Rewardle HOLDINGS LIMITED

ACN 168 751 746

Annual Report

30 June 2018

DIRECTORS

Ruwan Weerasooriya – Executive Chairman
Peter Pawlowitsch – Non-Executive Director
David Niall – Executive Director

COMPANY SECRETARY

Ian Hobson

REGISTERED OFFICE

Suite 5, 95 Hay Street
Subiaco WA 6008

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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
Level 29
201 Elizabeth Street
SYDNEY NSW 2000

Telephone: 1300 288 664

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

During the 2018 financial year, Rewardle continued to focus on commercialisation of the Rewardle Platform. Management has continued to deliver on growing cash receipts while reducing operating costs and is committed to maintaining this momentum towards cash positive operations.

Rewardle is on a mission to provide local businesses 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.

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 FY18, the Company's focus on operational improvements delivered a 35% YoY reduction in cash used for operating and investing activity. Furthermore, there was a 41% increase YoY in cash receipts from Merchant Services Fees (SaaS) and Brand Partnerships (advertising).

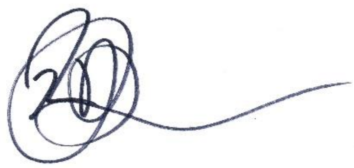
The Company is continuing to invest in research and development to enhance the capability of the Rewardle Platform with test and learn trials of Rewardle's universal point currency undertaken during FY18. These trials are expected to continue during the first half of FY19.

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.

In the 2019 financial year, 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.

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 2019 financial year for Rewardle.

Yours sincerely



Ruwan Weerasooriya
Executive Chairman

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

CORPORATE

During the year and to the date of this report:

- On 12 July 2017, Mr Ruwan Weerasooriya provided a $400,000 unsecured, fee and interest free loan facility to Rewardle Pty Ltd, of which $200,000 was drawn down and was repaid to Mr.Weerasooriya on 19 September 2017.

- On 17 July 2017, the Company announced a fully underwritten 1 for 1.4 pro-rata non-renounceable rights issue offer of up to 134,597,106 fully paid ordinary shares at $0.015 each to raise $2,018,957 (before costs).

- The rights issue offer was completed on 9 August 2017, with 134,597,106 shares issued on 9 August 2017 at $0.015 each, raising $2,018,957 (before costs). The Company's Managing Director and founder, Mr Ruwan Weerasooriya, subscribed for 76,785,717 shares under the offer through a combination of exercise of rights and the underwriting of the offer.

- On 31 March 2018, Mr Ruwan Weerasooriya provided a $900,000 unsecured, fee and interest free loan facility to Rewardle Pty Ltd to become repayable in full within 21 days of the Company receiving FY18 R&D rebate. As at the date of this report, the FY18 R&D rebate has been received and $831,209 drawn down on this facility becomes payable to Mr.Weerasooriya on 9th October 2018.

COMPANY OVERVIEW

Rewardle connects approximately 5,000 local businesses with almost 3 million Members around Australia.

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.

The results for the year ended 30 June 2018 were as expected as the business builds on the commercialisation strategy that was previously initiated.

	30 June 2018 $	30 June 2017 $	30 June 2016 $
Rendering of Services	1,600,260	1,214,410	585,792
Other Revenue	1,005,690	1,404,973	1,694,243
Total Revenue	**2,605,950**	**2,624,383**	**2,280,035**
Loss before taxation and extraordinary items	2,530,413	3,776,434	4,516,653
Extraordinary Items	0	0	0
Loss after taxation and extraordinary items	**2,530,413**	**3,776,434**	**4,516,653**

Opportunity Summary

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 approximately 5000 local businesses and almost 3m Members since founding in 2012.

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.

- Early mover advantage established through development of proprietary technology platform and building substantial network scale
- Critical mass established through the recruitment of approximately 5000 local businesses and almost 3m Members
- Network effect powering ongoing organic growth and serving as barrier to entry for potential competitors
- Rewardle's Merchant revenue based upon recurring Merchant Services (SaaS) fees
- Consistent traction in development of brand advertising and recurring Merchant Services (SaaS) revenue
- Management's focus on operational improvements has delivered a 35% YoY reduction in cash used for operating and investing activity which reflects a 20% Reduction in Expenses

Strategy and Execution Summary

STRATEGY

Step 1.	Step 2.	Step 3.	Step 4.
Build the Network	Educate and Engage	Monetise the Network NOW	Additional services

EXECUTION

Use free trials to build Merchant and Member Network	Merchant and Member Network offered as audience to brands	Brand partnerships and recurring Merchant Services (SaaS) fees	Leverage Platform, brand activity and Network scale to recruit new Merchants without free trial offer
National Network of approximately 5,000 Merchants and almost 3m Members	Consistent traction with brand partners generating short term revenue and supporting Merchant and Member engagement	Merchant Network paying recurring Merchant Services (Saas) fees	NOW New Merchants pay immediately to join, including a set up fee

Key Strategic Goals

Management has substantially reduced operating costs while maintaining business development capability as demonstrated by consistently developing Merchant Services (SaaS) fees and Brand Partnership income.

