with shareholders' interests, the directors are encouraged to hold shares and options in the company.

The Group's aim is to remunerate at a level that reflects the size and nature of the Group. Group officers and directors are remunerated to a level consistent with the size of the Group.

The directors receive a superannuation guarantee contribution required by the government, which is currently 9.5%, and do not receive any other retirement benefits. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to directors and executives is valued at the cost to the company and expensed.

The Board believes that it has implemented suitable practices and procedures that are appropriate for an organisation of this size and maturity.

The Group did not pay any performance-based component of remuneration during the year other than incentive and performance options granted to directors as disclosed in Note D below.

B. Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive directors and executive compensation is separate and distinct.

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.

Non-executive Director Compensation

Objective

The Board seeks to set aggregate compensation at a level that provides the company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate compensation of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination approved by shareholders was an aggregate compensation of $500,000 per year.

The amount of aggregate compensation sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board may consider advice from external consultants as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process. Non-Executive Directors' remuneration may include an incentive portion consisting of options, as considered appropriate by the Board, which may be subject to Shareholder approval in accordance with ASX listing rules.

Executive Compensation

Objective

The entity aims to reward executives with a level and mix of compensation commensurate with their position and responsibilities within the entity so as to:

- reward executives for company and individual performance against targets set by appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link rewards with the strategic goals and performance of the company; and
- ensure total compensation is competitive by market standards.

Structure

In determining the level and make-up of executive remuneration, the Board negotiates a remuneration to reflect the market salary for a position and individual of comparable responsibility and experience. Due to the limited size of the Company and of its operations and financial affairs, the use of a separate remuneration committee is not considered appropriate. Remuneration is regularly compared with the external market by participation in industry salary surveys and during recruitment activities generally. If required, the Board may engage an external consultant to provide independent advice in the form of a written report detailing market levels of remuneration for comparable executive roles.

Compensation may consist of the following key elements:

- Fixed Compensation;
- Variable Compensation;
- Short Term Incentive (STI); and
- Long Term Incentive (LTI).

Remuneration consists of a fixed remuneration and a long term incentive portion as considered appropriate.

Fixed Remuneration

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Fixed remuneration is reviewed annually by the Board having regard to the Company and individual performance, relevant comparable remuneration in the mining exploration sector and external advice.

The fixed remuneration is a base salary or monthly consulting fee.

Variable Pay — Long Term Incentives

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 which 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.

C. Employment contracts of directors and other key management personnel

The employment arrangements of the directors are not formalised in a contract of employment except as follows:

- Mr Ruwan Weerasooriya who entered into an executive services agreement (Managing Director) on or about 20 July 2014 which commenced upon listing on the ASX on 7 October 2014. The Managing Director's remuneration package comprises 10,000,000 performance options which are exercisable into shares in the Company when milestones are achieved within prescribed timeframes, at an exercise price of $0.20 per share on or before 7 February 2018, and 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.

D. Details of remuneration for year

Details of the remuneration of each Director and other key management personnel of the Company, including their personally-related entities, during the year was as follows:

		Short Term Benefits	Post-Employment	Share Based Payments			
Director	**Year**	**Salary and fees $**	**Superannuation $**	**Options $**	**Total $**	**Remuneration consisting of options during the year %**	**Remuneration based on performance %**
R Weerasooriya	**2016**	**150,000**	**14,250**	**-**	**164,250**	**-**	**-**
	2015	112,500	10,687	705,000	828,187	85	85
J Matthews	**2016**	**36,530**	**3,470**	**-**	**40,000**	**-**	**-**
	2015	27,397	2,603	-	30,000	-	-
B Munro	**2016**	**36,530**	**3,470**	**-**	**40,000**	**-**	**-**
	2015	27,397	2,603	-	30,000	-	-
Total	**2016**	**223,060**	**21,190**	**-**	**244,250**	**-**	**-**
	2015	167,294	15,893	705,000	888,187	79	79

E. Compensation options to key management personnel

There were no options granted as equity compensation benefits to Directors and other key management personnel of the Company during the year.

During the previous year, the following performance options were granted as incentives for performance to the Managing Director. The options were issued free of charge. Each option entitles the holder to subscribe for one fully paid ordinary share in the Company, exercisable when performance milestones are achieved within prescribed timeframes, at an exercise price of $0.20 per share on or before 7 February 2018.

Director	Number granted	No. vested during the year	Grant date	Value per option at grant date[1] $	Exercise price $	First exercise date	Last exercise date
R Weerasooriya	10,000,000	10,000,000	25/07/2014	$0.0705	$0.20	11/11/2014	7/02/2018
Total	10,000,000	10,000,000					

[1] Valuation was done using Black Scholes model

The performance milestones to be achieved within the prescribed timeframes are:

	Time from listing on ASX (7 October 2014)			
Performance Option milestones	**12 months**	**18 months**	**24 months**	**36 months**
1. 5,000 Merchants or 500,000 Members	2,500,000	1,250,000	500,000	-
2. 10,000 Merchants or 1,000,000 Members		2,500,000	1,250,000	500,000
Performance Option milestones	**15 months**	**21 months**	**27 months**	**39 months**
3. Revenue of $250k in rolling 3 month period*	2,500,000	1,250,000	500,000	-
4. Revenue of $500k for rolling 3 month period*		2,500,000	1,250,000	500,000

* Note: The rolling 3 month period must be wholly satisfied within the stated time frames from listing on the ASX.

Milestones 1 & 2 were achieved by 9 June 2015 with 1,000,000 members registered, eight months after listing on the ASX. 5,000,000 performance options became exercisable.
Milestone 3 was achieved on 30 June 2016, twenty months after listing on the ASX. 1,250,000 performance options became exercisable.

F. Shares issued to key management personnel on exercise of compensation options

No shares were issued to Directors on exercise of compensation options during the year.

G. Voting and comments made at the Company's last Annual General Meeting

The Company received 100% of votes "for" the adoption of the remuneration report for the 2015 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

H. Loans with key management personnel

There were no loans to key management personnel or their related entities during the financial year.

I. Additional disclosures relating to key management personnel

Shareholdings

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:

Director	Balance at Beginning of Year	Received as Remuneration	Options Exercised	Acquired/ (disposed)	Net Change Other	Balance at End of Year
R Weerasooriya	87,500,000	-	-	-	-	87,500,000
J Matthews	266,667	-	-	-	-	266,667
B Munro	783,333	-	-	-	-	783,333
	88,550,000	-	-	-	-	88,550,000

Option Holdings
The number of options over ordinary 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:

Director	Balance at Beginning of Year	Received as Remuneration	Options Expired/ Cancelled	Net Change Other	Balance at End of Year	Number Vested	Number Exercisable
R Weerasooriya	19,375,000	-	-	-	19,375,000	19,375,000	15,625,000
J Matthews	1,150,000	-	-	-	1,150,000	1,150,000	1,150,000
B Munro	1,300,000	-	-	-	1,300,000	1,300,000	1,300,000
	21,825,000	-	-	-	21,825,000	21,825,000	16,825,000

J. Other transactions with key management personnel

During the previous financial year, the $15,687 remaining balance of the loan from the acquisition of Rewardle Pty Ltd was repaid to Mr Weerasooriya on 18 July 2014.

