

Appendix 4D

Half Year Report to the Australian Securities Exchange

Part 1

| | |
|--|----------------------------------|
| Name of Entity | Rewardle Holdings Limited |
| ABN | 37 168 751 746 |
| Half Year Ended | 31 December 2016 |
| Previous Corresponding Reporting Period | Half Year Ended 31 December 2015 |

Part 2 – Results for Announcement to the Market

| | \$'000 | Percentage increase /(decrease) over previous corresponding period |
|--|---------------|---|
| Revenue from continuing operations | 509 | 151% |
| Loss from continuing activities after tax attributable to members | (2,969) | (15)% |
| Net loss attributable to members | (2,969) | (15)% |

| Dividends (distributions) | Amount per security | Franked amount per security |
|---|----------------------------|------------------------------------|
| Final Dividend | Nil | Nil |
| Interim Dividend | Nil | Nil |
| Record date for determining entitlements to the dividends (if any) | Not Applicable | |

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

Refer to the Review of Operations contained in the Directors' Report which forms part of the attached Interim Financial Report for details.

Part 3 – Contents of ASX Appendix 4D

| Section | Contents |
|----------------|--|
| Part 1 | Details of entity, reporting period |
| Part 2 | Results for announcement to the market |
| Part 3 | Contents of ASX Appendix 4D |
| Part 4 | Commentary on results |
| Part 5 | Details relating to dividends |
| Part 6 | Net tangible assets per security |
| Part 7 | Details of entities over which control has been gained or lost |
| Part 8 | Details of associates and joint venture entities |
| Part 9 | Information on audit or review |

Part 4 – Commentary on Results

Refer to the Review of Operations contained in the Directors' Report which forms part of the attached Interim Financial Report for details.

Part 5 – Details Relating to Dividends

| | |
|--|-----|
| Date the dividend is payable | N/A |
| Record date to determine entitlement to the dividend | N/A |
| Amount per security | N/A |
| Total dividend | N/A |
| Amount per security of foreign sourced dividend or distribution | N/A |
| Details of any dividend reinvestment plans in operation | N/A |
| The last date for receipt of an election notice for participation in any dividend reinvestment plans | N/A |

Part 6 – Net Tangible Assets per Security

| | 2016 | 2015 |
|--|------------|------------|
| Net tangible asset backing per ordinary security | 0.13 cents | 1.10 cents |

Part 7 – Details of Entities Over Which Control has been Gained or Lost

| | |
|--|----------------|
| Name of entity (or group of entities) | Not applicable |
| Date control gained or lost | Not applicable |
| Contribution of the controlled entity (or group of entities) to the profit/(loss) from ordinary activities during the period, from the date of gaining or losing control | Not applicable |
| Profit (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period | Not applicable |
| Contribution to consolidated profit/(loss) from ordinary activities from sale of interest leading to loss of control | Not applicable |

Part 8 – Details of Associates and Joint Venture Entities

| Name of entity | Ownership Interest | | Contribution to net profit/(loss) | |
|---------------------------|--------------------|--------|-----------------------------------|--------------|
| | 2016 % | 2015 % | 2016 \$A'000 | 2015 \$A'000 |
| | N/A | N/A | N/A | N/A |
| Associates | | | | |
| Joint Venture Entities | | | | |
| Aggregate Share of Losses | | | | |

Part 9 – Audit/Review Status

| This report is based on accounts to which one of the following applies: (Tick one) | | | |
|---|--------------------------|--|-------------------------------------|
| The accounts have been audited | <input type="checkbox"/> | The accounts have been subject to review | <input checked="" type="checkbox"/> |
| The accounts are in the process of being audited or subject to review | <input type="checkbox"/> | The accounts have not yet been audited or reviewed | <input type="checkbox"/> |

If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:


Not applicable

If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:

Not applicable

Attachments Forming Part of Appendix 4D

| Attachment No. | Details |
|----------------|--------------------------|
| 1 | Interim Financial Report |

| |
|--|
| Signed by Director  |
| Ruwan Weerasooriya |
| Dated: 27 February 2017 |



INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

CORPORATE DIRECTORY

DIRECTORS

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

COMPANY SECRETARY

Ian Hobson

REGISTERED OFFICE

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Subiaco WA 6008

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

PRINCIPAL PLACE OF BUSINESS

Level 4, 10-16 Queen Street
Melbourne VIC 3000

SHARE REGISTRY

Automic Registry Services
Level 2, 267 St Georges Terrace
Perth WA 6000

Telephone: 1 300 288 664
Email: hello@automic.com.au

AUDITORS

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

SOLICITORS

Nova Legal
Level 2, 50 Kings Park Road
West Perth WA 6005

BANK

Westpac Banking Corporation Limited

AUSTRALIAN SECURITIES EXCHANGE

ASX Code RXH

DIRECTORS' REPORT

Your Directors submit the financial report of the consolidated entity for the half-year ended 31 December 2016. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

DIRECTORS

The names of the Directors who held office during or since the end of the half-year and until the date of this report are noted below. Directors were in office for this entire period unless otherwise stated:

Ruwan Weerasooriya – Managing Director
Jack Matthews – Non-executive Chairman
Brandon Munro – 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 net loss for the half-year attributable to members of Rewardle Holdings Limited is \$2,968,731 (2015: \$3,502,231).

During the December half-year recurring merchant services revenue grew strongly and the Company initiated reductions in monthly operating costs by aligning them to revenue generation.

As at 31 December 2016 over 2000 merchants (37% of Network) are paying recurring monthly service fees.

Strong Merchant Services revenue growth has been demonstrated over a series of consecutive quarters including the recent December quarter where Merchant Services revenue increased by over 100% QoQ to approximately \$215,000 (unaudited).

Additional services are being developed for up selling to Merchants. These are expected to support the strong merchant services revenue growth trend demonstrated to date.

Operating costs have been reduced by approximately 20% or \$100,000 per month as part of the transition from initially focussing on establishing the Network to commercialisation of the Network.

Rewardle is a highly scalable technology business with largely fixed costs. While we continue building existing revenue streams, management is also working on developing new opportunities to leverage the Company's substantial, market leading Network scale.

Moving forward working capital is being managed by balancing closely monitored revenue generation targets against operating costs.

Financing and Investing Activities

During the period, the Company issued 57,046,934 ordinary fully paid shares at an issue price of \$0.05 per share to raise gross proceeds of \$2,852,347.

DIRECTORS' REPORT

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the half-year ended 31 December 2016 there was no significant change in the entity's state of affairs other than that referred to in the half-year financial statements or notes thereto.

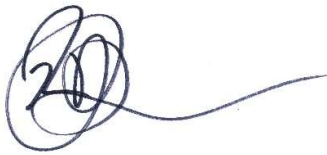
MATTERS SUBSEQUENT TO THE REPORTING PERIOD

There are no matters or circumstances which have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial periods, other than as disclosed in Note 9 to the financial statements.

AUDITOR'S DECLARATION OF INDEPENDENCE

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 in relation to the review for the half-year ended 31 December 2016 is included within this financial report.

Signed in accordance with a resolution of directors.

A handwritten signature in blue ink, consisting of a large, stylized 'R' followed by a long horizontal line.

Ruwan Weerasooriya
Managing Director
27 February 2017

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

| | Consolidated | |
|---|--|--|
| | Half-Year Ended 31 December 2016 \$ | Half-Year Ended 31 December 2015 \$ |
| Revenue | | |
| Rendering of services | 502,556 | 182,471 |
| Interest | 4,143 | 20,306 |
| Other revenue | 2,000 | - |
| Expenses | | |
| Depreciation | (4,905) | (2,022) |
| Directors and employee benefits | (1,837,773) | (1,634,565) |
| Finance costs | - | (55) |
| Operating expenses associated with the Rewardle network | (1,638,183) | (1,807,398) |
| Share based payments | 3,431 | (260,968) |
| Loss before income tax expense | (2,968,731) | (3,502,231) |
| Income tax expense | - | - |
| Loss after income tax for the period | (2,968,731) | (3,502,231) |
| Other comprehensive income | - | - |
| Other comprehensive income for the period, net of tax | - | - |
| Total comprehensive loss attributable to members of Rewardle Holdings Limited | (2,968,731) | (3,502,231) |
| | | |
| | Cents | Cents |
| Basic and diluted loss per share for the period attributable to the members of Rewardle Holdings Limited | (1.72) | (2.67) |

