Rewardle Holdings Limited

ABN 37 168 751 746

Annual Report - 30 June 2023

Rewardle Holdings Limited
Contents
30 June 2023

Rewardle Holdings Limited
Corporate directory
30 June 2023

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

Rewardle Holdings Limited
Directors' report
30 June 2023

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Rewardle Holdings Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2023.

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

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

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

Review of operations
Rewardle is a software business undertaking the development, operation and commercialisation of its proprietary Business to Business to Consumer (B2B2C) software platform (Rewardle Platform).

The Company's strategy is to leverage its operational capabilities, expertise and IP to develop new markets and opportunities by investing cash flow generated by leveraging its operations, resources and capabilities into growth initiatives to create a compounding growth flywheel effect for the business moving forward.

During FY23 the Company successfully executed its strategy, developing new markets and opportunities for its proprietary software platform without the need for additional funding.

The profit for the consolidated entity after providing for income tax and non-controlling interest amounted to $3,709,346 (30 June 2022: loss of $41,531).

While the Company significantly increased revenue by $7.7 million or 438% compared to the previous year, the total expenses increased by $3.97 million or 183%. Approximately 51% of this increase in expenses were due share of loss of associates $1.89 million, impairment charge of $107k and fair value loss on financial asset of $37k in FY2023 (FY2022: nil). Remainder of increase in expenses in operating and employment expenses were mainly driven by increases in consultant and contractor fees to support the increased activity.

The above in combination with R&D rebate of $402,240 recognised during the year and after factoring in impairment charge and share of loss of associates, has resulted in the total comprehensive income of $3,689,931.

The main driver of the significant improvement in the Company's profit position was the growth and development of its Growth Services partner, CloudHolter Pty Ltd (formerly Cardiac Rhythm Diagnostics Pty Ltd) ('CloudHolter').

CloudHolter is a fast-growing MedTech business that is developing a disruptive, technology enabled cardiac diagnostics service for local GPs and leveraging the workflow and data generated from its innovative diagnostic service to develop an AI powered software solution for ECG analysis and diagnosis of heart rhythm issues.

The rapid growth and development of CloudHolter during the year required a significant increase in the Growth Services provided by the Company.

As per its strategy to develop a VC style portfolio of transactional, licensing and equity positions in complementary partner businesses, the Company established an arrangement to convert its licensing and professional services fees into shares in CloudHolter which allows the Company to share in the upside it is helping to create.

The Company believes CloudHolter's unique combination of fast-growing cash flow generated by its diagnostic services, along with its promising AI-based software development with global application, has the potential to deliver the Company a return several times greater than its investment.

In addition to potentially delivering a significant return on investment, CloudHolter has provided the Company with an attractive entry into the fast growing, digital health sector through which the Company can explore further opportunities to leverage its IP, resources, expertise and experience.

In addition to commercialising the Rewardle Platform through its partnership with CloudHolter, the Company has continued developing the membership, points, rewards and payments application of the Rewardle Platform.

The Company applied learnings from its existing merchant services to develop a new sales process, product proposition and pricing strategy and software development resources were applied to extending the capabilities of the Rewardle Platform.

The extended capabilities of the Rewardle Platform developed during the year underpin a variety of new membership features and opportunities for the Company to generate new, high margin, digital revenue streams in the future.

In addition to its internal operating activities, during the year the Company acquired controlling interests in Beanhunter Pty Ltd and Your Grocer Pty Ltd to support the commercialisation of the Rewardle Platform.

Beanhunter is Australia’s leading online community for independent cafes and coffee lovers and as the Company seeks to rebuild its merchant network and associated SaaS revenue, it will leverage Beanhunter’s content and services to support its post-pandemic re-engagement with the cafe sector which is a key merchant category for the membership, points, rewards and payments application of the Company's B2B2C platform.

YourGrocer, is an e-commerce marketplace that allows customers to order items from multiple independent local specialty shops such as grocers, fruiterers, butchers and fishmongers that is consolidated into a single order and delivered by the Company's fleet of refrigerated vans and compliments the Company's strategic partnership with PepperLeaf, a Melbourne based meal kit delivery service.

As demonstrated by the large supermarket chains, groceries, points and rewards have strong consumer appeal. The vertical integration of grocery services into its operations is part of the Company’s strategy to commercialise the local membership, points, rewards and payments application of its proprietary B2B2C software platform by creating an innovative, local community powered rival to the large, corporate supermarket chains.

As outlined above, the Company’s strategy to develop a range of growth opportunities from the current cost base by leveraging the Company’s existing IP, network and resources has delivered strong growth in FY23 and is on track to continue in FY24 and beyond.

The Company is becoming more robust as its diverse range of revenue streams and opportunities are developed and as a technology platform based business with largely fixed costs, the Company has the potential to generate highly profitable additional revenue.

Significant changes in the state of affairs
During the year the Group has acquired controlling interests by investment Your Grocer Pty Ltd and Beanhunter Pty Ltd. These are consolidated in the Group as subsidiaries as of 30 June 2023. The Company also made significant investment of $7,025,000 in CloudHolter Pty Ltd (formerly Cardiac Rhythm Diagnostics Pty Ltd) via its agreement to convert fees for services provided by Rewardle into equity, increasing its investment in the equity of CloudHolter from 6% as at 30 June 2022 to 39.74% as at 30 June 2023.

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

Matters subsequent to the end of the financial year
The following events occurred subsequent to year end 30 June 2023:

During Q1 FY24 the Company completed the acquisition of 100% of Your Grocer Pty Ltd acquiring outstanding shares representing 5% of Your Grocer Pty Ltd equity from the founder for $15,000.

During Q1 FY24 the Company received R&D financing of $550k which was repaid in full, along with accrued interest, upon receipt of the FY23 R&D refund of $772k during the Q3 FY24.

During Q1 FY24 the Company entered into an agreement to acquire the distribution rights for the UpStreet fund for $30,000 (once off) and ~$15,000/month (ongoing operating cost), which provides the Rewardle Platform with micro-investing capability. The transaction was completed during Q2 FY24 and the Company is in the process of integrating the micro-investing capability into the Rewardle Platform.