During FY18 management focussed on improving cost effectiveness of Merchant acquisition and servicing.

Cost effectively growing the Paying Merchant revenues	Reduced Rewardle Device and Onboarding Costs	Improved Sales team Effectiveness	Migration to Annual and Bi-Annual Contract terms
Building Brand Partnerships revenue	Developing new options for online and offline Brand campaigns	Pursuing Strategic Brand Partnerships in key vertical industries	Improving effectiveness of Brand Sales team
Increasing take-up of Rewardle Member App	Improved Member App Onboarding and User Experience	Launch of Member App rewards	Improved execution of App Acquisition Campaigns with Merchants
Development of universal Rewards capability and User Experience	Continued investment in rewards platform and capability	Ongoing Test and Learn trials with selected functionality	Exploration of Strategic Partnerships to build scale and scope of rewards

Your Directors present their report on the Company and its controlled entities for the year ended 30 June 2018.

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 – Executive Chairman
Peter Pawlowitsch – Non-Executive Director
David Niall – Executive Director

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

Ian Hobson held the position of Company Secretary for the full financial year.

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

Ruwan Weerasooriya – Executive Chairman
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:

- 231,601,812 ordinary shares

During the past three years Mr Weerasooriya has held no other listed Company Directorships.

Peter Pawlowitsch – Non-Executive Director
Mr Pawlowitsch holds a Bachelor of Commerce from the University of Western Australia, is a current member of the Certified Practising Accountants of Australia and also holds a Master of Business Administration from Curtin University.

These qualifications have underpinned more than fifteen years' experience in the accounting profession and more recently in business management and the evaluation of businesses and mining projects.

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

- 12,197,577 ordinary shares

During the past three years, Mr Pawlowitsch has held directorships in the following listed entities:

- Ventnor Resources Limited (12 February 2010 – present)
- Department 13 International Limited (30 January 2012 – 18 December 2015)
- Knosys Limited (16 March 2015 – present)
- Novatti Group Limited (19 June 2015 – present)
- Dubber Corporation Ltd (20 September 2011 – present)

David Niall – Executive Director
David Niall has a BSc (Hons) and holds a Master of Business Administration from Harvard Business School. Formerly an executive at Telstra, he has a deep knowledge of the mobiles industry with extensive experience in developing and launching innovative products. He has extensive experience driving implementation of complex strategic programs across telecommunications, technology and management consulting industries.

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

- 1,931,445 ordinary shares

During the past three years Mr Niall has held no other listed Company Directorships.

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 $2,530,413 (2017: $3,776,434 loss).

Financial Position

At 30 June 2018, the Group had net liabilities of $956,383 (2017: net liabilities of $552,981) with cash reserves of $62,365 (2017: $215,009).

Financing and Investing Activities
The Company issued the following securities during the year:
- 134,763,630 ordinary fully paid shares issued on 21 September 2017 at $0.015 per share ;
- 4,442,961 ordinary fully paid shares issued on 21 December 2017 at $0.013 per share; and
- 3,525,526 ordinary fully paid shares issued on 8 June at $0.022 per share.

Dividends
No dividends were paid during the year (2017: 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

On 20 September 2018, $1,088,252 was refunded under the Federal Government's Research and Development Tax Incentive Program.

On 27 September 2018, $165,000 was returned to a corporate Brand partner after a change of the partner's policy with respect to invoicing. The client initially paid Rewardle in advance of installation activities but now wishes to pay on invoice for each completed activity. The client has indicated ongoing support for the project and the Company will invoice the client progressively as fees become due. The repayment has reduced Unearned Income by $165,000.

No other 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 outlined in the Company review which is contained in this Annual Report.

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	2	2
D Niall	2	2
P Pawlowitsch	2	2

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	Executive Chairman
Peter Pawlowitsch	Non-Executive Director
David Niall	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 other key management personnel
- 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 way 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 technology 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 that aligns the element of remuneration with the creation of shareholder wealth. As such LTIs are made to Executives who are able to influence the generation of shareholder wealth and thus have an impact on the Company's performance.