At 30 June 2016, the Company owed $4,777 (30 June 2015: $11,653) to Mr Weerasooriya for the reimbursement of business expenses.

The Company entered into a lease for its principal place of business on Flinders Street in Melbourne which commenced on 1 July 2014 for an initial term of one year, with two further option terms of one year each. Mr Weerasooriya is the lessor under the lease. The option to extend this lease had not been executed and the lease continued on a month by month basis. The rental paid on this lease during the year was $24,753 (2015: $24,753).

During the financial period ended 30 June 2014, the Company entered into convertible note agreements with its Directors and also with unrelated parties. The convertible notes were issued with a conversion price of 20 cents per share and an interest rate of 12% per annum. Convertible note holders received attaching options expiring 30 June 2017, exercisable at 20 cents each, in lieu of an establishment fee. The attaching options were valued at $0.06798 each using the Black-Scholes option valuation methodology. During the previous year, on 12 September 2014, the Company issued shares and paid the accrued interest to note holders on conversion of their convertible notes.

Amounts relating to convertible note agreements with the Directors are as follows:

2015 Director	Convertible Notes Outstanding $	Attaching Options Received No.	Attaching Options Value $	12% Interest Received $	Conversion Shares Received No.
R Weerasooriya	-	-	-	111,781	12,500,000
J Matthews	-	150,000	10,197	1,210	200,000
B Munro	-	-	-	3,577	400,000
	-	150,000	10,197	123,722	13,900,000

This is the end of the Audited Remuneration Report.

INSURANCE OF OFFICERS

The Company has in place an insurance policy insuring Directors and Officers of the Company against any liability arising from a claim brought by a third party against the Company or its Directors and Officers, and against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as a Director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

In accordance with a confidentiality clause under the insurance policy, the amount of the premium paid to the insurers has not been disclosed. This is permitted under Section 300(9) of the Corporations Act 2001.

SHARE OPTIONS

At the date of this report there were the following unissued ordinary shares for which options were outstanding:

- 19,225,000 unlisted options expiring 30 June 2017, exercisable at $0.20 each
- 19,972,500 unlisted performance options expiring 7 February 2018, exercisable at $0.20 each
- 836,500 unlisted performance options expiring 7 February 2018, exercisable at $0.25 each
- 550,000 unlisted performance options expiring 7 February 2018, exercisable at $0.30 each
- 1,000,000 unlisted options expiring 31 March 2018, exercisable at $0.30 each

During the year the following options were issued:

- 60,000 performance options expiring 7 February 2018, exercisable at $0.20 each
- 836,500 performance options expiring 7 February 2018, exercisable at $0.25 each
- 550,000 performance options expiring 7 February 2018, exercisable at $0.30 each
- 1,000,000 options expiring 31 March 2018, exercisable at $0.30 each

During the year the following options were exercised:

- 87,500 performance options expiring 7 February 2018 were exercised at $0.20 each
- 150,000 options expiring 30 June 2017 were exercised at $0.20 each

No options expired during the year.

Since the end of the financial year, no other options have been issued, exercised or expired.

No person entitled to exercise these options had or has any right, by virtue of the option, to participate in any share issue of any other body corporate.

LEGAL PROCEEDINGS

The company was not a party to any legal proceedings during the year.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or 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 any part of those proceedings.

The Company was not a party to any such proceedings during the year.

ENVIRONMENTAL REGULATIONS

The Group is not currently subject to any specific environmental regulation under Australian Commonwealth or State law.

CORPORATE GOVERNANCE

Under ASX Listing Rule 4.10.3 the Company's Corporate Governance Statement can be located at the URL on the Company's website being: : http://rewardleholdings.com/corporate-policies/

AUDITOR

Moore Stephens Audit (Vic) were appointed auditors of the Company at the annual general meeting on 20 November 2015. BDO East Coast Partnership were the previous auditors.

NON-AUDIT SERVICES

There were no amounts paid or payable to the auditor for non-audit services provided during the year by the auditor other than those outlined in Note 4 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporation Act 2001.

The directors are of the opinion that the services as disclosed in Note 4 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reason:

- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

AUDITOR'S DECLARATION OF INDEPENDENCE

The auditor's independence declaration for the year ended 30 June 2016, as required under section 307C of the Corporations Act 2001, has been received and is included within the financial report.

Signed in accordance with a resolution of directors.

Ruwan Weerasooriya
Managing Director
23 September 2016

		Consolidated	
		2016	2015
	Note	$	$
Revenue			
Rendering of services		**585,792**	122,615
Other income	2(a)	**1,694,243**	1,116,039
Expenses			
Consulting fees		**(140,701)**	(134,315)
Depreciation		**(6,773)**	-
Directors fees and benefits expense		**(244,250)**	(183,187)
Employee benefits expense		**(3,274,360)**	(2,130,794)
Finance costs		**(325)**	(573,948)
IT equipment		**(655,377)**	(1,274,482)
Legal fees		**(25,829)**	(58,622)
Merchant and member network costs		**(1,144,901)**	(693,222)
Share based payments		**(296,791)**	(1,559,556)
Other expenses	2(b)	**(1,007,381)**	(911,431)
Loss before income tax expense		**(4,516,653)**	(6,280,903)
Income tax expense	3	**-**	-
Loss after income tax for the year		**(4,516,653)**	(6,280,903)
Other comprehensive income		**-**	-
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive loss attributable to members of Rewardle Holdings Limited		**(4,516,653)**	(6,280,903)
		Cents	Cents
Basic and diluted loss per share for the year attributable to the members of Rewardle Holdings Limited	5	**(3.44)**	(5.66)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

	Note	Consolidated 2016 $	2015 $
ASSETS			
Current Assets			
Cash and cash equivalents	6	**906,533**	4,859,008
Trade and other receivables	7	**150,776**	118,723
Total Current Assets		**1,057,309**	4,977,731
Non-Current Assets			
Trade and other receivables	7	**4,140**	714
Plant and equipment	8	**12,376**	-
Total Non-Current Assets		**16,516**	714
Total Assets		**1,073,825**	4,978,445
LIABILITIES			
Current Liabilities			
Trade and other payables	9	**456,221**	228,039
Provisions	10	**150,317**	110,757
Total Current Liabilities		**606,538**	338,796
Total Liabilities		**606,538**	338,796
NET ASSETS		**467,287**	4,639,649
EQUITY			
Issued capital	11	**12,353,702**	12,306,202
Reserves	12	**3,019,981**	2,723,190
Accumulated losses		**(14,906,396)**	(10,389,743)
TOTAL EQUITY		**467,287**	4,639,649