During Q2 FY24 the Company invested $1.5m to acquire a controlling shareholding (54%) in its meal-kit partner Pepper Leaf, a Melbourne based meal kit delivery service which complements the Company's acquisition of YourGrocer.

The Company retained the majority of the investment as working capital via commercial loan agreements whereby PepperLeaf agreed to loan $1.5m to the Company which in turn agreed to loan $220,000 to the two founders of PepperLeaf on the same commercial terms.

The Company has progressed consolidating the operations of PepperLeaf and YourGrocer to unlock operating efficiencies and offer consumers a broader, more comprehensive and compelling grocery delivery service.

During Q2 FY24 the Company acquired Sub11 Pty Ltd, a Fintech sector publisher and investor engagement consultancy that provides services to private and ASX listed companies. Sub11's valuation of ~$75,000, based on its net assets (primarily cash and equivalents), was paid via issue of 2,600,000 RXH Fully Paid Ordinary Shares.

The Company is integrating Sub11's operations to leverage its acquisition of the distribution rights for the Upstreet fund and the associated micro-investing capabilities of the Rewardle Platform to develop a modern, mobile and social media centric solution for listed Companies to engage staff and investors.

During FY24, the Company has converted $8.4 million of fees to equity in CloudHolter Pty Ltd (formerly Cardiac Rhythm Diagnostics Pty Ltd), increasing its total shareholding from 39.74% at the end of the FY23 to 49.9% at present.

The Company was not in a position to lodge the FY23 accounts by 29th September 2023 which resulted in trading in the Company's listed securities being suspended and they will remain so until lodgment of the Company's outstanding accounts. The completion of the Company’s FY23 Annual Report facilitates the opening balances to be used in preparation of the Company's outstanding 31 December 2023 Interim Report. The Company is working with its auditor to complete the preparation of the outstanding accounts as soon as practicable.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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

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

Governance

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

The 2023 Corporate Governance Statement was approved by the Board on 30 August 2024 along with the 2023 Annual Report and is current at this time. A copy of the Company’s current Corporate Governance Statement and Plan can be viewed at https://www.rewardleholdings.com/corporate-policies/

Information on directors

Name:	Ruwan Weerasooriya
Title:	Executive Chairman
Experience and expertise:	Ruwan Weerasooriya is the founder and Managing Director of Rewardle. Over 20 years he has consistently stayed at the forefront of the disruption caused by the advent and proliferation of the internet. He has established, built and operated a range of technology and media related businesses with multiple successful outcomes including trade sales to ASX listed industry leaders. In 2013 he was named in the Top 50 Australian Startup Influencers by Startupdaily.com.au. He established Rewardle in 2012 to provide Local SME Merchants with the digital customer engagement tools and business intelligence typically only available to large retail chains by unlocking the power of mobile computing, cloud based software and big data analysis.
Other current directorships:	Nil
Former directorships (last 3 years):	During the past three years Mr Weerasooriya has held no other listed Company Directorships
Interests in shares:	397,827,845
Interests in options:	Nil

Name:	David Niall
Title:	Non-executive Director
Experience and expertise:	David Niall has a BSc (Hons) and holds a Master of Business Administration from Harvard Business School. Formerly an executive at Telstra, he has a deep knowledge of the mobiles industry with extensive experience in developing and launching innovative products. He has extensive experience driving implementation of complex strategic programs across telecommunications, technology and management consulting industries.
Other current directorships:	Mayfield Childcare Ltd (ASX:MFD)
Former directorships (last 3 years):	Nil
Interests in shares:	11,652,513

Name:	Rodney House
Title:	Non-executive Director
Experience and expertise:	Rodney is a proven commercial leader with over 20 years of experience in media sales and marketing. Rodney was at Fairfax Media for 13 years in various senior management roles his last as Commercial Director at Australia Community Media (ACM). During his time with at Fairfax Rodney led significant sales transformation programs. Post Fairfax, Rodney worked with REA Group and is currently employed at Carsales where he holds a senior role in the sales and marketing division. He has built the company's sales enablement functions at both organisations. Rodney responsibilities have included the sales operations teams at both business successfully driving improvement programs that increased the national sales teams effectiveness and efficiencies.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Interests in shares:	565,605

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

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

Company secretary
Nicholas Day

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

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

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

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

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:
- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

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

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

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

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

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

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

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

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

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

Long term incentives (LTIs) granted to Directors/ Executives are delivered in the form of employee share options. These options are issued at an exercise price determined by the Board at the time of issue.

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.

While no LTI grants have been made over recent years as the Company navigated the COVID-19 pandemic and challenging operating conditions. The Company intends to use LTI grants in the future.

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

Voting and comments made at the company's 30 November 2022 Annual General Meeting ('AGM')
At the 30 November 2022 AGM, 100% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2022. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration
Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of Rewardle Holdings Limited:
- Ruwan Weerasooriya – Executive Chairman
- David Niall – Non-Executive Director
- Rodney House - Non-Executive Director

	Short-term benefits	Post-employment benefits	Long-term benefits	Share-based payments	
30 June 2023	**Cash salary and fees $**	**Super-annuation $**	**Long service leave $**	**Equity-settled $**	**Total $**
Non-Executive Directors:					
David Niall	36,200	3,800	-	-	40,000
Rodney House	36,200	3,800	-	-	40,000
Executive Directors:					
Ruwan Weerasooriya	150,000	15,750	1,986	-	167,736
	222,400	23,350	1,986	-	247,736

As at 30 June 2023, a balance of $830,202 was payable to the directors inclusive of superannuation.

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

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

Service agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

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

Name:	Mr David Niall
Title:	Non-executive Director
Agreement commenced:	30 May 2017 and revised on 1 October 2018
Term of agreement:	David Niall entered into a revised agreement from 1 October 2018 as a Non- executive Director at a package of $40,000 per annum inclusive of superannuation.

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

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2023.

Options
There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2023.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2023. No shares were issued to Directors on exercise of compensation options during the year.

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions*	Disposals/ other	Balance at the end of the year
Ordinary shares					
R Weerasooriya	397,031,678	-	796,167	-	397,827,845
D Niall	10,932,513	-	720,000	-	11,652,513
Rodney House	-	-	565,605	-	565,605
	407,964,191	-	2,081,772	-	410,045,963

* Addition represents on-market purchase of shares by the Directors during the year.

