

**Rewardle Holdings Limited**  
**Appendix 4D**  
**Half-year report**

**1. Company details**

|                   |                                          |
|-------------------|------------------------------------------|
| Name of entity:   | Rewardle Holdings Limited                |
| ABN:              | 37 168 751 746                           |
| Reporting period: | For the half-year ended 31 December 2020 |
| Previous period:  | For the half-year ended 31 December 2019 |

**2. Results for announcement to the market**

|                                                                                                   |      |                         | \$                      |
|---------------------------------------------------------------------------------------------------|------|-------------------------|-------------------------|
| Revenues from ordinary activities                                                                 | down | 41.0% to                | 235,934                 |
| Profit from ordinary activities after tax attributable to the owners of Rewardle Holdings Limited | up   | 41.8% to                | 43,455                  |
| Profit for the half-year attributable to the owners of Rewardle Holdings Limited                  | up   | 41.8% to                | 43,455                  |
|                                                                                                   |      | <b>31 December 2020</b> | <b>31 December 2019</b> |
|                                                                                                   |      | <b>Cents</b>            | <b>Cents</b>            |
| Basic earnings per share                                                                          |      | 0.01                    | 0.01                    |
| Diluted earnings per share                                                                        |      | 0.01                    | 0.01                    |

*Dividends*

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

*Comments*

The profit for the Consolidated Entity after providing for income tax amounted to \$43,455 (31 December 2019: \$30,639).

**3. Net tangible assets**

|                                           | <b>Reporting period</b> | <b>Previous period</b> |
|-------------------------------------------|-------------------------|------------------------|
|                                           | <b>Cents</b>            | <b>Cents</b>           |
| Net tangible assets per ordinary security | <u>(0.31)</u>           | <u>(0.17)</u>          |

**4. Control gained over entities**

Not applicable.

**5. Loss of control over entities**

Not applicable.

**6. Dividends**

*Current period*

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

*Previous period*

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

**7. Dividend reinvestment plans**

Not applicable.

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**8. Details of associates and joint venture entities**

Not applicable.

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**9. Foreign entities**

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

Not applicable.

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**10. Audit qualification or review**

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

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

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**11. Attachments**

*Details of attachments (if any):*

The Interim Report of Rewardle Holdings Limited for the half-year ended 31 December 2020 is attached.

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**12. Signed**



Signed \_\_\_\_\_

Date: 26 February 2021

Ruwan Weerasooriya  
Managing Director  
Melbourne

# **Rewardle Holdings Limited**

**ABN 37 168 751 746**

**Interim Report - 31 December 2020**

# **Rewardle Holdings Limited**

## **Contents**

**31 December 2020**

|                                                                                 |    |
|---------------------------------------------------------------------------------|----|
| Corporate directory                                                             | 2  |
| Directors' report                                                               | 3  |
| Statement of profit or loss and other comprehensive income                      | 5  |
| Statement of financial position                                                 | 6  |
| Statement of changes in equity                                                  | 7  |
| Statement of cash flows                                                         | 8  |
| Notes to the financial statements                                               | 9  |
| Directors' declaration                                                          | 15 |
| Auditor's independence declaration                                              | 16 |
| Independent auditor's review report to the members of Rewardle Holdings Limited | 17 |

**Rewardle Holdings Limited**  
**Corporate directory**  
**31 December 2020**

Directors

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

Company secretary

Nicholas Day

Registered office

1 Alfred Place, South Melbourne VIC 3205  
Email: [corporate@rewardle.com](mailto:corporate@rewardle.com)  
Website: [www.rewardleholdings.com](http://www.rewardleholdings.com)  
Phone: 1300 407 891

Principal place of business

1 Alfred Place  
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 18, 530 Collins 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**  
**31 December 2020**

The Directors present their report, together with the financial statements, on the Consolidated Entity (referred to hereafter as the 'Consolidated Entity' or 'Group') 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 half-year ended 31 December 2020.

**Directors**

The following persons were Directors of Rewardle Holdings Limited during the whole of the financial half-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

**Principal activities**

During the half-year the continued principal activities of the Group consisted of marketing technology services to local small and medium sized enterprise merchants.