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated	**Issued Capital $**	**Accumulated Losses $**	**Reserves $**	**Total $**
2016				
Balance at 1 July 2015	**12,306,202**	**(10,389,743)**	**2,723,190**	**4,639,649**
Loss for year	**-**	**(4,516,653)**	**-**	**(4,516,653)**
Total comprehensive loss for the year	**-**	**(4,516,653)**	**-**	**(4,516,653)**
Transactions with owners in their capacity as owners:				
Securities issued during the year	**47,500**	**-**	**-**	**47,500**
Cost of share based payments	**-**	**-**	**296,791**	**296,791**
Balance at 30 June 2016	**12,353,702**	**(14,906,396)**	**3,019,981**	**467,287**
2015				
Balance at 1 July 2014	220,101	(4,108,840)	1,061,665	(2,827,074)
Loss for year	-	(6,280,903)	-	(6,280,903)
Total comprehensive loss for the year	-	(6,280,903)	-	(6,280,903)
Transactions with owners in their capacity as owners:				
Securities issued during the year	12,780,000	-	-	12,780,000
Capital raising costs	(693,899)	-	-	(693,899)
Cost of share based payments	-	-	1,661,525	1,661,525
Balance at 30 June 2015	12,306,202	(10,389,743)	2,723,190	4,639,649

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

		Consolidated	
		2016	2015
	Note	$	$
		Inflows/ (Outflows)	Inflows/ (Outflows)
Cash flows from operating activities			
Receipts from customers		**525,918**	100,516
Payments to suppliers and employees		**(6,200,662)**	(5,329,874)
Interest received		**27,604**	43,463
R&D tax offset refund received		**1,666,639**	1,072,576
Interest and other finance costs paid		**(325)**	(170,858)
Net cash used in operating activities	6(a)	**(3,980,826)**	(4,284,177)
Cash flows from investing activities			
Payment for plant and equipment		**(19,149)**	-
Payment of security deposit		**-**	(986)
Net cash used in investing activities		**(19,149)**	(986)
Cash flows from financing activities			
Proceeds from issue of shares		**47,500**	9,067,500
Payment of capital raising costs		**-**	(591,929)
Proceeds from borrowings		**-**	260,000
Repayment of borrowings		**-**	(45,687)
Net cash provided by financing activities		**47,500**	8,689,884
Net (decrease)/increase in cash held		**(3,952,475)**	4,404,721
Cash at beginning of the financial year		**4,859,008**	454,287
Cash at end of the financial year	6	**906,533**	4,859,008

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. Summary of Significant Accounting Policies

(a) Basis of Preparation

These consolidated financial statements and notes represent those of Rewardle Holdings Limited and controlled entities ("Group" or "Consolidated Entity").

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Rewardle Holdings Limited ("Company" or "Parent Entity") is a company limited by shares incorporated in Australia. The nature of the operations and principal activities of the Group are described in the Directors Report.

The separate financial statements of the parent entity, Rewardle Holdings Limited, have not been presented within this financial report as permitted by the Corporations Act 2001.

(b) Going concern basis

For the year ended 30 June 2016 the consolidated entity had an operating net loss of $4,516,653 (2015: $6,280,903) and net cash outflows from operating activities of $3,980,826 (2015: $4,284,177).

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.

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

- Successful post year end capital raise of $2,852,347;
- Forecast increase in the number of Merchants paying the monthly subscription fees;
- Forecast increase in the revenue generated from brand and channel partnerships;
- Previous success on being eligible for the research and development tax incentive; and
- If required, previous success in being able to raise capital as equity.

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.

1. Summary of Significant Accounting Policies (Cont.)

(c) New accounting standards for application in current & future periods

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for period ended 30 June 2016. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 9 Financial Instruments

These amendments must be applied for financial years commencing on or after 1 January 2018. Therefore application date for the Group will be 30 June 2019. The Group does not currently have any hedging arrangements in place.

AASB 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities. Since December 2013, it also sets out new rules for hedge accounting. There will be no impact on the Group's accounting for financial assets and financial liabilities, as the new requirements only effect the accounting for available-for-sale financial assets and the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such financial assets or financial liabilities. The new hedging rules align hedge accounting more closely with the Group's risk management practices. As a general rule it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation.

AASB 15 Revenue from Contracts with Customers

These amendments must be applied for annual reporting periods beginning on or after 1 January 2018. Therefore application date for the Group will be 30 June 2019.

An entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue. Due to the recent release of this standard the Group has not yet made an assessment of the impact of this standard.

1. Summary of Significant Accounting Policies (Cont.)

(c) New accounting standards for application in current & future periods (Cont.)

AASB 16 Leases

IFRS 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases onto its statement of financial position in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its statement of financial position for most leases.

There are some optional exemptions for leases with a period of 12 months or less and for low value leases. The application date of this standard is for annual reporting periods beginning on or after 1 January 2019. Due to the recent release of this standard, the Group has not yet made a detailed assessment of the impact of this standard.

(d) Statement of Compliance

The financial report was authorised for issue on 23 September 2016.

The financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(e) Basis of consolidation

The consolidated financial statements comprise the financial statements of Rewardle Holdings Limited ("Company" or "Parent Entity") and its subsidiaries as at 30 June each year ("Consolidated Entity" or "Group"). Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

Business combinations have been accounted for using the acquisition method of accounting (refer note 1(f)).

Unrealised gains or transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1. Summary of Significant Accounting Policies (Cont.)

(e) Basis of consolidation (Cont.)

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity attributable to owners of the Company.

When the group ceases to have control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(f) Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or business under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified as either equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in the statement of profit or loss and other comprehensive income.

1. Summary of Significant Accounting Policies (Cont.)

(g) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

(h) Research and development tax refund

Research and development tax incentives are recognised as other income at their fair value where there is reasonable assurance that the incentive will be received and the Group will comply with all attached conditions.

(i) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as described above, net of outstanding bank overdrafts.

(j) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables are due for settlement within 30 days from the date of recognition. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

An allowance account for doubtful receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the statement of profit or loss and other comprehensive income. When a trade receivable for which an impairment allowance has been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

1. Summary of Significant Accounting Policies (Cont.)

(k) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of 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 profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

1. Summary of Significant Accounting Policies (Cont.)

(l) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

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

(m) Financial assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(n) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset’s recoverable amount. An asset’s recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

1. Summary of Significant Accounting Policies (Cont.)

(n) Impairment of assets (Cont.)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(o) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate assets but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(q) Employee benefits

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

1. Summary of Significant Accounting Policies (Cont.)

(q) Employee benefits (Cont.)