Option holding

There were no options over ordinary shares in the company held during the financial year by the director and other members of key management personnel of the consolidated entity, including their personally related parties.

Loans from directors and executives
The Executive Chairman, Ruwan Weerasooriya has provided a unsecured, non-recourse fee and interest facility of $1,300,000 to support working capital requirements of the Group. A total loan balance of $1,277,971 is payable as at 30 June 2023 (30 June 2022: $1,277,971).

This concludes the remuneration report, which has been audited.

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

Shares issued on the exercise of options
There were no ordinary shares of Rewardle Holdings Limited issued on the exercise of options during the year ended 30 June 2023 and up to the date of this report.

Indemnity and insurance of officers
The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

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

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

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

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

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

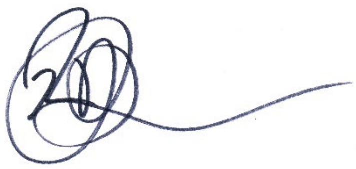
Officers of the company who are former partners of Moore Australia Audit (Vic)
There are no officers of the company who are former partners of Moore Australia Audit (Vic).

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

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

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

On behalf of the directors



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Ruwan Weerasooriya
Executive Chairman

30 August 2024

Moore Australia

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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 ENTITIES

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

MOORE AUSTRALIA AUDIT (VIC)
ABN 16 847 721 257

ANDREW JOHNSON
Partner
Audit and Assurance

Melbourne, Victoria

30 August 2024

Rewardle Holdings Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	Consolidated 30 June 2023 $	30 June 2022 $
Rendering of services	5	9,415,684	1,753,131
Other income	6	402,240	367,365
Expenses			
Operating expenses associated with Rewardle network	7	(2,685,045)	(1,297,253)
Impairment charge	8	(107,415)	-
Share of loss of associates and joint ventures accounted for using the equity method	9	(1,889,784)	-
Employee benefits expense		(1,371,562)	(852,921)
Depreciation and amortisation expense	15	(19,384)	(289)
Finance costs		(17,731)	(11,564)
Fair value loss on financial asset at fair value through profit or loss		(37,072)	-
Profit/(loss) before income tax expense		3,689,931	(41,531)
Income tax expense	10	-	-
Profit/(loss) after income tax expense for the year		3,689,931	(41,531)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		3,689,931	(41,531)
Profit/(loss) for the year is attributable to:			
Non-controlling interest		(19,415)	-
Owners of Rewardle Holdings Limited		3,709,346	(41,531)
		3,689,931	(41,531)
Total comprehensive income for the year is attributable to:			
Non-controlling interest		(19,415)	-
Owners of Rewardle Holdings Limited		3,709,346	(41,531)
		3,689,931	(41,531)
		Cents	**Cents**
Basic earnings per share	35	0.70	(0.01)
Diluted earnings per share	35	0.70	(0.01)

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

Rewardle Holdings Limited
Statement of financial position
As at 30 June 2023

	Note	Consolidated 30 June 2023 $	Consolidated 30 June 2022 $
Assets			
Current assets			
Cash and cash equivalents	11	259,744	132,794
Trade and other receivables	12	132,083	34,502
Security deposits		55,000	-
Total current assets		446,827	167,296
Non-current assets			
Investments accounted for using the equity method	13	4,947,799	-
Financial assets at fair value through profit or loss	14	-	347,072
Property, plant and equipment	15	268,586	1,294
Total non-current assets		5,216,385	348,366
Total assets		5,663,212	515,662
Liabilities			
Current liabilities			
Trade and other payables	16	2,445,810	1,320,585
Borrowings	17	1,368,239	1,277,971
Provisions	18	182,264	148,314
Unearned Income	19	58,379	44,988
Total current liabilities		4,054,692	2,791,858
Non-current liabilities			
Borrowings	17	97,805	-
Provisions	18	28,580	-
Total non-current liabilities		126,385	-
Total liabilities		4,181,077	2,791,858
Net assets/(liabilities)		1,482,135	(2,276,196)
Equity			
Issued capital	20	18,190,908	18,190,908
Accumulated losses		(16,757,758)	(20,467,104)
Equity/(deficiency) attributable to the owners of Rewardle Holdings Limited		1,433,150	(2,276,196)
Non-controlling interest		48,985	-
Total equity/(deficiency)		1,482,135	(2,276,196)

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

Rewardle Holdings Limited
Statement of changes in equity
For the year ended 30 June 2023

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

Consolidated	Issued capital $	Retained losses $	Non-controlling interest $	Total equity $
Balance at 1 July 2022	18,190,908	(20,467,104)	-	(2,276,196)
Profit/(loss) after income tax expense for the year	-	3,709,346	(19,415)	3,689,931
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	3,709,346	(19,415)	3,689,931
Transactions with owners in their capacity as owners:				
Increase from business acquisition	-	-	68,400	68,400
Balance at 30 June 2023	18,190,908	(16,757,758)	48,985	1,482,135

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

Rewardle Holdings Limited
Statement of cash flows
For the year ended 30 June 2023

	Note	Consolidated 30 June 2023 $	30 June 2022 $
Cash flows from operating activities			
Receipts from customers		5,831,447	1,744,143
Payments to suppliers and employees		(5,994,703)	(1,799,355)
R&D and other Government incentives		402,240	367,365
Interest and other finance costs paid		(22,263)	-
Net cash from operating activities	34	216,721	312,153
Cash flows from investing activities			
Payment for purchase of subsidiary, net of cash acquired		(21,561)	-
Payments for investments		-	(323,440)
Payments for property, plant and equipment	15	(28,601)	-
Net cash used in investing activities		(50,162)	(323,440)
Cash flows from financing activities			
Proceeds from borrowings		289,035	86,304
Repayment of borrowings		(328,644)	-
Net cash from/(used in) financing activities		(39,609)	86,304
Net increase in cash and cash equivalents		126,950	75,017
Cash and cash equivalents at the beginning of the financial year		132,794	57,777
Cash and cash equivalents at the end of the financial year	11	259,744	132,794

As per its growth strategy, the Company entered an agreement with CloudHolter Pty Ltd (previously Cardiac Rhythm Diagnostics Pty Ltd) which provides it with the discretion to reinvest Growth Services fees generated from CloudHolter to acquire a minority shareholding in CloudHolter.