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

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

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 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.
- Mr David Niall has entered into an agreement that consists of a package comprising $120,000 per annum plus superannuation, a notice period of six months and that he devote 70% of his working time to the Company.

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 $**	**Shares $**	**Total $**	**Remuneration consisting of options during the year %**	**Remuneration based on performance %**
R Weerasooriya*	**2018**	**150,000**	**14,250**	**-**	**164,250**	**-**	**-**
	2017	150,000	14,250	-	164,250	-	-
P Pawlowitsch	**2018**	**13,199**	**4,164**	**30,637**	**48,000**	-	-
	2017	3,044	289	-	3,333	-	-
D Niall	**2018**	**86,233**	**12,112**	**41,267**	**139,612**	-	-
	2017	28,125	-	-	28,125	-	-

J Matthews	**2018**	**-**	**-**	**-**	**-**	**-**	**-**
	2017	33,484	3,180	-	36,664	-	-
B Munro	**2018**	**-**	**-**	**-**	**-**	**-**	**-**
	2017	33,484	3,180	-	36,664	-	-
Total	**2018**	**249,432**	**30,526**	**71,904**	**351,862**	**-**	**-**
	2017	248,137	20,899	-	269,036	-	-

* The remuneration for Mr Weerasooriya has been accrued as payable. As of the date of this report, $275,000 remains unpaid in salaries and $56,209 in superannuation to Mr Weerasooriya.

** Includes the cost of both shares issued and as owing but to be issued at a future date

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.

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 2017 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

On 31 March 2018, Mr Ruwan Weerasooriya provided a $900,000 unsecured, fee and interest free loan facility to Rewardle Pty Ltd to become repayable in full within 21 days of the Company receiving FY18 R&D rebate. As at the date of this report, the FY18 R&D rebate has been received and $831,209 drawn down on this facility become payable to Mr.Weerasooriya on 9th October 2018.

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	107,500,000	-	-	-	124,101,812	231,601,812
P Pawlowitsch	6,087,526	1,761,815	-	-	4,348,236	12,197,577
D Niall	-	1,931,445	-	-	-	1,931,445
	113,587,526	3,693,260	-	-	128,450,048	245,730,834

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	6,250,000	-	6,250,000	-	-	-	-
P Pawlowitsch	-	-	-	-	-	-	-
D Niall	-	-	-	-	-	-	-
	6,250,000	-	6,250,000	-	-	-	-

J. Other transactions with key management personnel

At 30 June 2018, the Company owed $463 (30 June 2017: $917) to Mr Weerasooriya for the reimbursement of business expenses.

On 31 March 2018, Mr Ruwan Weerasooriya provided a $900,000 unsecured, fee and interest free loan facility to Rewardle Pty Ltd to become repayable in full within 21 days of the Company receiving FY18 R&D rebate. As at the date of this report, the FY18 R&D rebate has been received and $831,209 drawn down on this facility become payable to Mr.Weerasooriya on 9th October 2018.

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 no unissued ordinary shares for which options and no options were issued or exercised during the year.

The following options lapsed during the year:

- 13,412,500 unlisted options, exercisable at 20 cents each;
- 836,500 unlisted options, exercisable at 25 cents each; and
- 1,550,000 unlisted options, exercisable at 30 cents each.

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

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 auditors of the Company for the year.

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.

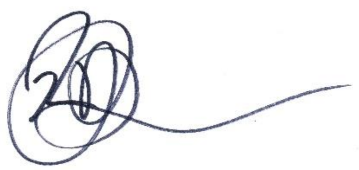
The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporation Act 2001.

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 as 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 2018, 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
27 September 2018

	Note	Consolidated 2018 $	2017 $
Revenue			
Rendering of services		**1,600,260**	1,214,410
Other income	2(a)	**1,005,690**	1,409,973
Expenses			
Consulting fees		**(522,940)**	(197,012)
Depreciation		**(52,709)**	(11,346)
Directors fees and benefits expense		**(160,472)**	(248,490)
Employee benefits expense		**(2,681,574)**	(3,289,361)
IT equipment		**(150,639)**	(273,819)
Legal fees		**(26,772)**	(45,307)
Merchant and member network costs		**(108,694)**	(1,012,546)
Share based payments		**(12,563)**	(5,521)
Other expenses	2(b)	**(1,420,000)**	(1,317,415)
Loss before income tax expense		**(2,530,413)**	(3,776,434)
Income tax expense	3	**-**	-
Loss after income tax for the year		**(2,530,413)**	(3,776,434)
Other comprehensive income		**-**	-
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive loss attributable to members of Rewardle Holdings Limited	5	**(2,530,413)**	(3,776,434)
		Cents	Cents
Basic and diluted loss per share for the year attributable to the members of Rewardle Holdings Limited		**(0.83)**	(2.09)