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 is measured as 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.

(r) Share-based payment transactions

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

When provided, the cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black-Scholes model or the binomial option valuation model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Rewardle Holdings Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of profit or loss and other comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

1. Summary of Significant Accounting Policies (Cont.)

(s) 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. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(t) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company.

(u) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(v) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the year in which they are incurred, including interest on short-term borrowings.

(w) Borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. Interest calculated using the effective interest rate method is accrued over the period it becomes due and increases the carrying amount of the liability.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent periods. The corresponding interest on convertible notes is expensed to profit or loss.

1. Summary of Significant Accounting Policies (Cont.)

(x) Accounting Estimates and Judgments

In the process of applying the Group's accounting policies, management has made certain judgments or estimations which have an effect on the amounts recognized in the financial statements.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

(i) Impairment of assets

In determining the recoverable amount of assets, in the absence of quoted market prices, estimations are made regarding the present value of future cash flows using asset-specific discount rates and the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. No assets were subject to impairment testing at 30 June 2016.

(ii) Share-based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined from market value using the Black Scholes method.

(iii) Deferred tax balances

Deferred Tax Balances have not been recognised as it is not probable that they can be recovered.

	Consolidated 2016 $	Consolidated 2015 $
2. *Revenue and Expenses*		
(a) Other Income		
Interest	**27,604**	43,463
Research and development tax incentive	**1,666,639**	1,072,576
	1,694,243	1,116,039
(b) Other Expenses		
Advertising	**73,954**	81,649
Audit fees	**39,358**	41,000
Company secretarial, compliance and accounting	**91,550**	128,404
Doubtful debt expense	**39,343**	7,907
Freight	**51,695**	49,206
Payroll tax	**135,176**	75,129
Rent	**93,647**	85,538
Security exchange and registry fees	**42,403**	109,241
Telephone	**121,676**	70,762
Travel costs	**83,213**	106,253
Other	**235,366**	156,342
	1,007,381	911,431

3. *Income Tax*

	Consolidated 2016 $	Consolidated 2015 $
(a) Income Tax Expense		
The income tax expense for the year differs from the prima facie tax as follows:		
Loss for year	**(4,516,653)**	(6,280,903)
Prima facie income tax (benefit) @ 30% (2015: 30%)	**(1,354,996)**	(1,884,271)
Tax effect of non-deductible/(non-assessable) items	**(387,283)**	303,912
Deferred tax assets not brought to account	**1,742,279**	1,580,359
Total income tax expense	**-**	-
(b) Deferred Tax Assets		
Deferred tax assets not brought to account arising from tax losses, the benefits of which will only be realised if the conditions for deductibility set out in note 1(k) occur:	**2,548,426**	**1,907,789**

There are no franking credits available to the Group.

(c) Deferred Tax Liability		
Deferred tax liability	**Nil**	Nil

	Consolidated	
	2016	**2015**
	$	**$**
4. *Auditors' Remuneration*		
Audit or review services:		
- Moore Stephens Audit (Vic)	**37,750**	-
- BDO East Coast Partnership (previous auditor)	**1,608**	41,000
	39,358	41,000

5. *Earnings per Share (EPS)*		
	Cents	Cents
Basic earnings per share/diluted earnings per share	**(3.44)**	(5.66)
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:		
Earnings – Net loss for year	**(4,516,653)**	(6,280,903)
	No.	No.
Weighted average number of ordinary shares used in the calculation of basic EPS	**131,349,944**	111,023,332

As the Company is in a loss position, diluted EPS calculated is equal to basic EPS.

	Consolidated	
	2016	**2015**
	$	**$**
6. *Cash and Cash Equivalents*		
Cash at bank	**906,533**	4,859,008

Cash at bank earns interest at floating rates based on daily bank deposit rates.

This should be read in conjunction with note 18 on Financial Risk Management

(a) Reconciliation of loss for the year to net cash flows from operating activities:

Loss for the year	**(4,516,653)**	(6,280,903)
Non-cash flows in profit		
Depreciation	**6,773**	-
Equity settled share based payment	**296,791**	2,031,866
Changes in assets and liabilities		
Increase in trade and other receivables	**(31,887)**	(84,760)
Increase/(Decrease) in trade and other payables	**224,590**	(11,466)
Increase in provisions	**39,560**	61,086
Net cash outflows from operating activities	**(3,980,826)**	(4,284,177)

(b) Non-cash financing and investing activities

There were no non-cash financing and investing activities during the year.

During the previous year, the Company issued 18,500,000 ordinary fully paid shares upon conversion of convertible notes with a face value of $3,700,000. The Company also issued 1,500,000 brokers options expiring 30 June 2017, exercisable at 20 cents each, as consideration for capital raising services valued at $101,970.

	Consolidated	
	2016	**2015**
	$	**$**
7. *Trade and Other Receivables*		
Current		
Trade receivables	**139,711**	28,471
Less: Provision for doubtful debt	**(39,343)**	-
	100,368	28,471
Other receivables	**50,408**	90,252
	150,776	118,723

Terms and conditions relating to the above financial instruments:

- Trade and other receivables are non-interest bearing and generally repayable within 30-60 days.

Non-Current		
Employee loans	**4,140**	714

The employee loans are non-interest bearing. No employee loans are past due or impaired.

Refer to risk management note 18.

Impaired trade receivables

The Group recognised a loss of $39,343 (2015: $7,907) in profit or loss in respect of impairment of trade receivables for the year ended 30 June 2016.

Impairment losses:		
- individually impaired trade receivables	**-**	-
- movement in provision for impairment	**(39,343)**	(7,907)

Movements in the provision for impairment of trade receivables that are assessed for impairment collectively are as follows:

Opening balance	**-**	7,335
Additional provisions recognised	**39,343**	7,907
Receivables written off during the year as uncollectable	**-**	(15,242)
Closing balance	**39,343**	-

	Consolidated 2016 $	Consolidated 2015 $

7. *Trade and Other Receivables (Continued)*

Past due but not impaired

At 30 June 2016, the ageing analysis of trade receivables is as follows:

	2016 $	2015 $
0 – 30 days – not past due	**16,497**	890
31 – 60 days – not past due	**57,421**	2,054
61 – 90 days - past due but not impaired	**2,220**	2,313
Over 90 days - past due but not impaired	**24,230**	23,214
Over 90 days - considered impaired	**39,343**	-
	139,711	28,471

As at 30 June 2016, trade receivables of $26,450 (2015: $25,527) were past due but not impaired. The Group did not consider a credit risk on the aggregate balances after reviewing the credit terms of customers based on recent collection practices.

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these classes, it is expected that these amounts will be received when due.

