

Appendix 4E

Preliminary Final Report to the Australian Securities Exchange

Part 1

Name of Entity	Rewardle Holdings Limited
ABN	37 168 751 746
Financial Year Ended	12 months ended 30 June 2018
Previous Corresponding Reporting Period	12 months ended 30 June 2017

Part 2 – Results for Announcement to the Market

	\$'000	Percentage increase /(decrease) over previous corresponding period
Revenue from ordinary activities	2,606	-1%
Loss from ordinary activities after tax attributable to members	(2,530)	-33%
Net loss attributable to members	(2,530)	-33%

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:

Not applicable.

Part 3 – Contents of ASX Appendix 4E

SECTION	CONTENTS
Part 1	Details of entity, reporting period
Part 2	Results for announcement to the market
Part 3	Contents of ASX Appendix 4E
Part 4	Consolidated statement of comprehensive income
Part 5	Consolidated accumulated losses
Part 6	Consolidated statement of financial position
Part 7	Consolidated statement of cash flows
Part 8	Basis of preparation
Part 9	Loss from ordinary activities
Part 10	Commentary on results
Part 11	Notes to the consolidated statement of cash flows
Part 12	Details relating to dividends
Part 13	Loss per share
Part 14	Net tangible assets per security
Part 15	Details of entities over which control has been gained or lost
Part 16	Details of associates and joint venture entities
Part 17	Issued securities
Part 18	Segment information
Part 19	Subsequent events
Part 20	Information on audit or review

Part 4 – Consolidated Statement of Profit or Loss and Comprehensive Income

	Part	Year Ended 30 June 2018 \$	Year Ended 30 June 2017 \$
Revenue			
Rendering of services		1,600,260	1,214,410
Other revenue from ordinary activities	9(a)	1,005,690	1,409,973
Expenses			
Consulting fees		(522,940)	(197,012)
Depreciation		(52,709)	(11,346)
Directors fees and benefits		(160,472)	(248,490)
Employee benefits expense		(2,681,574)	(3,289,361)
Finance costs		-	-
IT equipment		(150,639)	(273,819)
Legal fees		(26,772)	(45,307)
Merchant and member network costs		(108,694)	(1,012,546)
Share based payments		(12,563)	(5,521)
Other expenses from ordinary activities	9(b)	(1,420,000)	(1,317,415)
Loss before income tax expense		(2,530,413)	(3,776,434)
Income tax expense		-	-
Loss after income tax for the year		(2,530,413)	(3,776,434)
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss attributable to members of Rewardle Holdings Limited		(2,530,413)	(3,776,434)

Part 5 – Consolidated Accumulated losses

	Year Ended 30 June 2018 \$	Year Ended 30 June 2017 \$
Accumulated losses at the beginning of the year	(18,682,830)	(14,906,396)
Loss for the year	<u>(2,530,413)</u>	<u>(3,776,434)</u>
Accumulated losses at the end of the year	<u>(21,213,243)</u>	<u>(18,682,830)</u>

Part 6 – Consolidated Statement of Financial Position

	30 June 2018 \$	30 June 2017 \$
ASSETS		
Current Assets		
Cash and cash equivalents	62,365	215,009
Trade and other receivables	<u>183,336</u>	<u>142,813</u>
Total Current Assets	<u>245,701</u>	<u>357,822</u>
Non-Current Assets		
Trade and other receivables	-	-
Plant and equipment	<u>8,657</u>	<u>10,220</u>
Total Non-Current Assets	<u>8,657</u>	<u>10,220</u>
Total Assets	<u>254,358</u>	<u>368,042</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	624,731	525,732
Unearned income	397,976	226,632
Provisions	<u>188,034</u>	<u>168,659</u>
Total Current Liabilities	<u>1,210,741</u>	<u>921,023</u>
Total Liabilities	<u>1,210,741</u>	<u>921,023</u>
NET ASSETS/(LIABILITIES)	<u>(956,383)</u>	<u>(552,981)</u>
EQUITY		
Issued capital	17,218,795	15,104,347
Reserves	3,038,065	3,025,502
Accumulated losses	<u>(21,213,243)</u>	<u>(18,682,830)</u>
TOTAL EQUITY	<u>(956,383)</u>	<u>(552,981)</u>