During the year, the Company provided services of $8,994,492 to CloudHolter and elected to reinvest $6,527,583 into CloudHolter's equity. While the associated transactions were paid in cash, the investment has been treated as fees settled via equity due to the link between the revenue generated and the subsequent investment.

As such, the investment of $6,527,583 is shown as an offset against the $8,994,492 in the receipts from customers in the cash flow statement above.

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

Note 1. General information

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

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

Registered office	**Principal place of business**
Suite 70, Level 4, 80 Market St, South Melbourne VIC 3205 Telephone: 1300 407 891 Email: corporate@rewardle.com Website: www.rewardleholdings.com	Suite 70, Level 4, 80 Market St, South Melbourne VIC 3205

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 August 2024. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

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

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

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

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

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

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

Going Concern
For the year ended 30 June 2023 the consolidated entity had an operating net profit of $3,689,931 (30 June 2022: net loss $41,531), net cash inflows from operating activities of $216,721 (30 June 2022: $312,153) and net current liabilities of $3,607,865 (30 June 2022: $2,624,562). However, the current liabilities as at 30 June 2023 contain a number of liability accounts, including loan from Directors of $1,277,971 and salaries and Directors fee payable to the current Directors of $830,202 and unearned Income of $58,379 which represent the results of accounting adjustments and do not represent amounts currently payable, or expected to become payable, to third parties. If these liability accounts are removed from the calculation of working capital at 30 June 2023, the adjusted working capital deficit is reduced to approximately $1,441,313 (2022: $407,397).

Note 2. Significant accounting policies (continued)

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

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

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

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

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 28.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Rewardle Holdings Limited ('company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Rewardle Holdings Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

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

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

Note 2. Significant accounting policies (continued)

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

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

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

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

Revenue recognition
The consolidated entity recognises revenue as follows:

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

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

Ecommerce revenue is recognised at a point in time on completion of an order.

Other income

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

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

Note 2. Significant accounting policies (continued)

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

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

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

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

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

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

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

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

Note 2. Significant accounting policies (continued)

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

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

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

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

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

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

Associates
Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

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

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

Motor Vehicle	5-10 years
Plant and equipment	3-7 years

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Note 2. Significant accounting policies (continued)

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

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

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

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

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

Employee benefits

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

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

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

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

Issued capital
Ordinary shares are classified as equity.

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

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

Note 2. Significant accounting policies (continued)

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

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

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

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

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

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

Earnings per share

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

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

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

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

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

Note 3. Critical accounting judgements, estimates and assumptions

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

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates. Impairment charges are recognised based on management's assessment of discounted cashflows on the investment portfolios.

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

Note 4. Operating segments

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

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

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

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

Revenue of $8,994,492 representing 95.6% of total revenue from ordinary activities was derived from a single customer. The Company expects that in the future its revenue will diversify across various market segments and customers.

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

Note 5. Rendering of services

Disaggregation of revenue

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

Note 5. Rendering of services (continued)

	Consolidated 30 June 2023 $	Consolidated 30 June 2022 $
Merchant Licensing fees (SaaS) and subscriptions	91,182	360,860
Growth services income	9,014,930	1,374,863
Sales and commission income	301,488	-
Set up fees	8,084	13,408
Brand partnership fees	-	4,000
Rendering of services	9,415,684	1,753,131

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

	Consolidated 30 June 2023 $	Consolidated 30 June 2022 $
Timing of revenue recognition		
Services transferred over time	9,114,196	1,753,131
Services transferred at a point in time	301,488	-
	9,415,684	1,753,131

Note 6. Other income

	Consolidated 30 June 2023 $	Consolidated 30 June 2022 $
R&D tax incentive rebate	402,240	347,365
COVID-19 incentives	-	20,000
	402,240	367,365

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

Note 7. Operating expenses associated with Rewardle network

	Consolidated 30 June 2023 $	Consolidated 30 June 2022 $
Consultant and contractor fees	1,530,956	527,668
Sales commission and service fees	187,874	175,910
Impairment of trade receivables	2,416	95,792
Merchant and member network costs	136,785	105,046
Auditing fees	44,912	39,006
Company secretarial and accounting fees	48,164	34,214
Rent	840	695
Legal fees	20,007	2,353
IT consumables	7,361	1,849
Other corporate and operating expenses	667,777	314,720
Operating cost for grocery delivery operations	37,953	-
	2,685,045	1,297,253

Note 8. Impairment charge

	Consolidated	
	30 June 2023	30 June 2022
	$	$
Impairment of intangible asset	107,415	-

Impairment of intangible asset represents impairment of customer contract recognised at the time of acquisition of Beanhunter Pty Ltd during the year. Refer to note 29 for details.

Note 9. Share of loss of associates and joint ventures accounted for using the equity method

	Consolidated	
	30 June 2023	30 June 2022
	$	$
Share of loss from associate	1,889,784	-

Note 10. Income tax expense

	Consolidated	
	30 June 2023	30 June 2022
	$	$
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit/(loss) before income tax expense	3,689,931	(41,531)
Tax at the statutory tax rate of 25%	922,483	(10,383)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Impairment of assets	26,854	-
Fair value loss on financial asset at fair value through profit or loss	9,268	-
Share of loss - associate	472,446	-
R&D tax incentive rebate	(100,560)	(86,842)
	1,330,491	(97,225)
Current year tax losses not recognised	67,030	-
Current year temporary differences not recognised	188,803	308,148
Prior year temporary differences not recognised now recognised	-	(80,036)
Utilisation of prior year losses	(1,586,324)	(130,887)
Income tax expense	-	-

	Consolidated	
	30 June 2023	30 June 2022
	$	$
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	3,004,823	9,081,996
Potential tax benefit at statutory tax rates	751,206	2,270,499

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

Note 11. Cash and cash equivalents

	Consolidated 30 June 2023 $	Consolidated 30 June 2022 $
Cash on hand	100	100
Cash at bank	259,644	132,694
	259,744	132,794

Note 12. Trade and other receivables

	Consolidated 30 June 2023 $	Consolidated 30 June 2022 $
Trade receivables	379,542	320,020
Less: Allowance for expected credit losses	(316,400)	(313,984)
	63,142	6,036
Other receivables	68,941	28,466
	132,083	34,502