**Review of operations**

The profit for the Consolidated Entity after providing for income tax amounted to \$43,455 (31 December 2019: \$30,639).

- The profit for the Consolidated Entity after providing for income tax increased 41.8% to \$43,455 (31 December 2019: \$30,639).
- Revenue from ordinary activities was down 41% to \$235,934 (31 Dec 2019: \$400,019).
- Revenue from Rendering of services (primarily SaaS Merchant fees and advertising) and Other income (primarily government R&D and COVID-19 support) decreased 13.4% to \$1,048,051 (31 Dec 2019: \$1,209,819).
- Expenses decreased 14.8% to \$1,004,596 (31 December 2019: \$1,179,180).

During the period, the Company began implementing its “Survive and Strive” strategy (as announced via ASX announcement COVID-19 Business Review and Update, 31 July 2020) to navigate the business through the uncertain and challenging times ahead.

As previously outlined, the strategy is based on ensuring that the Company can preserve its team, intellectual property and operating capability until business development conditions improve. This is based on the following key components:

1. Generate professional services revenue for stability
2. Position the business to exploit accelerated macro trends
3. Return to Network growth based on market conditions

**1. Generate professional services revenue for stability**

The Company has been working with its existing strategic partners, a range of existing Merchant partners, new Commercial Partners and other organisations interested in accessing the Company's expertise to develop a pipeline of fee for services project opportunities.

These cover areas such as strategy, management consulting, software development, e-commerce implementation, marketing, sales and customer support. Cash flow from these professional services opportunities will bolster short term cash flow as JobKeeper support is phased out.

**2. Position the business to exploit accelerated macro trends**

The Company has continued to invest in research and development to extend the capabilities of the Rewardle Platform to enhance its proposition for merchants, members and brand partners. This work is positioning the business to take advantage of trends that have been accelerated by the COVID-19 pandemic, in particular, the increased digitisation of local commerce.

New features and services with respect to this component of the strategy are expected to launch and contribute incremental revenue in coming months.

### **3. Return to Network growth based on market conditions**

While network growth opportunities have emerged as COVID-19 has come under control, the nature of the pandemic is inherently uncertain. While the Company cannot control the timing and extent of the economic recovery, it is optimistic that business development opportunities will pick up during the second half of FY21 as local businesses return to their normal trading routines.

The Company is planning on launching new features and services in coming months that will contribute to growing existing revenue streams without increasing operating costs.

Moving forward, the Company is focussed on cost reduction initiatives and implementing the strategy outlined above. While fluctuations in operating cash flow are to be expected, management is confident that through the execution of its survive and thrive strategy the business can achieve cash flow break even operations before the end of JobKeeper support.

### **Financing and Investing Activities:**

During the half year ended 31 December 2020, the Group has drawn \$396,005 from unsecured, non-recourse, fee and interest free facilities provided by the Executive Chairman, Mr Ruwan Weerasooriya. The company repaid \$125,000 and associated interest to Radium Capital in 2020 financial year, which related to R&D financing of the company's FY20 R&D rebate. During the half year government grants and tax incentives of \$812k were received relating to COVID-19 support and the Company's FY20 R&D tax rebate (31 December 2019: \$806k).

### **Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the Consolidated Entity during the financial half-year.

### **Matters subsequent to the end of the financial half-year**

No matter or circumstance has arisen since 31 December 2020 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.