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

| | | Consolidated | |
|----------------------------------|------|---------------------------|-----------------------|
| | Note | 31 December 2016 \$ | 30 June 2016 \$ |
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | | 788,547 | 906,533 |
| Trade and other receivables | | 263,517 | 150,776 |
| Total Current Assets | | 1,052,064 | 1,057,309 |
| Non-Current Assets | | | |
| Trade and other receivables | | 4,140 | 4,140 |
| Plant and equipment | | 16,578 | 12,376 |
| Total Non-Current Assets | | 20,718 | 16,516 |
| Total Assets | | 1,072,782 | 1,073,825 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade and other payables | | 668,473 | 456,221 |
| Provisions | | 158,539 | 150,317 |
| Total Current Liabilities | | 827,012 | 606,538 |
| Total Liabilities | | 827,012 | 606,538 |
| Net Assets | | 245,770 | 467,287 |
| EQUITY | | | |
| Issued capital | 2 | 15,104,347 | 12,353,702 |
| Reserves | | 3,016,550 | 3,019,981 |
| Accumulated losses | | (17,875,127) | (14,906,396) |
| Total Equity | | 245,770 | 467,287 |

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

| Consolidated | Issued Capital \$ | Accumulated Losses \$ | Reserves \$ | Total \$ |
|--|----------------------------------|--------------------------------------|------------------------|---------------------|
| Balance at 1 July 2016 | 12,353,702 | (14,906,396) | 3,019,981 | 467,287 |
| Loss for period | - | (2,968,731) | - | (2,968,731) |
| Total comprehensive loss for the period | - | (2,968,731) | - | (2,968,731) |
| Transactions with owners in their capacity as owners: | | | | |
| Securities issued during the period | 2,852,347 | - | - | 2,852,347 |
| Capital raising costs | (101,702) | - | - | (101,702) |
| Cost of share based payments | - | - | (3,431) | (3,431) |
| Balance at 31 December 2016 | 15,104,347 | (17,875,127) | 3,016,550 | 245,770 |
| Balance at 1 July 2015 | 12,306,202 | (10,389,743) | 2,723,190 | 4,639,649 |
| Loss for period | - | (3,502,231) | - | (3,502,231) |
| Total comprehensive loss for the period | - | (3,502,231) | - | (3,502,231) |
| Transactions with owners in their capacity as owners: | | | | |
| Securities issued during the period | 47,500 | - | - | 47,500 |
| Cost of share based payments | - | - | 260,968 | 260,968 |
| Balance at 31 December 2015 | 12,353,702 | (13,891,974) | 2,984,158 | 1,445,886 |

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

| | Consolidated | |
|---|---|---|
| | Half-Year Ended 31 December 2016 \$ | Half-Year Ended 31 December 2015 \$ |
| | Inflows/ (Outflows) | Inflows/ (Outflows) |
| Cash flows from operating activities | | |
| Receipts from customers | 750,786 | 150,447 |
| Payments to suppliers and employees | (3,560,131) | (3,272,311) |
| Interest received | 4,143 | 20,306 |
| Interest and other finance costs paid | - | (55) |
| Rebates received | 2,000 | - |
| Net cash (used in) operating activities | (2,803,202) | (3,101,613) |
| Cash flows from investing activities | | |
| Payment for plant and equipment | (7,219) | (14,394) |
| Payment of security deposits | (58,210) | - |
| Net cash (used in) investing activities | (65,429) | (14,394) |
| Cash flows from financing activities | | |
| Proceeds from issue of shares | 2,852,347 | 47,500 |
| Payment of capital raising costs | (101,702) | - |
| Net cash provided by financing activities | 2,750,645 | 47,500 |
| Net (decrease) in cash held | (117,986) | (3,068,507) |
| Cash at beginning of the financial period | 906,533 | 4,859,008 |
| Cash at end of the financial period | 788,547 | 1,790,501 |

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

1. BASIS OF PREPARATION

These general purpose interim financial statements for the half-year reporting period ended 31 December 2016 have been prepared in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*. The consolidated entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report to be read in conjunction with the annual financial report for the year ended 30 June 2016 and any public announcements made by Rewardle Holdings Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies have been consistently applied with those of the previous financial year and corresponding interim reporting period, except in relation to the matters disclosed below.

(a) New and Revised Accounting Standards

A number of new or amended standards became applicable for the current reporting period, however, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. There may be some changes to the disclosures in the 30 June 2017 annual report as a consequence of these amendments.