Consolidated	Expected credit loss rate 30 June 2023 %	Expected credit loss rate 30 June 2022 %	Carrying amount 30 June 2023	Carrying amount 30 June 2022	Allowance for expected credit losses 30 June 2023	Allowance for expected credit losses 30 June 2022
0 to 3 months overdue	-	78.00%	65,392	27,357	2,340	21,321
3 to 6 months overdue	100.00%	100.00%	1,494	292,663	1,494	292,663
Over 6 months overdue	100.00%	100.00%	312,566	-	312,566	-
			379,452	320,020	316,400	313,984

Note 13. Investments accounted for using the equity method

	Consolidated	
	30 June 2023	30 June 2022
	$	$
Investment in CloudHolter Pty Ltd (formerly Cardiac Rhythm Diagnostics Pty Ltd)	4,947,799	-

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

Opening carrying amount	-	-
Reclassified from Financial assets at fair value	310,000	-
Additions investments through step acquisition	6,527,583	-
Share of loss of associate	(1,889,784)	-
Closing carrying amount	4,947,799	-

Refer to note 32 for further information on interests in associates.

The Company’s growth strategy includes the development of a portfolio of transactional, licensing and equity positions in complementary partner businesses. The Company’s initial growth focus has been on its partnership with CloudHolter (a Cardiac MedTech).

During the previous year, the Company converted $310,000 of fees into equity in CloudHolter to give the Company a shareholding of approximately 6%. During the year ended 30 June 2023, Company has invested additional $6,527,583 in CloudHolter to give the Company a shareholding of 39.74%.

Note 14. Financial assets at fair value through profit or loss

	Consolidated	
	30 June 2023	30 June 2022
	$	$
Investment in CloudHolter	-	310,000
Investment in SplitPay	-	37,072
	-	347,072

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

Opening fair value	347,072	-
Additions	-	347,072
Reclassified to investment accounted for using equity method (note 13)	(310,000)	-
Impairment of assets	(37,072)	-
Closing fair value	-	347,072

Refer to note 23 for further information on fair value measurement.

Note 15. Property, plant and equipment

	Consolidated	
	30 June 2023 $	30 June 2022 $
Plant and equipment - at cost	46,557	35,265
Less: Accumulated depreciation	(42,209)	(33,971)
	4,348	1,294
Motor vehicles - at cost	277,999	-
Less: Accumulated depreciation	(13,761)	-
	264,238	-
	268,586	1,294

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

Consolidated	Plant and equipment $	Motor vehicles $	Total $
Balance at 1 July 2021	1,583	-	1,583
Depreciation expense	(289)	-	(289)
Balance at 30 June 2022	1,294	-	1,294
Additions	4,694	23,907	28,601
Additions through asset acquisition (note 30)	3,983	254,092	258,075
Depreciation expense	(5,623)	(13,761)	(19,384)
Balance at 30 June 2023	4,348	264,238	268,586

Note 16. Trade and other payables

	Consolidated	
	30 June 2023 $	30 June 2022 $
Trade payables	391,973	360,457
Other payables	2,053,837	960,128
	2,445,810	1,320,585

As at 30 June 2023, the other payables balance includes salaries and Directors fee payable and superannuation payable to the current Directors of $830,202 (2022: $894,206).

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

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

Note 17. Borrowings

Refer to Note 22 for further information on financial instruments.

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

Total secured liabilities

	Consolidated	
	30 June 2023	**30 June 2022**
	$	**$**
Loan from Director - current	1,277,971	1,277,971
Loan- Vehicle financing - Current	90,268	-
	1,368,239	1,277,971
Loan- Vehicle financing - non- current	97,805	-
	1,466,044	1,277,971

Refer to Note 22 for further information on financial instruments.

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

Note 18. Provisions

	Consolidated	
	30 June 2023	**30 June 2022**
	$	**$**
Employee benefis- current	182,264	148,314
Employee benefits- non-current	28,580	-
	210,844	148,314

Employee benefits represent annual leave and long service leave entitlements of employees within the Group and is non-interest bearing.

Note 19. Unearned Income

	Consolidated	
	30 June 2023	**30 June 2022**
	$	**$**
Unearned income- Rewardle Pty ltd	58,379	44,988

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

Note 20. Issued capital

	Consolidated			
	30 June 2023 Shares	30 June 2022 Shares	30 June 2023 $	30 June 2022 $
Ordinary shares - fully paid	526,321,488	526,321,488	18,190,908	18,190,908

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

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

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

Capital risk management
The capital risk management policy remains unchanged from the 2022 Annual Report.

Note 21. Dividends

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

Note 22. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks, ageing analysis for credit risk and reviews of investment portfolios to determine market risk.

Risk management is carried out by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. The Board carries out risk management as required on a case by case basis.

Market risk

Price risk
The consolidated entity is not exposed to any significant price risk. As at 30 June 2023, the Company has no financial assets at fair value through profit or loss and hence not exposed to related price risk.

Interest rate risk
The Company has no material interest bearing borrowings from long-term borrowings and hence not exposed to material interest rate risk from related variable rates.

The consolidated entity has cash and cash equivalent totalling 259,744 (2022: $132,794). An official increase/decrease in interest rates of 0.5% (2022: 0.5%) basis points would have an adverse/favourable effect on profit before tax of $1,298 (2022: $664) per annum.

Note 22. Financial instruments (continued)

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

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

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

Liquidity risk
Liquidity risk arises from the financial liabilities of consolidated entity and its subsequent ability to meet its obligations to repay its financial liabilities as and when they fall due. The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash resources and borrowing facilities will be available as and when required.