### **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.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



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26 February 2021

**Rewardle Holdings Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2020**

|                                                                                                                  |             | <b>Consolidated</b>     |                         |
|------------------------------------------------------------------------------------------------------------------|-------------|-------------------------|-------------------------|
|                                                                                                                  | <b>Note</b> | <b>31 December 2020</b> | <b>31 December 2019</b> |
|                                                                                                                  |             | <b>\$</b>               | <b>\$</b>               |
| <b>Rendering of services</b>                                                                                     | 4           | 235,934                 | 400,019                 |
| Other income                                                                                                     | 6           | 812,117                 | 809,800                 |
| <b>Expenses</b>                                                                                                  |             |                         |                         |
| Operating expenses associated with Rewardle network                                                              | 7           | (520,886)               | (676,219)               |
| Employee benefits expense                                                                                        |             | (482,904)               | (501,977)               |
| Depreciation and amortisation expense                                                                            |             | (806)                   | (984)                   |
| <b>Profit before income tax expense</b>                                                                          |             | 43,455                  | 30,639                  |
| Income tax expense                                                                                               |             | -                       | -                       |
| <b>Profit after income tax expense for the half-year attributable to the owners of Rewardle Holdings Limited</b> |             | 43,455                  | 30,639                  |
| Other comprehensive income for the half-year, net of tax                                                         |             | -                       | -                       |
| <b>Total comprehensive income for the half-year attributable to the owners of Rewardle Holdings Limited</b>      |             | <u>43,455</u>           | <u>30,639</u>           |
|                                                                                                                  |             | <b>Cents</b>            | <b>Cents</b>            |
| Basic earnings per share                                                                                         | 16          | 0.01                    | 0.01                    |
| Diluted earnings per share                                                                                       | 16          | 0.01                    | 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 31 December 2020**

|                                   |             | <b>Consolidated</b>     |                     |
|-----------------------------------|-------------|-------------------------|---------------------|
|                                   | <b>Note</b> | <b>31 December 2020</b> | <b>30 June 2020</b> |
|                                   |             | <b>\$</b>               | <b>\$</b>           |
| <b>Assets</b>                     |             |                         |                     |
| <b>Current assets</b>             |             |                         |                     |
| Cash and cash equivalents         |             | 358,739                 | 37,616              |
| Trade and other receivables       |             | 23,419                  | 77,315              |
| Total current assets              |             | <u>382,158</u>          | <u>114,931</u>      |
| <b>Non-current assets</b>         |             |                         |                     |
| Property, plant and equipment     |             | 1,342                   | 2,148               |
| Total non-current assets          |             | <u>1,342</u>            | <u>2,148</u>        |
| <b>Total assets</b>               |             | <u>383,500</u>          | <u>117,079</u>      |
| <b>Liabilities</b>                |             |                         |                     |
| <b>Current liabilities</b>        |             |                         |                     |
| Trade and other payables          | 8           | 847,849                 | 857,288             |
| Borrowings                        | 12          | 956,967                 | 685,962             |
| Provisions                        |             | 127,786                 | 122,140             |
| Unearned income                   |             | 77,582                  | 121,828             |
| Total current liabilities         |             | <u>2,010,184</u>        | <u>1,787,218</u>    |
| <b>Total liabilities</b>          |             | <u>2,010,184</u>        | <u>1,787,218</u>    |
| <b>Net liabilities</b>            |             | <u>(1,626,684)</u>      | <u>(1,670,139)</u>  |
| <b>Equity</b>                     |             |                         |                     |
| Issued capital                    | 9           | 18,190,908              | 18,190,908          |
| Accumulated losses                |             | <u>(19,817,592)</u>     | <u>(19,861,047)</u> |
| <b>Total deficiency in equity</b> |             | <u>(1,626,684)</u>      | <u>(1,670,139)</u>  |

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

**Rewardle Holdings Limited**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2020**

|                                                          | <b>Issued<br/>capital<br/>\$</b> | <b>Accumulated<br/>Losses<br/>\$</b> | <b>Total<br/>deficiency in<br/>equity<br/>\$</b> |
|----------------------------------------------------------|----------------------------------|--------------------------------------|--------------------------------------------------|
| <b>Consolidated</b>                                      |                                  |                                      |                                                  |
| Balance at 1 July 2019                                   | 18,190,908                       | (19,103,741)                         | (912,833)                                        |
| Profit after income tax expense for the half-year        | -                                | 30,639                               | 30,639                                           |
| Other comprehensive income for the half-year, net of tax | -                                | -                                    | -                                                |
| Total comprehensive income for the half-year             | -                                | 30,639                               | 30,639                                           |
| Balance at 31 December 2019                              | <u>18,190,908</u>                | <u>(19,073,102)</u>                  | <u>(882,194)</u>                                 |