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

	Note	Consolidated 2018 $	2017 $
ASSETS			
Current Assets			
Cash and cash equivalents	6	**62,365**	215,009
Trade and other receivables	7	**183,336**	142,813
Total Current Assets		**245,701**	357,822
Non-Current Assets			
Plant and equipment	8	**8,657**	10,220
Intangible assets	9	**-**	-
Total Non-Current Assets		**8,657**	10,220
Total Assets		**254,358**	368,042
LIABILITIES			
Current Liabilities			
Trade and other payables	10	**624,731**	525,732
Unearned income	11	**397,976**	226,632
Provisions	12	**188,034**	168,659
Total Current Liabilities		**1,210,741**	921,023
Total Liabilities		**1,210,741**	921,023
NET ASSETS		**(956,383)**	(552,981)
EQUITY			
Issued capital	13	**17,218,795**	15,104,347
Reserves	14	**3,038,065**	3,025,502
Accumulated losses		**(21,213,243)**	(18,682,830)
TOTAL EQUITY		**(956,383)**	(552,981)

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

Consolidated	Issued Capital $	Accumulated Losses $	Reserves $	Total $
2018				
Balance at 1 July 2017	**15,104,347**	**(18,682,830)**	**3,025,502**	**(552,981)**
Loss for year	**-**	**(2,530,413)**	**-**	**(2,530,413)**
Total comprehensive loss for the year	**-**	**(2,530,413)**	**-**	**(2,530,413)**
Transactions with owners in their capacity as owners:				
Securities issued during the year	**2,023,952**	**-**	**-**	**2,023,952**
Capital raising costs	**(47,298)**	**-**	**-**	**(47,298)**
Cost of share based payments	**137,794**	**-**	**12,563**	**150,357**
Balance at 30 June 2018	**17,218,795**	**(21,213,243)**	**3,038,065**	**(956,383)**
2017				
Balance at 1 July 2016	12,353,702	(14,906,396)	3,019,981	467,287
Loss for year	-	(3,776,434)	-	(3,776,434)
Total comprehensive loss for the year	-	(3,776,434)	-	(3,776,434)
Transactions with owners in their capacity as owners:				
Securities issued during the year	2,852,347	-	-	2,852,347
Capital raising costs	(101,702)	-	-	(101,702)
Cost of share based payments	-	-	5,521	5,521
Balance at 30 June 2017	15,104,347	(18,682,830)	3,025,502	(552,981)

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

	Note	Consolidated 2018 $	Consolidated 2017 $
		Inflows/ (Outflows)	**Inflows/ (Outflows)**
Cash flows from operating activities			
Receipts from customers		**1,700,089**	1,297,697
Payments to suppliers and employees		**(4,919,235)**	(6,082,440)
Interest received		**2,250**	5,401
R&D tax offset refund received		**1,003,440**	1,404,572
Net cash used in operating activities	6(a)	**(2,213,456)**	(3,374,770)
Cash flows from investing activities			
Payment for plant and equipment		**(6,926)**	(9,190)
Payment for intangible assets		**(44,220)**	-
Payment of security deposit		**(2,490)**	(58,209)
Net cash used in investing activities		**(53,636)**	(67,399)
Cash flows from financing activities			
Proceeds from issue of shares		**2,161,746**	2,852,347
Payment of capital raising costs		**(47,298)**	(101,702)
Proceeds from borrowings		**200,000**	-
Repayment of borrowings		**(200,000)**	-
Net cash provided by financing activities		**2,114,448**	2,750,645
Net (decrease)/increase in cash held		**(152,644)**	(691,524)
Cash at beginning of the financial year		**215,009**	906,533
Cash at end of the financial year	6	**62,365**	215,009

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 2018 the consolidated entity had an operating net loss of $2,530,413 (2017: $3,776,434), net cash outflows from operating activities of $2,213,456 (2016: $3,374,770) and net current liabilities of $965,040 (2017: net current liabilities of $563,201).