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 30 June 2023	**Weighted average interest rate %**	**1 year or less $**	**Between 1 and 2 years $**	**Between 2 and 5 years $**	**Over 5 years $**	**Remaining contractual maturities $**
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	2,445,810	-	-	-	2,445,810
Borrowings	-	1,368,239	-	-	-	1,368,239
Total non-derivatives		3,814,049	-	-	-	3,814,049

Consolidated - 30 June 2022	**Weighted average interest rate %**	**1 year or less $**	**Between 1 and 2 years $**	**Between 2 and 5 years $**	**Over 5 years $**	**Remaining contractual maturities $**
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	1,320,585	-	-	-	1,320,585
Borrowings	-	1,277,971	-	-	-	1,277,971
Total non-derivatives		2,598,556	-	-	-	2,598,556

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

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

Note 23. Fair value measurement

Fair value hierarchy
The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 30 June 2023	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Assets				
Investment in CloudHolter shares	-	-	-	-
Investment in SplitPay	-	-	-	-
Total assets	-	-	-	-

Consolidated - 30 June 2022	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Assets				
Investment in CloudHolter shares	-	-	310,000	310,000
Investment in SplitPay	-	-	37,072	37,072
Total assets	-	-	347,072	347,072

There were no transfers between levels during the financial year.

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

Consolidated	**Investment in CloudHolter $**	**Investment in SplitPay $**	**Total $**
Balance at 1 July 2021	-	-	-
Additions	310,000	37,072	347,072
Balance at 30 June 2022	310,000	37,072	347,072
Reclassed to investment accounted for using equity method (note 13)	(310,000)	-	(310,000)
Impairment of investment (note 8)	-	(37,072)	(37,072)
Balance at 30 June 2023	-	-	-

Note 24. Key management personnel disclosures

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

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

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	30 June 2023 $	30 June 2022 $
Short-term employee benefits	222,400	222,726
Post-employment benefits	23,350	22,274
Long-term benefits	1,986	4,312
	247,736	249,312

Note 25. Remuneration of auditors

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

	Consolidated	
	30 June 2023 $	30 June 2022 $
Audit services -		
Audit or review of the financial statements	39,000	39,006

Note 26. Contingent liabilities

The Group has no material contingent liabilities as at the date of this report (2022: nil).

Note 27. Related party transactions

Parent entity
Rewardle Holdings Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 31.

Associates
Interests in associates are set out in note 32.

Key management personnel
Disclosures relating to key management personnel are set out in note 24 and the remuneration report included in the directors' report.

Note 27. Related party transactions (continued)

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	30 June 2023 $	30 June 2022 $
Sale of goods and services:		
Sale of services to associate*	8,994,492	-

* Related to service income from CloudHolter Pty Ltd in which became as associate of the Company during the year. Refer to note 13 for further details.

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

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

	Consolidated	
	30 June 2023 $	30 June 2022 $
Current borrowings:		
Loan from key management personnel*	1,277,971	1,277,971

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

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

Note 28. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	30 June 2023 $	30 June 2022 $
Profit/(loss) after income tax	1,680,279	(431,717)
Total comprehensive income	1,680,279	(431,717)

Note 28. Parent entity information (continued)

Statement of financial position

	Parent	
	30 June 2023	**30 June 2022**
	$	**$**
Total current assets	1,031	11,862
Total assets	27,749,785	26,097,185
Total current liabilities	997,403	1,025,115
Total liabilities	997,403	1,025,115
Equity		
Issued capital	29,366,808	29,366,808
Accumulated losses	(2,614,426)	(4,294,738)
Total equity	26,752,382	25,072,070

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

Note 29. Business combinations

On 9 March 2023, Beanhunter Pty Ltd issued its 17,279 shares to Rewardle Pty Ltd, a subsidiary of Rewardle Holding Limited, for $178,000 paid in cash. With this investment, Rewardle Pty Ltd acquired 51% stake in Beanhunter Pty Ltd. This has resulted in Beanhunter Pty Ltd, becoming a subsidiary of Rewardle Pty Limited effective 9 March 2023.
Details of the acquisition are as follows:

	Fair value
	$
Cash and cash equivalents	35,992
Other receivables	171,010
Trade payables	(68,601)
Net assets acquired	138,401
Less: non-controlling interest of net liabilities on the acquisition date	(67,816)
Total	70,585
Acquisition-date fair value of the total consideration transferred	178,000
Customer contracts	107,415
Total consideration represented by:	
Cash paid or payable to vendor	178,000

On the acquisition date, other receivable balance of $171,010 contained $115,000 receivable from Rewardle Pty Ltd towards balance of payment for 17,279 shares issued to it. This amount was subsequent received by Beanhunter by 13 March 2023.

The customer contracts have been impaired to nil at 30 June 2023 based on management's assessment on the recovery on investments.

Note 30. Your Grocer acquisition

On 20 April 2023, Rewardle Pty Ltd, a subsidiary of Rewardle Holding Limited, acquired 95% of the ordinary shares of Your Grocer Pty Ltd for the total cash consideration transferred of $2,326.

The Company, at the time of acquisition, assessed that in the absence employees and business processes acquired as part of this transaction, this acquisition does not meet the definition of a business under AASB 3 - Business Combinations. Therefore, the acquisition is accounted as an asset acquisition and all identifiable assets and liabilities of Your Grocer Pty Ltd were accounted at the acquisition date at their fair values in the financial statements.

Your Grocer Pty Ltd is accounted for using the acquisition method of accounting in these financial statements.

	Fair value
	$
Cash and cash equivalents	7,773
Other receivables	56,092
Other current assets	99,278
Computer equipment	3,983
Motor vehicles	254,092
Trade and other payables	(191,087)
Vehicle loan	(227,682)
	2,449
Less: non-controlling interest of net liabilities on the acquisition date	(123)
Acquisition-date fair value of the total consideration transferred in cash	2,326

Note 31. Interests in subsidiaries

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

		Ownership interest	
Name	**Principal place of business / Country of incorporation**	**30 June 2023 %**	**30 June 2022 %**
Rewardle Pty Ltd	Australia	100.00%	100.00%
Beanhunter Pty Ltd	Australia	51.00%	-
Your Grocer Pty Ltd	Australia	95.00%	-

Note 32. Interests in associates

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the consolidated entity are set out below:

		Ownership interest	
Name	**Principal place of business / Country of incorporation**	**30 June 2023 %**	**30 June 2022* %**
CloudHolter Pty Ltd	Australia	39.74%	6.00%

* ClouldHolter Pty Ltd was not an associate as of 30 June 2022.