|                                                          | <b>Issued<br/>capital<br/>\$</b> | <b>Accumulated<br/>Losses<br/>\$</b> | <b>Total<br/>deficiency in<br/>equity<br/>\$</b> |
|----------------------------------------------------------|----------------------------------|--------------------------------------|--------------------------------------------------|
| <b>Consolidated</b>                                      |                                  |                                      |                                                  |
| Balance at 1 July 2020                                   | 18,190,908                       | (19,861,047)                         | (1,670,139)                                      |
| Profit after income tax expense for the half-year        | -                                | 43,455                               | 43,455                                           |
| Other comprehensive income for the half-year, net of tax | -                                | -                                    | -                                                |
| Total comprehensive income for the half-year             | -                                | 43,455                               | 43,455                                           |
| Balance at 31 December 2020                              | <u>18,190,908</u>                | <u>(19,817,592)</u>                  | <u>(1,626,684)</u>                               |

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

**Rewardle Holdings Limited**  
**Statement of cash flows**  
**For the half-year ended 31 December 2020**

|                                                                       | <b>Consolidated</b>     |                         |
|-----------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                       | <b>31 December 2020</b> | <b>31 December 2019</b> |
|                                                                       | <b>\$</b>               | <b>\$</b>               |
| <b>Cash flows from operating activities</b>                           |                         |                         |
| Receipts from customers                                               | 186,931                 | 303,917                 |
| Payments to suppliers and employees                                   | (927,826)               | (1,177,227)             |
| Interest received                                                     | -                       | 4,073                   |
| Interest and other finance costs paid                                 | (21,104)                | (20,048)                |
| Government grant and tax incentives received                          | 812,117                 | 805,727                 |
|                                                                       | <u>50,118</u>           | <u>(83,558)</u>         |
| <b>Cash flows from investing activities</b>                           |                         |                         |
| Refund of security deposits                                           | -                       | 56,021                  |
|                                                                       | <u>-</u>                | <u>56,021</u>           |
| <b>Cash flows from financing activities</b>                           |                         |                         |
| Proceeds from borrowings                                              | 396,005                 | 880,776                 |
| Repayment of borrowings                                               | (125,000)               | (871,149)               |
|                                                                       | <u>271,005</u>          | <u>9,627</u>            |
| Net cash from/(used in) operating activities                          |                         |                         |
|                                                                       | 321,123                 | (17,910)                |
| Cash and cash equivalents at the beginning of the financial half-year | 37,616                  | 44,927                  |
|                                                                       | <u>358,739</u>          | <u>27,017</u>           |
| Cash and cash equivalents at the end of the financial half-year       |                         |                         |

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

**Rewardle Holdings Limited**  
**Notes to the financial statements**  
**31 December 2020**

**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 half-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**

1 Alfred Place, South Melbourne VIC 3205  
Telephone: 1300 407 891  
Email: corporate@rewardle.com  
Website: www.rewardleholdings.com

**Principal place of business**

1 Alfred Place  
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 26 February 2021.

**Note 2. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, 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.

**Going concern**

For the financial half-year ended 31 December 2020, the Consolidated Entity had an operating profit of \$43,455 (2019: \$30,639), net cash from the operating activities of \$50,118 (2019: \$83,558 net cash used in operating activities) and net current liabilities of \$1,628,026 (30 June 2020: \$1,672,287). However, the current liabilities as at 31 December 2020 contain a number of liability accounts, including unearned income of \$77,582 which will not require a cash payment or impact the cash available to meet current obligations, non-recourse interest free loan from Directors of \$956,967, salaries and Directors fee payable to the current Directors of \$543,036, employee provisions towards Directors of \$56,625 which 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 31 December 2020, the adjusted working capital turns to net working capital surplus of approximately \$6,184 (30 June 2020: Net working capital deficit of \$557,721).

**Note 2. Significant accounting policies (continued)**

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

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 revenue from Merchants paying monthly subscription fees continuing in keeping with historical performance;
- Forecast revenue from brand partnerships continuing in keeping with historical performance;
- Forecast increase in the revenue resulting from strategic partnership agreements for the provision of technology, marketing, operational support and corporate strategy services to Pepper Leaf, SportsPass, and Beanhunter.
- Further reductions in the underlying cost base (primarily through employee costs, improved technology efficiencies and other operating cost reductions);
- Receipt of research and development tax incentive rebates (R&D) continuing in keeping with historical levels of cost apportionment
- Access to R&D financing on quarterly draw down on similar terms provided to the Company for FY20;
- Opportunities to monetise the Membership base; 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, there is a material uncertainty that may cast significant doubt on whether the Consolidated Entity is able to continue as a going concern and as to whether the Consolidated Entity will be able to realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Consolidated Entity be unable to continue as a going concern and meet its debts as and when they fall due.