There were no new standards issued since 30 June 2016 that have been applied by the Company. The 30 June 2016 annual report disclosed that the Company anticipated no material impacts (amounts recognised and/or disclosed) arising from initial application of those standards issued but not yet applied at that date, and this remains the assessment as at 31 December 2016.

(b) Going Concern Basis

For the financial half-year ended 31 December 2016, the consolidated entity had an operating net loss of \$2,968,731 (2015: \$3,502,231) and net cash outflows from operating activities of \$2,803,202 (2015: \$3,101,613).

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:

- Forecast increase in the number of Merchants paying the monthly subscription fees;
- Forecast increase in the revenue generated from brand and channel partnerships;
- Measures introduced to provide cost savings; and
- Previous success on being eligible for the research and development tax incentive.

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

2. ISSUED CAPITAL

| | 31 December 2016 | 30 June 2016 |
|---|-----------------------------|-------------------------|
| | \$ | \$ |
| (a) Issued and paid up capital | | |
| Ordinary shares - fully paid | 15,104,347 | 12,353,702 |
| (b) Movement in ordinary shares on issue | Number | \$ |
| <i>Ordinary shares – fully paid</i> | | |
| Balance at beginning of half-year | 131,389,015 | 12,353,702 |
| Issued pursuant to entitlement offer | 57,046,934 | 2,852,347 |
| Share issue expenses | - | (101,702) |
| Balance at end of half-year | 188,435,949 | 15,104,347 |

3. SHARE BASED PAYMENTS

During the half-year period, no securities were issued as share based payments.

The value of share based payments in the financial statements represent the value of performance options issued to employees in prior periods allocated over the expected vesting period of achieving performance milestones and completion of minimum service periods.

4. RELATED PARTIES

Transactions with related parties are consistent with those disclosed in the 30 June 2016 annual report other than:

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

5. FAIR VALUE OF FINANCIAL INSTRUMENTS

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.

6. SEGMENT INFORMATION

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

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

The Board considers that the Group has only operated in one segment, 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.

7. DIVIDENDS

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the period.

8. CONTINGENT LIABILITIES

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

9. EVENTS SUBSEQUENT TO REPORTING DATE

There are no matters or circumstances which have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial periods, other than as follows.

On 24 February 2017, the Company received its \$1,404,431 refund claim under the Federal Government's Research and Development Tax Incentive program for the financial year ended 30 June 2016.

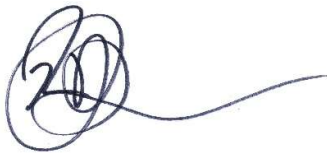
DIRECTORS' DECLARATION

In the opinion of the directors of Rewardle Holdings Limited ('the company'):

1. The financial statements and notes thereto of the consolidated entity, as set out within this financial report, are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year then ended.
2. 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

A handwritten signature in blue ink, consisting of a stylized 'R' and 'W' followed by a long horizontal flourish.

Ruwan Weerasooriya
Managing Director

Melbourne, 27 February 2017

Moore Stephens Audit (Vic)

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

I declare that, to the best of my knowledge and belief, during the half year ended 31 December 2016, there have been:

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



MOORE STEPHENS AUDIT (VIC)
ABN 16 847 721 257



GEORGE S. DAKIS
Partner
Audit & Assurance Services

Melbourne, Victoria

27 February 2017

Moore Stephens Audit (Vic)

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF REWARDLE HOLDINGS LTD AND ITS CONTROLLED ENTITY

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Rewardle Holdings Ltd and its controlled entity (**the group**), which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, the consolidated 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.

Directors' Responsibility for the Half-Year Financial Report

The directors of the group 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 group's financial position as at 31 December 2016 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 group, 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 group, would be in the same terms if provided to the directors as at the time of this auditor's review report.

Conclusion

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 group is not in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the group's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- b. complying with AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter – Going concern

Without modifying the conclusion expressed above, attention is drawn to the following matter. As disclosed in Note 1 (b) "Going Concern Basis" in the financial report the group incurred a loss before tax of \$2,968,731 and had net cash outflows from operating activities of \$2,803,202, for the half-year ended 31 December 2016. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity'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.



MOORE STEPHENS AUDIT (VIC)
ABN 16 847 721 257



GEORGE S. DAKIS
Partner
Audit & Assurance Services

Melbourne, Victoria

27 February 2017