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:

- Subject to the matters below, the Group cashflow forecast shows a positive cash position for a period extending beyond twelve months from this report;
- Being able to raise capital as equity through a Rights Issue in first half of the 2019 Financial Year
- Access to a Director Loan facility of $900,000 which expires upon receipt of the R&D incentive on 20 September 2018 as detailed per Note 21 Events Subsequent to Year End
- Being able to raise capital as equity through a successful capital raise in the second half of the 2019 financial year;
- Rationalisation of cost base (through reduction of employee costs and in Consultant Fees, improved technology efficiencies and other operating cost reductions) delivering cash outflow savings of $1.1 million;
- Forecast increase in the number of Merchants paying the monthly subscription fees;
- Forecast revenue generated from brand and channel partnerships;
- Previous success on being eligible for the research and development tax incentive;
- Growth in the continuous monetisation of the existing membership base; and,
- Increasing number of underlying members in this base.

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 2018. As at the date of this report, the Group has not assessed the impact of these new or amended Accounting Standards and Interpretations.

(d) Statement of Compliance

The financial report was authorised for issue on 27 September 2018.

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 inter-Company 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. No assets were subject to impairment testing at 30 June 2018.

(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	
	2018	2017
	$	$

2. *Revenue and Expenses*

(a) Other Income

Interest	**2,250**	5,401
Research and development tax incentive	**1,003,440**	1,404,572
	1,005,690	1,409,973

(b) Other Expenses

Advertising	**14,923**	124,076
Audit fees	**19,144**	36,444
Company secretarial, compliance and accounting	**39,522**	135,325
Impairment of trade receivables	**85,124**	197,341
Freight	**49,205**	34,522
Payroll tax	**108,233**	132,610
Rent	**148,709**	121,015
Security exchange and registry fees	**42,120**	123,226
Telephone	**58,611**	90,918
Travel costs	**39,847**	92,052
Other	**814,562**	229,886
	1,420,000	1,317,415

3. *Income Tax*

(a) Income Tax Expense

The income tax expense for the year differs from the prima facie tax as follows:

Loss for year	**(2,530,413)**	(3,776,434)
Prima facie income tax (benefit) @ 30% (2017: 30%)	**(759,124)**	(1,132,930)
Tax effect of non-deductible/(non-assessable) items	**(278,309)**	(355,011)
Deferred tax assets not brought to account	**1,037,433**	1,487,941
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:	**4,185,456**	3,062,529

There are no franking credits available to the Group.

(c) Deferred Tax Liability

Deferred tax liability	**Nil**	Nil

	Consolidated	
	2018	**2017**
	$	**$**
4. *Auditors' Remuneration*		
Audit or review services:		
- Moore Stephens Audit (Vic)	**36,000**	36,000
	36,000	36,000

5. *Earnings per Share (EPS)*		
	Cents	Cents
Basic earnings per share/diluted earnings per share	**(0.83)**	(2.09)
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	**(2,530,413)**	(3,776,434)
	No.	No.
Weighted average number of ordinary shares used in the calculation of basic EPS	**304,854,794**	180,351,007

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

	Consolidated 2018 $	Consolidated 2017 $
6. *Cash and Cash Equivalents*		
Cash at bank	**62,365**	215,009

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

This should be read in conjunction with note 19 on Financial Risk Management

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

	2018 $	2017 $
Loss for the year	**(2,530,413)**	(3,776,434)
Non-cash flows in profit		
Depreciation	**8,489**	11,346
Amortisation of intangible assets	**44,220**	-
Impairment of trade receivables	**85,124**	197,341
Equity settled share based payment	**150,357**	5,521
Changes in assets and liabilities		
(Increase)/Decrease in trade and other receivables	**(71,515)**	(111,234)
Increase/(Decrease) in trade and other payables	**80,907**	283,149
Increase in provisions	**19,375**	15,541
Net cash outflows from operating activities	**(2,213,456)**	(3,774,770)

(b) Non-cash financing and investing activities

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

	Consolidated 2018 $	Consolidated 2017 $

7. *Trade and Other Receivables*

	2018 $	2017 $
Current		
Trade receivables	**225,890**	320,301
Less: Provision for impairment	**(142,696)**	(236,684)
	83,194	83,617
Other receivables	**100,142**	59,196
	183,336	142,813

Terms and conditions relating to the above financial instruments:

- Trade and other receivables are non-interest bearing and generally repayable within 0-30 days.

Impaired trade receivables

The Group recognised a loss of $85,124 (2017: $197,341) in profit or loss in respect of impairment of trade receivables for the year ended 30 June 2018.