8. *Plant and Equipment*

	2016 $	2015 $
Plant and equipment – at cost	**19,149**	-
Less: Accumulated depreciation	**(6,773)**	-
Net carrying amount	**12,376**	-
Reconciliation		
Net carrying amount at the beginning of the year	**-**	-
Additions	**19,149**	-
Depreciation expense	**(6,773)**	-
Net carrying amount at the end of the year	**12,376**	-

	Consolidated	
	2016	**2015**
	$	**$**
9. *Trade and Other Payables*		
Current		
Trade payables	**112,300**	108,477
Other payables	**339,144**	107,909
Loan from director	**4,777**	11,653
	456,221	228,039

Terms and conditions relating to the above financial instruments:

- 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 risk management note 18.

10. *Provisions*

	2016	2015
Current		
Employee benefits	**150,317**	110,757

Employee benefits represent annual 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.

	Consolidated 2016 $	Consolidated 2015 $
11. *Issued Capital*		
(a) Issued and paid up capital		
Ordinary shares - fully paid	**12,353,702**	12,306,202

(b) Movement in ordinary shares on issue	**2016**		**2015**	
	Number	**$**	**Number**	**$**
Ordinary shares – fully paid				
Balance at beginning of year	**131,151,515**	**12,306,202**	76,966,665	220,101
Issued for cash – July 2014	**-**	**-**	533,335	80,000
Issued on conversion of convertible notes – 12 September 2014	**-**	**-**	18,500,000	3,700,000
Issued for cash pursuant to prospectus – 30 September 2014	**-**	**-**	20,000,000	4,000,000
Expenses of issue	**-**	**-**	-	(366,719)
Issued for cash pursuant to placement – 2 April 2015	**-**	**-**	15,151,515	5,000,000
Expenses of issue	**-**	**-**	-	(327,180)
Exercise of performance options expiring 7/02/18	**87,500**	**17,500**	-	-
Exercise of options expiring 30/06/17	**150,000**	**30,000**	-	-
Balance at end of year	**131,389,015**	**12,353,702**	131,151,515	12,306,202

(c) Share options

At the end of the year, the following options over unissued ordinary shares were outstanding:

- 19,225,000 options expiring 30 June 2017, exercisable at 20 cents each;
- 19,972,500 performance options expiring 7 February 2018, exercisable at 20 cents each;
- 836,500 performance options expiring 7 February 2018, exercisable at 25 cents each;
- 550,000 performance options expiring 7 February 2018, exercisable at 30 cents each; and
- 1,000,000 options expiring 31 March 2018, exercisable at 30 cents each.

(d) Terms and conditions of issued capital

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

Refer to capital risk management note 18.

	Consolidated 2016 $	Consolidated 2015 $
12. *Reserves*		
Option issue reserve	**3,023,903**	2,727,112
Acquisition reserve	**(3,922)**	(3,922)
	3,019,981	2,723,190

Option issue reserve

(i) Nature and purpose of reserve

The option issue reserve is used to accumulate amounts received on the issue of options and records items recognised as expenses on valuation of incentive based share options.

(ii) *Movements in reserve*

	2016 $	2015 $
Balance at beginning of year	**2,727,112**	1,065,587
Issue of incentive based share options – service options	**-**	67,980
Options issued as establishment fee on convertible notes – attaching options	**-**	81,575
Issue of incentive based share options – performance options	**-**	1,410,000
Options issued as consideration for capital raising services – broker options	**-**	101,970
Issue of incentive based share options to employees	**126,000**	-
Value of incentive based performance share options issued to employees and vested during the year	**170,791**	-
Balance at end of year	**3,023,903**	2,727,112

Acquisition reserve

(i) Nature and purpose of reserve

As part of the acquisition of Rewardle Pty Ltd in 2014, the equity balances of the Consolidated Entity would be that of the operating entity, Rewardle Pty Ltd (deemed to be the “acquirer” for accounting purposes). The resulting difference between the equity balances of Rewardle Holdings Limited and that of Rewardle Pty Ltd is recognised in the acquisition reserve.

(ii) *Movements in reserve*

	2016 $	2015 $
Balance at beginning of year	**(3,922)**	(3,922)
Balance at end of year	**(3,922)**	(3,922)

	Consolidated 2016 $	Consolidated 2015 $

13. *Commitments*

Operating lease commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements:

	2016 $	2015 $
Payable – minimum lease payments		
- Not later than one year	**40,540**	17,915
- After one year but not more than five years	**157,965**	-
	198,505	17,915

Rewardle Pty Ltd entered into a lease for the Group's new principal place of business on Queen Street in Melbourne with an unrelated landlord which commenced on 18 July 2016. The initial term of the lease is three years, with an option to extend for a further term of two years. Rental for the first year is $81,080 per annum, however the first sixteen months of the term is subject to a half rent free period. On each anniversary of the lease commencement date, the rent will be increased by a fixed rate of 4%.

The lease for the Sydney office premises commenced on 10 December 2014 for a period of one year with an option to renew for another year. The rent for the first year is $34,510. Currently the lease is on a month by month basis.

14. *Contingent Liabilities*

The Group has no material contingent liabilities as at the date of this report (2015: nil).

15. *Financial Reporting by Segments*

The Group has identified its operating segments based on the internal reports that are used by the Board (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Board as a whole will regularly review the identified segments in order to allocate resources to the segment and to assess its performance.

The Board considers that the Group has only operated in one segment, being operating as a Digital Customer Engagement platform for local SME merchants.

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.

Revenues were not derived from a single external customer.

16. *Related Party Transactions*

(a) Subsidiaries

The consolidated financial statements include the financial statements of Rewardle Holdings Limited and the subsidiaries listed in the following table:

	County of Incorporation	Class of Shares	% Equity Interest	
			2016	**2015**
Rewardle Pty Ltd	Australia	Ordinary	**100%**	100%

(b) Parent entity

Rewardle Holdings Limited is the ultimate Australian parent entity and ultimate parent of the Group.

(c) Key management personnel

Refer to the remuneration report contained in the Directors' Report for details of the remuneration paid or payable to each member of the consolidated entity's key management personnel for the year ended 30 June 2016.

The totals of remuneration paid to key management personnel of the company during the year are as follows:

	Consolidated	
	2016	**2015**
	$	**$**
Short-term benefits	**223,060**	167,294
Post-employment benefits	**21,190**	15,893
Share-based payments	**-**	705,000
	244,250	888,187

(d) Other transactions with Key Management Personnel

During the previous financial year, the $15,687 remaining balance of the loan from the acquisition of Rewardle Pty Ltd was repaid to Mr Weerasooriya on 18 July 2014.

At 30 June 2016, the Company owed $4,777 (30 June 2015: $11,653) to Mr Weerasooriya for the reimbursement of business expenses.