Summarised financial information

	30 June 2023 $	**30 June 2022 $**
Summarised statement of financial position		
Current assets	2,222,140	66,948
Total assets	2,222,140	66,948
Current liabilities	3,523,298	1,424,099
Non-current liabilities	500,000	430,000
Total liabilities	4,023,298	1,854,099
Net liabilities	(1,801,158)	(1,787,151)
Summarised statement of profit or loss and other comprehensive income		
Revenue	4,339,932	575,440
Expenses	(12,339,442)	(2,356,058)
Loss before income tax	(7,999,510)	(1,780,618)
Other comprehensive income	-	-
Total comprehensive income	(7,999,510)	(1,780,618)
Reconciliation of the consolidated entity's carrying amount		
Opening carrying amount	6,837,583	-
Share of loss after income tax	(1,889,784)	-
Closing carrying amount	4,947,799	-

Note 33. Events after the reporting period

The following events occurred subsequent to year end 30 June 2023:

During Q1 FY24 the Company completed the acquisition of 100% of Your Grocer Pty Ltd acquiring outstanding shares representing 5% of Your Grocer Pty Ltd equity from the founder for $15,000.

During Q1 FY24 the Company received R&D financing of $550k which was repaid in full, along with accrued interest, upon receipt of the FY23 R&D refund of $772k during the Q3 FY24.

During Q1 FY24 the Company entered into an agreement to acquire the distribution rights for the UpStreet fund for $30,000 (once off) and ~$15,000/month (ongoing operating cost), which provides the Rewardle Platform with micro-investing capability. The transaction was completed during Q2 FY24 and the Company is in the process of integrating the micro-investing capability into the Rewardle Platform.

During Q2 FY24 the Company invested $1.5m to acquire a controlling shareholding (54%) in its meal-kit partner Pepper Leaf, a Melbourne based meal kit delivery service which complements the Company's acquisition of YourGrocer.

The Company retained the majority of the investment as working capital via commercial loan agreements whereby PepperLeaf agreed to loan $1.5m to the Company which in turn agreed to loan $220,000 to the two founders of PepperLeaf on the same commercial terms.

The Company has progressed consolidating the operations of PepperLeaf and YourGrocer to unlock operating efficiencies and offer consumers a broader, more comprehensive and compelling grocery delivery service.

During Q2 FY24 the Company acquired Sub11 Pty Ltd, a Fintech sector publisher and investor engagement consultancy that provides services to private and ASX listed companies. Sub11's valuation of ~$75,000, based on its net assets (primarily cash and equivalents), was paid via issue of 2,600,000 RXH Fully Paid Ordinary Shares.

The Company is integrating Sub11's operations to leverage its acquisition of the distribution rights for the Upstreet fund and the associated micro-investing capabilities of the Rewardle Platform to develop a modern, mobile and social media centric solution for listed Companies to engage staff and investors.

During FY24, the Company has converted $8.4 million of fees to equity in CloudHolter Pty Ltd (formerly Cardiac Rhythm Diagnostics Pty Ltd), increasing its total shareholding from 39.74% at the end of the FY23 to 49.9% at present.

The Company was not in a position to lodge the FY23 accounts by 29th September 2023 which resulted in trading in the Company's listed securities being suspended and they will remain so until lodgement of the Company's outstanding accounts. The completion of the Company’s FY23 Annual Report facilitates the opening balances to be used in preparation of the Company's outstanding 31 December 2023 Interim Report. The Company is working with its auditor to complete the preparation of the outstanding accounts as soon as practicable.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 34. Cash flow information

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

	Consolidated	
	30 June 2023	**30 June 2022**
	$	**$**
Profit/(loss) after income tax expense for the year	3,689,931	(41,531)
Adjustments for:		
Depreciation and amortisation (note 15)	19,383	289
Share of loss - associates	1,889,784	-
Impairment of trade receivables	2,416	95,729
Investment in CloudHolter treated as non-cash Revenue	(6,527,583)	-
Impairment charge (note 8)	107,415	-
Fair value loss on financial asset at fair value through profit or loss	37,072	
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	73,775	(99,607)
Increase in trade and other payables	861,996	406,666
Increase/(decrease) in other provisions	62,532	(49,393)
Net cash from operating activities	216,721	312,153

Note 35. Earnings per share

	Consolidated	
	30 June 2023	**30 June 2022**
	$	**$**
Profit/(loss) after income tax	3,689,931	(41,531)
Non-controlling interest	19,415	-
Profit/(loss) after income tax attributable to the owners of Rewardle Holdings Limited	3,709,346	(41,531)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	526,321,488	526,321,488
Weighted average number of ordinary shares used in calculating diluted earnings per share	526,321,488	526,321,488
	Cents	**Cents**
Basic earnings per share	0.70	(0.01)
Diluted earnings per share	0.70	(0.01)

Note 36. Share-based payments

(a) Share Options

There are no new options granted during the year.

(b) Shares issued as share-based payments

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

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

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

Rewardle Holdings Limited
Directors' declaration
30 June 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

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

On behalf of the directors

____
Ruwan Weerasooriya
Executive Chairman

30 August 2024

Moore Australia

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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 Limited and Controlled Entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, 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 Group is in accordance with the *Corporations Act 2001,* including:

   i. giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

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

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 Group 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2, Going Concern in the financial report, which indicates that the Group had an operating net profit of $3,689,931 during the year ended 30 June 2023 and, as of that date, the Group's total current liabilities exceeded its total current assets by $3,662,865. As stated in Note 2 (Going Concern), these events or condition, along with other matters as set forth in Note 2 (Going Concern), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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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. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th colspan="2">KEY AUDIT MATTER 1 – Revenue Recognition
Refer to Note 5 Revenue</th></tr>
<tr><td>During the year the Group generated revenue of $9,415,684 (2022: $1,753,131), which was a significant increase on the prior year. Revenue is generated from variable and fixed priced contracts and is recorded in accordance with AASB 15 Revenue from Contracts with Customers.

Measuring the amount of revenue to recognise in the financial statements, including identifying performance obligations, evaluating value of consideration received and timing of revenue recognition involves significant judgement from management.