	2018 $	2017 $
Impairment losses:		
- incremental movement in provision for impairment	**(93,988)**	197,341
- debtors written off as bad debts	**179,112**	-
Impairment of trade receivables expense	**85,124**	197,341

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

	2018 $	2017 $
Opening balance	**236,684**	39,343
Increase / (decrease) in provision for impairment	**(273,100)**	197,341
Trade Receivables written off during the year as uncollectable	**179,112**	-
Closing balance	**142,696**	236,684

Past due but not impaired

At 30 June 2018, the ageing analysis of trade receivables is as follows:

	2018 $	2017 $
0 – 30 days – not past due	**62,527**	52,058
31 – 60 days – past due but not impaired	**16,993**	27,755
61 – 90 days – past due but not impaired	**3,673**	3,804
Over 90 days – past due but not impaired	**-**	-
0 – 30 days – not past due but impaired	**8,704**	21,875
31 – 60 days – past due but impaired	**5,736**	15,362
61 – 90 days – past due but impaired	**5,016**	15,919
Over 90 days – past due but impaired	**123,241**	183,528
	225,890	320,301

As at 30 June 2018, trade receivables of $19,931 (2017: $nil) were past due but not impaired.

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.

	Consolidated 2018 $	Consolidated 2017 $
8. *Plant and Equipment*		
Plant and equipment – at cost	**35,265**	28,339
Less: Accumulated depreciation	**(26,608)**	(18,119)
Net carrying amount	**8,657**	10,220
Reconciliation		
Net carrying amount at the beginning of the year	**10,220**	12,376
Additions	**6,926**	9,190
Depreciation expense	**(8,489)**	(11,346)
Net carrying amount at the end of the year	**8,657**	10,220
9. *Intangible Assets*		
Intangible assets – at cost	**44,220**	-
Less: Accumulated amortisation	**(44,220)**	-
Net carrying amount	**-**	-
Reconciliation		
Net carrying amount at the beginning of the year	**-**	-
Additions	**44,220**	-
Amortisation expense	**(44,220)**	-
Net carrying amount at the end of the year	**-**	-
10. *Trade and Other Payables*		
Current		
Trade payables	**135,041**	177,985
Other payables	**489,227**	346,830
Loan from director	**463**	917
	624,731	525,732

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 19

11. *Unearned Income*

	2018 $	2017 $
Current		
Unearned Income	**397,976**	226,632

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

	Consolidated 2018 $	Consolidated 2017 $
12. *Provisions*		
Current		
Employee benefits	**188,034**	168,659

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.

13. *Issued Capital*

(a) Issued and paid up capital

	2018 $	2017 $
Ordinary shares - fully paid	**17,218,795**	15,104,347

(b) Movement in ordinary shares on issue

	2018		2017	
	Number	$	Number	$
Ordinary shares – fully paid				
Balance at beginning of year	**188,435,949**	**15,104,347**	131,389,015	12,353,702
Issued for cash – August / September 2016	**-**	**-**	57,046,934	2,852,347
Issued for cash – September 2017	**134,763,630**	**2,023,952**	-	-
Issued in lieu of salaries – December 2017	**4,442,961**	**58,803**	-	-
Issued in lieu of salaries – June 2018	**3,525,526**	**78,991**	-	-
Expenses of issues	**-**	**(47,298)**	-	(101,702)
Balance at end of year	**331,168,066**	**17,218,795**	188,435,949	15,104,347

(c) Share options

At the end of the year, there were no options over unissued ordinary shares outstanding.

(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 19.

	Consolidated	
	2018	2017
	$	$
14. *Reserves*		
Option issue reserve	**3,041,987**	3,029,424
Acquisition reserve	**(3,922)**	(3,922)
	3,038,065	3,025,502

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*

	2018	2017
Balance at beginning of year	**3,029,424**	3,023,903
Value of incentive based performance share options issued to employees and vested during the year	**12,563**	5,521
Balance at end of year	**3,041,987**	3,029,424

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*

	2018	2017
Balance at beginning of year	**(3,922)**	(3,922)
Balance at end of year	**(3,922)**	(3,922)

	Consolidated	
	2018	**2017**
	$	**$**

15. *Commitments*

Operating lease commitments

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

	2018 $	**2017 $**
Payable – minimum lease payments		
- Not later than one year	**177,696**	89,041
- After one year but not more than five years	**-**	81,081
	177,696	170,122

16. *Contingent Liabilities*

The Group has no material contingent liabilities as at the date of this report (2017: nil).

17. *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.

18. *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	
			2018	**2017**
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 2018.

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

	Consolidated	
	2018	**2017**
	$	**$**
Short-term benefits	**321,336**	248,140
Post-employment benefits	**30,526**	20,901
	351,862	269,041

(d) Other transactions with Key Management Personnel

At 30 June 2018, the Company owed $463 (30 June 2017: $917) to Mr Weerasooriya for the reimbursement of business expenses.