The Company entered into a lease for its principal place of business on Flinders Street in Melbourne which commenced on 1 July 2014 for an initial term of one year, with two further option terms of one year each. Mr Weerasooriya is the lessor under the lease. The option to extend this lease had not been executed and the lease continued on a month by month basis. The rental paid on this lease during the year was $24,753 (2015: $24,753).

16. *Related Party Transactions (Continued)*

During the financial period ended 30 June 2014, the Company entered into convertible note agreements with its Directors and also with unrelated parties. The convertible notes were issued with a conversion price of 20 cents per share and an interest rate of 12% per annum. Convertible note holders received attaching options expiring 30 June 2017, exercisable at 20 cents each, in lieu of an establishment fee. The attaching options were valued at $0.06798 each using the Black-Scholes option valuation methodology. During the previous year, on 12 September 2014, the Company issued shares and paid the accrued interest to note holders on conversion of their convertible notes.

Amounts relating to convertible note agreements with the Directors are as follows:

2015 Director	Convertible Notes Outstanding $	Attaching Options Received No.	Attaching Options Value $	12% Interest Received $	Conversion Shares Received No.
R Weerasooriya	-	-	-	111,781	12,500,000
J Matthews	-	150,000	10,197	1,210	200,000
B Munro	-	-	-	3,577	400,000
	-	150,000	10,197	123,722	13,900,000

17. *Parent Entity Disclosures*

(a) Summary financial information

	Parent	
	2016	**2015**
	$	**$**
Financial Position		
Assets		
Current Assets	**318,788**	4,577,672
Non-current asset	**-**	-
Total assets	**318,788**	4,577,672
Liabilities		
Current Liabilities	**100,544**	82,143
Total liabilities	**100,544**	82,143
Equity		
Issued capital	**23,529,602**	23,482,102
Reserves	**3,023,903**	2,727,112
Accumulated losses	**(26,335,261)**	(21,713,685)
Total equity	**218,244**	4,495,529
Financial Performance		
Loss for the year	**(4,621,576)**	(6,554,878)
Other comprehensive income	**-**	-
Total comprehensive loss	**(4,621,576)**	(6,554,878)

(b) Guarantees

Rewardle Holdings Limited has not entered into any guarantees in relation to the debts of its subsidiary.

(c) Other Commitments and Contingencies

Rewardle Holdings Limited has no commitments to acquire property, plant and equipment, and has no contingent liabilities apart from the amounts disclosed in note 14.

18. *Financial Risk Management*

The Consolidated Entity's principal financial instruments comprise receivables, payables, loans and cash. The Consolidated Entity manages its exposure to key financial risks in accordance with the Consolidated Entity's financial risk management policy. The objective of the policy is to support the delivery of the Consolidated Entity's financial targets while protecting future financial security.

The main risks arising from the Consolidated Entity's financial instruments are interest rate risk, credit risk and liquidity risk. The Consolidated Entity does not speculate in the trading of derivative instruments. The Consolidated Entity uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rates and assessments of market forecasts for interest rates. Ageing analysis of and monitoring of receivables are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised below.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including for interest rate risk, credit allowances and cash flow forecast projections.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 1 to the financial statements.

Risk Exposures and Responses

Interest rate risk

The Consolidated Entity's exposure to risks of changes in market interest rates relates primarily to the Consolidated Entity's cash balances. The Consolidated Entity constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing positions and the mix of fixed and variable interest rates. As the Company has no interest bearing borrowings its exposure to interest rate movements is limited to the amount of interest income it can potentially earn on surplus cash deposits.

As at reporting date, the Consolidated Entity had the following financial assets exposed to variable interest rates that are not designated in cash flow hedges:

	Consolidated	
	2016	**2015**
	$	**$**
Financial Assets		
Cash and cash equivalents (interest-bearing accounts)	**906,533**	4,859,008
Net exposure	**906,533**	4,859,008

18. *Financial Risk Management (Continued)*

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date.

At year end, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post-tax profit and equity relating to financial assets of the Consolidated Entity would have been affected as follows:

	Consolidated	
	2016	**2015**
	$	**$**
Judgements of reasonably possible movements:		
Post tax profit – higher / (lower)		
+ 0.5%	**4,533**	24,295
- 0.5%	**(4,533)**	(24,295)
Equity – higher / (lower)		
+ 0.5%	**4,533**	24,295
- 0.5%	**(4,533)**	(24,295)

Liquidity Risk
The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of loans and other available credit lines.

The Consolidated Entity manages liquidity risk by monitoring immediate and forecast cash requirements and ensuring adequate cash reserves are maintained.

Credit risk
Credit risk arises from the financial assets of the Consolidated Entity, which comprise deposits with banks and trade and other receivables. The Consolidated entity's exposure to credit risk arises from potential default of the counter party, with the maximum exposure equal to the carrying amount of these instruments. The carrying amount of financial assets included in the statement of financial position represents the Consolidated Entity's maximum exposure to credit risk in relation to those assets.

The Consolidated Entity does not hold any credit derivatives to offset its credit exposure.

The Consolidated Entity trades only with recognised, credit worthy third parties and as such collateral is not requested nor is it the Consolidated Entity's policy to secure its trade and other receivables.

Receivable balances are monitored on an ongoing basis with the result that the Consolidated Entity does not have a significant exposure to bad debts.

The Consolidated Entity's cash deposits are held with a major Australian banking institution with a credit rating of AA- otherwise, there are no significant concentrations of credit risk within the Consolidated entity.

18. *Financial Risk Management (Continued)*

The following table details the expected maturity of the Group's financial assets and liabilities based on the earliest date of maturity or payment respectively. The amounts are stated on an undiscounted basis and include interest.

Consolidated	Weighted average effective interest rate %	Less than 1 month $	1 – 3 Months $	3 months – 1 year $	1 – 5 years $
2016					
Financial Assets:					
Non-interest bearing	**-**	**139,711**	**37,789**	**986**	**4,140**
Variable interest rate	**0.95**	**906,533**	**-**	**-**	**-**
Fixed interest rate	**-**	**-**	**-**	**-**	**-**
		1,046,244	**37,789**	**986**	**4,140**
Financial Liabilities:					
Non-interest bearing	**-**	**112,300**	**343,921**	**-**	**-**
Fixed interest rate	**-**	**-**	**-**	**-**	**-**
		112,300	**343,921**	**-**	**-**
2015					
Financial Assets:					
Non-interest bearing	-	28,471	89,266	986	714
Variable interest rate	1.35	4,859,008	-	-	-
Fixed interest rate	-	-	-	-	-
		4,887,479	89,266	986	714
Financial Liabilities:					
Non-interest bearing	-	108,477	119,562	-	-
Fixed interest rate	-	-	-	-	-
		108,477	119,562	-	-

Capital Management Risk

Management controls the capital of the Consolidated Entity in order to maximise the return to shareholders and ensure that the Group can fund its operations and continue as a going concern.