The area is a key audit matter due to the significance of the balance to the financial report and the level of judgement required.</td><td>Our procedures included, amongst others:
• Documenting our understanding of the internal processes and controls around revenue recognition to ensure compliance with AASB 15;
• Gaining an understanding of revenue trends for significant revenue items through analytical review;
• Testing a sample of contracts to supporting documentation and assessing whether revenue has been recorded in line with revenue policy and AASB 15.
• Reviewed an independent valuation on compensation other than cash received for services provided.
• Obtained direct confirmations from certain key customers for revenue recorded in the year and confirming the total amounts receivable at year end;
• Review the level of payments received from key customers subsequent to year end to identify unpaid invoices that could indicate revenue was incorrectly recognised at year end; and
• Assessed the adequacy of revenue recognition disclosure in Note 5 to the financial statements.</td></tr>
</table>

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KEY AUDIT MATTER 2 – Accounting for Interests in Associates Refer to Note 9, 13 and 32	
During the year ended 30 June 2023, Rewardle recorded additions to investments in associates of $6,527,583, transfers from Investments at Fair Value to Investments in Associations of $310,000 and loss on Investments Associates of $1,889,784. As at 30 June 2023 Rewardle's investment was carried at $4,947,799. Investments in associates are significant to the financial report due to their materiality and the complexities involved in accounting for these investments. Under AASB 128 "Investments in Associates and Joint Ventures," these investments are accounted for using the equity method, which requires significant judgement in determining the investor's share of the associate's profit or loss and in assessing whether any impairment indicators exist. Determining whether the entity has significant influence over an associate is complex and involves careful consideration of factors beyond just ownership percentage, such as representation on the board of directors, participation in policy-making processes, and the nature of material transactions between the investor and the associate. These judgements impact whether the investment should be classified as an associate and accounted for under the equity method. Given these complexities and the level of judgement involved, the accounting for investments in associates was considered a key audit matter.	Our procedures included, amongst others: • We assessed management's determination of significant influence by reviewing relevant agreements, and other supporting evidence; • We evaluated the accuracy of the equity method adjustments made by management, including the fair value of their investments, their share of the associate's loss and other comprehensive income. We also assessed any adjustments made for impairment or other factors impacting the carrying amount of the investments. • We critically assessed the methodology and assumptions used by management to determine whether there were indicators of impairment. This included reviewing an external valuation prepared for management purposes and obtaining details of capital raises of the investee. • We reviewed the disclosures in the financial report related to investments in associates to ensure they were complete and in accordance with the requirements of AASB 128 and AASB 136 "Impairment of Assets."; and;

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, 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 Group 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 Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf
This description forms part of our auditor's report.

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Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 10 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Report of Rewardle Holdings Ltd and Controlled Entity, for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

MOORE AUSTRALIA AUDIT (VIC)
ABN 16 847 721 257

ANDREW JOHNSON
Partner
Audit and Assurance

Melbourne, Victoria

30 August 2024

Rewardle Holdings Limited
Shareholder information
30 June 2023

The shareholder information set out below was applicable as at 26 August 2024.

Share Capital

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

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	55	4,581	0.00%
above 1,000 up to and including 5,000	58	172,473	0.03%
above 5,000 up to and including 10,000	82	758,186	0.14%
above 10,000 up to and including 100,000	269	9,464,363	1.79%
above 100,000	122	518,521,886	98.03%
Totals	**586**	**528,921,489**	**100.00%**

Based on the price per security, number of holders with an unmarketable holding: 276, with total 2,085,042, amounting to 0.39% of Issued Capital

The top 20 Shareholders of Ordinary Shares are:

Position	Holder Name	Holding	%
1	RUWAN WEERASOORIYA	339,725,553.00	64.23%
2	NALEY PTY LTD	25,547,677.00	4.83%
3	MARMALADE HOLDINGS PTY LTD <MARMALADE A/C>	24,734,695.00	4.68%
4	MARMALADE HOLDINGS PTY LTD <MARMALADE A/C>	21,428,572.00	4.05%
5	MR TRENT ANTONY GOODRICK	16,000,000.00	3.03%
6	MARMALADE HOLDINGS PTY LTD <MARMALADE A/C>	11,142,858.00	2.11%
7	MR DAVID NIALL	10,932,513.00	2.07%
8	MR JASON POTTER	6,762,054.00	1.28%
9	FRONTIERA PTY LTD<K S L SUPER FUND A/C>	5,072,248.00	0.96%
10	GOLDFIRE ENTERPRISES PTY LTD	3,214,774.00	0.61%
11	MR NORMAN VINCENT MAHER	2,996,302.00	0.57%
12	MRS LISA JANE BECKER	2,500,000.00	0.47%
13	MR STEPHEN VERBEEK	2,190,000.00	0.41%
14	LANDMARK HOLDINGS (WA) PTY LTD <THE NESRAL A/C>	1,697,143.00	0.32%
15	BNP PARIBAS NOMINEES PTY LTD<IB AU NOMS RETAILCLIENT>	1,565,785.00	0.30%
16	MR DAVID ALAN MCSEVENY	1,521,977.00	0.29%
17	MISS PENNY BOLGIA	1,470,019.00	0.28%
18	D AND F PYM FAMILY PTY LTD <D AND F PYM FAMILY A/C>*	1,300,000.00	0.25%
19	PUTNEY BRIDGE HOLDINGS PTY LTD<TITLEY INVESTMENT A/C>*	1,300,000.00	0.25%
20	MS VANESSA JANE ROBERTSON	1,287,858.00	0.24%
	Total	**482,390,028**	**91.20%**
	Total issued capital - selected security class(es)	**528,921,489**	**100.00%**

*_Voluntary Escrowed Shares - 12 Months Until 19/12/24_

Rewardle Holdings Limited
Shareholder information
30 June 2023

Equity security holders

Unquoted equity securities
There are no unquoted equity securities.

Substantial holders

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

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

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

There are no other classes of equity securities.

Consistency with business objectives

The Company confirms that it has been using the cash and assets for the year ended 30 June 2021 in a way that is consistent with its business objectives and strategy.

Restricted Securities

Voluntary Escrowed Shares - 12 Months Until 19/12/24

1	D AND F PYM FAMILY PTY LTD <D AND F PYM FAMILY A/C>	1,300,000.00
2	PUTNEY BRIDGE HOLDINGS PTY LTD<TITLEY INVESTMENT A/C>	1,300,000.00

On-market buy back

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