On 31 March 2018, Mr Ruwan Weerasooriya provided a $900,000 unsecured, fee and interest free loan facility to Rewardle Pty Ltd to become repayable in full within 21 days of the Company receiving FY18 R&D rebate. As at 30th June 2018, there was $290,146 drawn down on this facility.

18. *Parent Entity Disclosures*

(a) Summary financial information

	Parent	
	2018	**2017**
	$	**$**
Financial Position		
Assets		
Current Assets	**8,750**	80,816
Non-current asset	**-**	-
Total assets	**8,750**	80,816
Liabilities		
Current Liabilities	**352,090**	245,039
Total liabilities	**352,090**	245,039
Equity		
Issued capital	**28,394,695**	26,280,247
Reserves	**3,041,987**	3,029,424
Accumulated losses	**(31,780,022)**	(29,473,894)
Total equity	**(343,340)**	(164,223)
Financial Performance		
Loss for the year	**(2,306,128)**	(3,138,633)
Other comprehensive income	**-**	-
Total comprehensive loss	**(2,306,128)**	(3,138,633)

(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.

19. *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	
	2018	**2017**
	$	**$**
Financial Assets		
Cash and cash equivalents (interest-bearing accounts)	**62,365**	215,009
Net exposure	**62,365**	215,009

19. *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	
	2018	**2017**
	$	**$**
Judgements of reasonably possible movements:		
Post tax profit – higher / (lower)		
+ 0.5%	**312**	1,075
- 0.5%	**(312)**	(1,075)
Equity – higher / (lower)		
+ 0.5%	**312**	1,075
- 0.5%	**(312)**	(1,075)

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.

19. *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 $
2018					
Financial Assets:					
Non-interest bearing	**-**	**270,011**	**-**	**56,021**	**-**
Variable interest rate	**0.50**	**62,365**	**-**	**-**	**-**
Fixed interest rate	**-**	**-**	**-**	**-**	**-**
		332,376	**-**	**56,021**	**-**
Financial Liabilities:					
Non-interest bearing	**-**	**624,731**	**-**	**-**	**-**
Fixed interest rate	**-**	**-**	**-**	**-**	**-**
		624,731	**-**	**-**	**-**
2017					
Financial Assets:					
Non-interest bearing	-	320,301	986	2,189	56,021
Variable interest rate	0.95	215,009	-	-	-
Fixed interest rate	-	-	-	-	-
		535,310	986	2,189	56,021
Financial Liabilities:					
Non-interest bearing	-	525,732	-	-	-
Fixed interest rate	-	-	-	-	-
		525,732	-	-	-

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.

20. *Share Based Payments*

	Consolidated	
	2018	2017
	$	$
(a) Value of share based payments in the financial statements		
Share based payments expensed for;		
Employee benefits expense for options	**12,563**	5,521
Wages taken as shares in lieu of cash	**137,794**	-
	150,357	5,521

(b) Summary of share-based payments

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

2018

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	7/02/18	$0.20	13,412,500	-	-	(13,412,500)	-	-	-
3/07/15	7/02/18	$0.25	836,500	-	-	(836,500)	-	-	-
3/07/15	7/02/18	$0.30	550,000	-	-	(550,000)	-	-	-
3/07/15	31/03/18	$0.30	1,000,000	-	-	(1,000,000)	-	-	-
			15,799,000	-	-	(15,799,000)	-	-	-
Weighted average exercise price			$0.21	-	-	$0.21	-	-	-

2017

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	19,225,000	-	-	(19,225,000)	-	-	-
30/04/14	7/02/18	$0.20	19,912,500	-	-	(6,500,000)	13,412,500	12,412,500	12,412,500
3/07/15	7/02/18	$0.20	60,000	-	-	(60,000)	-	-	-
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
			41,584,000	-	-	25,785,000	15,799,000	14,401,500	14,401,500
Weighted average exercise price			$0.20	-	-	$0.20	$0.21	$0.21	$0.21

(c) Weighted average remaining contractual life

The weighted average remaining contractual life of share-based payment options that were outstanding as at 30 June 2018 was 0 years (2017: 0.3 years).

20. *Share Based Payments (Continued)*

(d) Shares issued as share-based payments

Employee Share Contribution Plan

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

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

	Number	$
(a) Shares granted as share-based payments under the ESCP are as follows;		
21 December 2017	4,442,961	58,803
8 June 2018	3,525,526	78,991
	7,968,487	137,794

These shares were issued as compensation to both key management personnel and employees of the Group. Further details are provided in the directors' report.