Management effectively manages the Group's capital by assessing the Consolidated Entity's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of expenditure and debt levels and share and option issues.

The Group has no external loan debt facilities other than trade payables.

Commodity Price and Foreign Currency Risk

The Consolidated Entity's exposure to price and currency risk is minimal.

Fair Value

The Group does not have any financial instruments that are subject to recurring fair value measurements. Due to their short-term nature, the carrying amounts of the current receivables and current trade and other payables is assumed to approximate their fair value.

19. *Share Based Payments*

	Consolidated 2016 $	Consolidated 2015 $
(a) Value of share based payments in the financial statements		
Share based payments expensed - directors fees and benefits expense	**-**	705,000
Share based payments expensed – employee benefits expense	**296,791**	772,980
Share based payments expensed – finance costs	**-**	553,886
Share based payments – capital raising costs	**-**	101,970
	296,791	2,133,836

(b) Summary of share-based payments

No shares were issued as share based payments during the year.

Set out below are the summaries of options granted as share based payments:

2016

Grant Date	Expiry Date	Exercise Price	Balance at beginning of year	Issued during the year	Exercised during the year	Expired or Cancelled	Balance at end of year	Number vested	Number exercisable
30/04/14	30/06/17	$0.20	19,375,000	-	(150,000)	-	19,225,000	19,225,000	19,225,000
30/04/14	7/02/18	$0.20	**1)** 20,000,000	-	(87,500)	-	19,912,500	16,162,500	12,412,500
3/07/15	7/02/18	$0.20	-	60,000	-	-	60,000	45,000	45,000
3/07/15	7/02/18	$0.25	-	836,500	-	-	836,500	601,500	601,500
3/07/15	7/02/18	$0.30	-	550,000	-	-	550,000	387,500	387,500
3/07/15	31/03/18	$0.30	-	1,000,000	-	-	1,000,000	1,000,000	1,000,000
			39,375,000	2,446,500	(237,500)	-	41,584,000	37,421,500	33,671,500
Weighted average exercise price			$0.20	$0.28	$0.20	-	$0.20	$0.20	$0.21

2015

Grant Date	Expiry Date	Exercise Price	Balance at beginning of year	Issued during the year	Exercised during the year	Expired or Cancelled	Balance at end of year	Number vested	Number exercisable
30/04/14	30/06/17	$0.20	15,675,000	3,700,000	-	-	19,375,000	19,375,000	19,375,000
30/04/14	7/02/18	$0.20	-	**1)** 20,000,000	-	-	20,000,000	15,000,000	10,000,000
			15,675,000	23,700,000	-	-	39,375,000	34,375,000	29,375,000
Weighted average exercise price			$0.20	$0.20	-	-	$0.20	$0.20	$0.20

19. *Share Based Payments (Continued)*

1) Performance options, issued to the Managing Director and employees become exercisable when performance milestones are achieved within prescribed timeframes.

The performance milestones to be achieved within the prescribed timeframes are:

	Time from listing on ASX (7 October 2014)			
Performance Option milestones	**12 months**	**18 months**	**24 months**	**36 months**
1. 5,000 Merchants or 500,000 Members	5,000,000	2,500,000	1,000,000	-
2. 10,000 Merchants or 1,000,000 Members		5,000,000	2,500,000	1,000,000
Performance Option milestones	**15 months**	**21 months**	**27 months**	**39 months**
3. Revenue of $250k in rolling 3 month period*	5,000,000	2,500,000	1,000,000	-
4. Revenue of $500k for rolling 3 month period*		5,000,000	2,500,000	1,000,000

* Note: The rolling 3 month period must be wholly satisfied within the stated time frames from listing on the ASX.

Milestones 1 & 2 were achieved by 9 June 2015 with 1,000,000 members registered, eight months after listing on the ASX. 10,000,000 performance options became exercisable.
Milestone 3 was achieved on 30 June 2016, twenty months after listing on the ASX. 2,500,000 performance options became exercisable.

The assessed fair values of the options was determined using a binomial option pricing model or Black-Scholes model, taking into account the exercise price, term of option, the share price at grant date and expected price volatility of the underling share, expected yield and the risk-free interest rate for the term of the option. The inputs to the model used were:

Grant date	30/04/2014	30/04/2014	3/07/2015	3/07/2015	3/07/2015	3/07/2015
Dividend yield (%)	-	-	-	-	-	-
Expected volatility (%)	75%	75%	80%	80%	80%	80%
Risk-free interest rate (%)	2.95%	2.95%	2.03%	2.03%	2.03%	2.03%
Expected life of options (years)	3.17	3.33	2.58	2.58	2.58	2.75
Underlying share price ($)	$0.15	$0.15	$0.265	$0.265	$0.265	$0.265
Option exercise price ($)	$0.20	$0.20	$0.20	$0.25	$0.30	$0.30
Value of option ($)	$0.06798	$0.07050	$0.1498	$0.1347	$0.1222	$0.1260

(c) Weighted average remaining contractual life

The weighted average remaining contractual life of share-based payment options that were outstanding as at 30 June 2016 was 1.3 years (2015: 2.3 years).

(d) Weighted average fair value

The weighted average fair value of share-based payment options granted during the year was $0.12870 (2015: $0.07011) each.

20. *Events Subsequent to Year End*

There are no other matters or circumstances that have arisen since 30 June 2016 that have or may significantly affect the operations, results, or state of affairs of the Group other than:

On 9 August 2016, the Company announced an accelerated one for two pro rata non-renounceable entitlement offer of up to 65,694,508 fully paid ordinary shares at $0.05 each to raise $3,284,725 (before costs). The Entitlement Offer comprised an accelerated institutional component and a retail component.

The Institutional Entitlement Offer was completed on 11 August 2016, with 43,750,000 shares issued on 17 August 2016 at $0.05 each, raising $2,187,500 (before costs). The Company's Managing Director and founder, Mr Ruwan Weerasooriya, subscribed for 20,000,000 shares of his entitlement under the Institutional Entitlement Offer. Arising from the partial underwriting of the shortfall shares under the Institutional Entitlement Offer, 2,000,000 shares were subscribed for by the underwriter (Sequoi Nominees Pty Ltd), a company in which Mr Brandon Munro, a Director of the Company, is a director and shareholder.

The Retail Entitlement Offer was completed on 31 August 2016. On 2 September 2016, 9,315,818 shares were issued under the Retail Entitlement Offer acceptances and 3,981,116 shares under the shortfall applications, at $0.05 each, raising a total of $664,847. Mr Brandon Munro subscribed for his entitlement of 391,667 shares under the Retail Entitlement Offer.

The Directors of the Company declare that:

1. The financial statements and notes are in accordance with the *Corporations Act 2001*, and:

   (i) comply with Accounting Standards, *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
   (ii) give a true and fair view of the financial position of the Company as at 30 June 2016 and of its performance for the financial year ended on that date.