**Note 3. 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, as a Digital Customer Engagement platform for local SME merchants.

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

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

Revenues were not derived from a single external customer.

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

**Note 4. Rendering of services**

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 an enforceable right to payment for work completed to date.

|                       | <b>Consolidated</b>     | <b>Consolidated</b>     |
|-----------------------|-------------------------|-------------------------|
|                       | <b>31 December 2020</b> | <b>31 December 2019</b> |
|                       | <b>\$</b>               | <b>\$</b>               |
| Merchant fee          | 226,788                 | 370,433                 |
| Brand Partnership fee | -                       | 24,017                  |
| Set up fees           | 9,146                   | 5,569                   |
|                       | <u>235,934</u>          | <u>400,019</u>          |
| Rendering of services | <u>235,934</u>          | <u>400,019</u>          |

*Disaggregation of revenue*

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

|                                      | <b>Consolidated</b>     | <b>Consolidated</b>     |
|--------------------------------------|-------------------------|-------------------------|
|                                      | <b>31 December 2020</b> | <b>31 December 2019</b> |
|                                      | <b>\$</b>               | <b>\$</b>               |
| Timing of revenue recognition        |                         |                         |
| Goods transferred at a point in time | 226,788                 | 394,450                 |
| Services transferred over time       | 9,146                   | 5,569                   |
|                                      | <u>235,934</u>          | <u>400,019</u>          |
|                                      | <u>235,934</u>          | <u>400,019</u>          |

**Note 5. Revenue from contracts with customers**

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 an enforceable right to payment for work completed to date.

|                                       | <b>Consolidated</b>     |                         |
|---------------------------------------|-------------------------|-------------------------|
|                                       | <b>31 December 2020</b> | <b>31 December 2019</b> |
|                                       | <b>\$</b>               | <b>\$</b>               |
| <b>Timing of revenue recognition:</b> |                         |                         |
| Services recognised over time         | 226,788                 | 394,450                 |
| Services recognised at point in time  | 9,146                   | 5,569                   |
|                                       | <u>235,934</u>          | <u>400,019</u>          |

**Note 6. Other income**

|                                      | <b>Consolidated</b>     |                         |
|--------------------------------------|-------------------------|-------------------------|
|                                      | <b>31 December 2020</b> | <b>31 December 2019</b> |
|                                      | <b>\$</b>               | <b>\$</b>               |
| R&D tax incentive rebate             | 573,517                 | 805,727                 |
| Interest and other income            | -                       | 4,073                   |
| COVID-19 incentives and other grants | 238,600                 | -                       |
|                                      | <u>812,117</u>          | <u>809,800</u>          |

COVID-19 incentive consists of Jobkeeper of \$161,100 and Cash Boost receipts of \$50,000 from ATO due to COVID-19.

**Note 7. Operating expenses associated with Rewardle network**

|                                         | <b>Consolidated</b>     |                         |
|-----------------------------------------|-------------------------|-------------------------|
|                                         | <b>31 December 2020</b> | <b>31 December 2019</b> |
|                                         | <b>\$</b>               | <b>\$</b>               |
| Consulting fees                         | 145,688                 | 143,813                 |
| IT consumables                          | -                       | 16,276                  |
| Merchant and member network costs       | 45,925                  | 65,399                  |
| Legal fees                              | -                       | 10,792                  |
| Sales commission and service fees       | 87,535                  | 128,760                 |
| Company secretarial and accounting fees | 21,610                  | 28,884                  |
| Auditing fees                           | 13,728                  | 14,220                  |
| Rent                                    | 3,000                   | 26,934                  |
| Impairment of trade receivables         | 72,408                  | 52,533                  |
| Other operating expenses                | 130,992                 | 188,608                 |
|                                         | <u>520,886</u>          | <u>676,219</u>          |