21. *Events Subsequent to Year End*

On 20 September 2018, $1,088,252 was refunded under the Federal Government's Research and Development Tax Incentive Program.

On 27 September 2018, $165,000 was returned to an enterprise client after a change of the partner's policy with respect to invoicing. The client initially paid Rewardle in advance of installation activities but now wishes to pay on invoice for each completed activity. The client has indicated ongoing support for the project and the Company will invoice the client progressively as fees become due. The repayment has reduced Unearned Income by $165,000.

There are no other matters or circumstances that have arisen since 30 June 2018 that have or may significantly affect the operations, results, or state of affairs of the Group.

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 2018 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

27 September 2018

MOORE STEPHENS

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018, 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 AUDIT (VIC)
ABN 16 847 721 257

GEORGE S. DAKIS
Partner
Audit & Assurance Services

Melbourne, Victoria

27 September 2018

MOORE STEPHENS

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Rewardle Holdings Ltd and Controlled Entity (the Company), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.
In our opinion:

a) the accompanying financial report of the Company is in accordance with the *Corporations Act 2001,* including:

   i. giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year then ended; and

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

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1(b) *Going Concern basis* in the financial report, which indicates that the Company incurred a net loss of $2,530,413 during the year ended 30 June 2018 and, as of that date, the Company's current liabilities exceeded its total assets by $956,383. As stated in Note 1(b), these events or conditions, along with other matters as set forth in Note 1(b), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern . Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. Except for the matters described in the Material Uncertainty related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

MOORE STEPHENS

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

MOORE STEPHENS

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 13 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Rewardle Holdings Ltd and Controlled Entity, for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Moore Stephens

MOORE STEPHENS AUDIT (VIC)
ABN 16 847 721 257

GEORGE S. DAKIS
Partner
Audit & Assurance Services

Melbourne, Victoria

27 September 2018

HOLDINGS AS AT 24 SEPTEMBER 2018

Substantial Shareholders

Name	Units	% of Total
RUWAN WEERASOORIYA	198,173,239	59.84
MARMALADE HOLDINGS PTY LTD <MARMALADE A/C>	32,571,430	9.83

Holding Ranges	Holders	Total Units	% Issued Share Capital
1 - 1,000	40	1,741	0.00%
1,001 - 5,000	74	222,055	0.06%
5,001 - 10,000	112	1,015,072	0.31%
10,001 - 100,000	287	10,655,143	3.22%
100,001 - 9,999,999,999	146	319,274,055	96.41%
Totals	**659**	**331,168,066**	**100.00%**

There are 482 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	198,173,239	59.84%
2	MARMALADE HOLDINGS PTY LTD <MARMALADE A/C>	21,428,572	6.47%
3	MARMALADE HOLDINGS PTY LTD <MARMALADE A/C>	11,142,858	3.36%
4	MOSCH PTY LTD	6,857,143	2.07%
5	MR HONGHAO SUN	5,500,000	1.66%
6	MR TRENT ANTONY GOODRICK	5,000,000	1.51%
7	JASON POTTER	4,204,258	1.27%
8	SEQUOI NOMINEES PTY LTD <THE SEQUOI A/C>	3,428,572	1.04%
9	ROBERT PAUL MARTIN & SUSAN PAMELA MARTIN <RP & SP MARTIN S/F A/C>	2,100,000	0.63%
10	RPM SUPER PTY LTD <RPM SUPER FUND A/C>	2,010,000	0.61%
11	MR DAVID WILLIAM WALTERS	2,000,000	0.60%
12	MR DAVID NIALL	1,931,445	0.58%
13	VAULT (WA) PTY LTD <VAULT A/C>	1,761,815	0.53%
14	LANDMARK HOLDINGS (WA) PTY LTD <THE NESRAL A/C>	1,697,143	0.51%
15	TEGAR PTY LTD <HEALY SUPER FUND A/C>	1,557,147	0.47%
16	MISS PENNY BOLGIA	1,470,019	0.44%
17	VAULT (WA) PTY LTD <VAULT A/C>	1,440,519	0.44%
18	MR MARCEL KUNATH	1,344,230	0.41%

19	MS VANESSA JANE ROBERTSON	1,287,858	0.39%
20	GOLDFIRE ENTERPRISES PTY LTD	1,287,500	0.39%
	Total	**275,622,318**	**83.23%**
	Total issued capital - selected security class(es)	**331,168,066**	**100.00%**

There are no Unquoted Equity Securities.

There are no Restricted Securities.

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.