2. The Chief Executive Officer and Chief Financial Officer equivalents of the Company declare that:

   (i) the financial records of the Company for the year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;

   (ii) the financial statements and notes for the year comply with the accounting standards; and

   (iii) the financial statements and notes for the year give a true and fair view.

3. The Company has included in note 1 to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

4. In the opinion of the directors' there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Ruwan Weerasooriya
Managing Director

23 September 2016

MOORE STEPHENS

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

Report on the Financial Report

We have audited the accompanying financial report of Rewardle Holdings Limited (**the company**), which comprises the consolidated statement of financial position as at 30 June 2016, 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, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility 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 is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Rewardle Holdings Limited, would be in the same terms if provided to the directors as at the date of this auditor's report.

MOORE STEPHENS

Auditor's Opinion

In our opinion:

a. the financial report of Rewardle Holdings Limited is in accordance with the *Corporations Act 2001*, including:

    i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

    ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1(b) in the financial report, which details the director's assumptions in preparing the financial report on a going concern basis. If these assumptions do not eventuate it may cast doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the remuneration report included in pages 12 to 17 of the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 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.

Auditor's Opinion

In our opinion the remuneration report of Rewardle Holdings Limited for the year ended 30 June 2016 complies with s 300A of the *Corporations Act 2001*.

Moore Stephens

MOORE STEPHENS AUDIT (VIC)
ABN 16 847 721 257

GEORGE S DAKIS
Partner
Audit & Assurance Services

Melbourne, Victoria

23 September 2016

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016, 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 Stephens

MOORE STEPHENS AUDIT (VIC)
ABN 16 847 721 257

GEORGE S. DAKIS
Partner
Audit & Assurance Services

Melbourne, Victoria

23 September 2016

HOLDINGS AS AT 15 SEPTEMBER 2016

Substantial Shareholders

Name	Units	% of Total
RUWAN WEERASOORIYA	88,000,000	46.70
MAMALADE HOLDINGS PTY LTD <MARMALADE A/C>	19,000,000	10.08

Holding Ranges	Holders	Total Units	% Issued Share Capital
1 - 1,000	38	1,754	0.00%
1,001 - 5,000	90	280,193	0.15%
5,001 - 10,000	141	1,248,098	0.66%
10,001 - 100,000	389	14,325,336	7.60%
100,001 - 9,999,999,999	157	172,580,568	91.59%
Totals	**815**	**188,435,949**	**100.00%**

There are 181 shareholders with less than a marketable parcel.

Voting Rights

Each fully paid ordinary share carries voting rights of one vote per share.

The Top 20 Holders of Ordinary Shares are:

Position	Holder Name	Holding	% IC
1	RUWAN WEERASOORIYA	88,000,000	46.70%
2	MARMALADE HOLDINGS PTY LTD <MARMALADE A/C>	19,000,000	10.08%
3	MOSCH PTY LTD	4,000,000	2.12%
4	MR TRENT ANTONY GOODRICK	4,000,000	2.12%
5	A C N 158 527 952 PTY LTD <LAZY AXLE A/C>	2,200,000	1.17%
6	ROBERT PAUL MARTIN & SUSAN PAMELA MARTIN <RP & SP MARTIN S/F A/C>	2,100,000	1.11%
7	RPM SUPER PTY LTD <RPM SUPER FUND A/C>	2,010,000	1.07%
8	SEQUOI NOMINEES PTY LTD <THE SEQUOI A/C>	2,000,000	1.06%
9	P & D WILLIAMSON SUPER PTY LTD <WILLIAMSON SUPER FUND A/C>	1,500,000	0.80%
10	GOLDFIRE ENTERPRISES PTY LTD	1,287,500	0.68%
11	VAULT (WA) PTY LTD <VAULT A/C>	1,200,026	0.64%
12	CITICORP NOMINEES PTY LIMITED	1,092,161	0.58%
13	MR PAUL GREGORY BROWN & MRS JESSICA ORIWIA BROWN <BROWN SUPER FUND A/C>	1,000,000	0.53%
14	DR NATHAN CHARLES GOODRICK & MRS JESSICA GOODRICK	1,000,000	0.53%
15	J P MORGAN NOMINEES AUSTRALIA LIMITED	991,711	0.53%
16	LANDMARK HOLDINGS (WA) PTY LTD <THE NESRAL A/C>	990,000	0.53%

17	WILLINGVALE PTY LTD	750,000	0.40%
17	TINDINDI CELLARS PTY LTD	750,000	0.40%
17	BOTSKY PTY LTD <THE BOTICA NO2 FAMILY A/C>	750,000	0.40%
18	PUTNEY BRIDGE INVESTMENTS PTY LTD <CHRIS & JULIA TITLEY S/F A/C>	739,887	0.39%
19	MS ALISON MARY TITLEY	726,910	0.39%
20	GOLDFIRE ENTERPRISES PTY LTD	619,715	0.33%
	Totals	**136,707,910**	**72.55%**
	Total Issued Capital	**188,435,949**	**100.00%**

Unquoted Equity Securities

Number	Number of Holders	Class	Holders with greater than 20%
75,664,168	11	Ordinary shares escrowed 24 months from listing	Ruwan Weerasooriya (98%)
1,000,000	1	Options exercisable at 20 cents expiring 30 June 2017	Jason Potter (100%)
15,352,500	15	Options exercisable at 20 cents expiring 30 June 2017	Marmalade Holdings Pty Ltd (61%)
10,000,000	1	Performance options exercisable at 20 cents expiring 7 February 2018	Ruwan Weerasooriya (100%)
9,972,500		Staff Performance options exercisable at 20 cents expiring 7 February 2018	ESOP
836,500		Staff Performance Options exercisable at 25 cents expiring 7 February 2018	ESOP
550,000		Staff Performance Options exercisable at 30 cents expiring 7 February 2018	ESOP
2,872,500	8	Options exercisable at 20 cents expiring 30 June 2017	RPM Super Pty Ltd (26%) R&S Martin <S/F A/C> (26%) Goldbondsuper Pty Ltd (21%)
1,000,000	1	Options exercisable at 20 cents expiring 31 March 2018	Jason Potter (100%)

Restricted Securities

The company has the following restricted securities on issue as at the date of this report:

Security Name	**Holdings**
ORD FP SHARES – ESCROWED 24 MONTHS FROM LISTING	75,664,168
UNLISTED OPTIONS – ESCROWED 24 MONTHS FROM LISTING	15,352,500
UNLISTED PERFORMANCE OPTIONS – ESC 24 MONTHS	10,000,000

On-market Buy-back

Currently there is no on-market buy-back of the Company's securities.

Consistency with business objectives

The company has used its cash and assets in a form readily convertible to cash that it had at the time of listing in a way consistent with its stated business objectives.