**Note 8. Current liabilities - trade and other payables**

|                | <b>Consolidated</b> |                     |
|----------------|---------------------|---------------------|
|                | <b>31 December</b>  | <b>30 June 2020</b> |
|                | <b>2020</b>         | <b>2020</b>         |
|                | <b>\$</b>           | <b>\$</b>           |
| Trade payables | 235,557             | 358,329             |
| Other payables | 612,292             | 498,959             |
|                | <u>847,849</u>      | <u>857,288</u>      |

**Note 9. Equity - issued capital**

|                              | <b>Consolidated</b> |                     |                    |                     |
|------------------------------|---------------------|---------------------|--------------------|---------------------|
|                              | <b>31 December</b>  | <b>30 June 2020</b> | <b>31 December</b> | <b>30 June 2020</b> |
|                              | <b>2020</b>         | <b>2020</b>         | <b>2020</b>        | <b>2020</b>         |
|                              | <b>Shares</b>       | <b>Shares</b>       | <b>\$</b>          | <b>\$</b>           |
| Ordinary shares - fully paid | <u>526,321,488</u>  | <u>526,321,488</u>  | <u>18,190,908</u>  | <u>18,190,908</u>   |

*Ordinary shares*

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

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

*Share buy-back*

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

**Note 10. Equity - Share based payments**

During the half-year period, no shares were issued to Directors/employees.

**Note 11. Equity - dividends**

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

**Note 12. Related parties**

Transactions with related parties are consistent with those disclosed in the 30 June 2020.

The Group has the unsecured, interest free working capital loan facility to \$1m in place from Executive Chairman, Mr Ruwan Weerasooriya (as announced on ASX on 31 July 2020). During the half year ended 31 December 2020, the Group has drawn \$396,005 from unsecured, non-recourse, fee and interest free facilities provided by the Executive Chairman, Mr Ruwan Weerasooriya. \$956,967 remains outstanding to Mr Weerasooriya on an unsecured, non-recourse, fee and interest free basis.

**Note 13. Fair value measurement**

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

**Note 14. Contingent liabilities**

The Group has no material contingent liabilities as at the date of this report.

**Rewardle Holdings Limited**  
**Notes to the financial statements**  
**31 December 2020**

**Note 15. Events after the reporting period**

No matter or circumstance has arisen since 31 December 2020 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 16. Earnings per share**

|                                                                                           | <b>Consolidated</b>     |                         |
|-------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                           | <b>31 December 2020</b> | <b>31 December 2019</b> |
|                                                                                           | <b>\$</b>               | <b>\$</b>               |
| Profit after income tax attributable to the owners of Rewardle Holdings Limited           | 43,455                  | 30,639                  |
|                                                                                           | <b>Number</b>           | <b>Number</b>           |
| 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             |
|                                                                                           | <b>Cents</b>            | <b>Cents</b>            |
| Basic earnings per share                                                                  | 0.01                    | 0.01                    |
| Diluted earnings per share                                                                | 0.01                    | 0.01                    |

**Rewardle Holdings Limited**  
**Directors' declaration**  
**31 December 2020**

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 31 December 2020 and of its performance for the financial half-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.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



26 February 2021

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

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2020, 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

26 February 2021

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF REWARDLE HOLDINGS LIMITED****Report on the Half-Year Financial Report****Conclusion**

We have reviewed the accompanying half-year financial report of Rewardle Holdings Limited (**the company**), which comprises the condensed statement of financial position as at 31 December 2020, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity, the condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the company is not in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the company's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- b. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

**Material Uncertainty Related to Going concern**

We draw attention to *Note 2 Going concern* in the half-year financial report which describes the events and conditions which give rise to the existence of a material uncertainty that may cast significant doubt on the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

**Directors' Responsibility for the Half-Year Financial Report**

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

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410: *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including:

- a. giving a true and fair view of the company's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and
- b. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Independence

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

*Moore Australia*

**MOORE AUSTRALIA AUDIT (VIC)**  
**ABN 16 847 721 257**



**ANDREW JOHNSON**  
**Partner**  
**Audit and Assurance**  
Melbourne, Victoria

26 February 2021