Part 7 – Consolidated Statement of Cash Flows

	Year Ended 30 June 2018 \$	Year Ended 30 June 2017 \$
Cash flows from operating activities		
Receipts from customers	1,700,089	1,297,697
Payments to suppliers and employees	(4,919,235)	(6,082,440)
Interest received	2,250	5,401
R&D tax offset refund received	1,003,440	1,404,572
Net cash (used in) operating activities	(2,213,456)	(3,374,770)
Cash flows from investing activities		
Payment for plant and equipment	(6,926)	(9,190)
Payment for intangible asset	(44,220)	-
Payment of security deposit	(2,490)	(58,209)
Net cash (used in) investing activities	(53,636)	(67,399)
Cash flows from financing activities		
Proceeds from issue of shares	2,161,746	2,852,347
Payment of capital raising costs	(47,298)	(101,702)
Proceeds from borrowings	200,000	-
Repayment of borrowings	(200,000)	-
Net cash provided by financing activities	2,114,448	2,750,645
Net (decrease)/increase in cash held	(152,644)	(691,524)
Cash at the beginning of the financial year	215,009	906,533
Cash at the end of the financial year	62,365	215,009

Part 8 – Basis of Preparation

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

Part 9 – Loss from Ordinary Activities

The loss from ordinary activities before income tax includes the following items of revenue and expense:

	Year Ended 30 June 2018 \$	Year Ended 30 June 2017 \$
REVENUES AND EXPENSES		
(a) Other revenue		
Interest	2,250	5,401
Research and development tax incentive	1,003,440	1,404,572
	<u>1,005,690</u>	<u>1,409,973</u>
(b) Other expenses		
Audit fees	19,144	36,444
Company secretarial, compliance and accounting	39,522	135,325
Doubtful debt expense	85,124	197,341
Securities exchange and registry fees	42,120	123,226
Travel costs	39,847	92,052
Other	1,194,243	733,027
	<u>1,420,000</u>	<u>1,317,415</u>

Part 10 – Commentary on Results

See following commentary.

Part 11 – Notes to the Consolidated Statement of Cash Flows

	Year Ended 30 June 2018 \$	Year Ended 30 June 2017 \$
(a) Reconciliation of cash:		
For the purposes of the Statement of Cashflows, cash includes cash on hand, and in banks, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the Balance Sheet as follows:		
Cash and cash equivalents	62,365	215,009
Cash on hand and at bank	62,365	215,009
(b) Reconciliation of loss for the year to net cash flows from operating activities:		
Loss for the year	(2,530,413)	(3,776,434)
<i>Non-cash flows in loss:</i>		
Depreciation	8,489	11,346
Amortisation of intangibles	44,220	-
Bad and doubtful debts	85,124	197,341
Equity settled share based payments	152,855	5,521
<i>Changes in assets and liabilities:</i>		
Increase in trade and other receivables	(71,515)	(111,234)
Increase/(Decrease) in trade and other payables	78,409	283,149
Increase in provisions	19,375	15,541
Net cash outflows from operating activities	(2,213,456)	(3,374,770)

Part 12 – 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 13 – Loss per Share

	Consolidated	
	Year Ended 30 June 2018	Year Ended 30 June 2017
Basic (loss) per share	(0.83 cents)	(2.09 cents)
Weighted average number of ordinary shares used in the calculation of basic (loss) per share	304,854,794	180,351,007
As the Company is in a loss position there is no diluted earnings per share calculated.		

Part 14 – Net Tangible Assets per Security

	30 June 2018	30 June 2017
Net tangible asset backing per ordinary security (cents)	(0.29)	(0.29)

Part 15 – Details of Entities Over Which Control has been Gained or Lost

Name of entity	Nil
Date deregistered	Nil
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	Nil
Profit (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	Nil
Contribution to consolidated profit/(loss) from ordinary activities from sale of interest leading to loss of control	Nil

Part 16 – Details of Associates and Joint Venture Entities

	Ownership Interest		Contribution to net profit/(loss)	
	30/06/18 %	30/06/17 %	Year ended 30/06/18 \$A'000	Year ended 30/06/17 \$A'000
Name of entity	N/A	N/A	N/A	N/A
Associate	N/A	N/A	N/A	N/A
Joint Venture Entities	N/A	N/A	N/A	N/A
Aggregate Share of Losses	N/A	N/A	N/A	N/A

Part 17 – Issued Securities

	30 June 2018 \$	30 June 2017 \$
Share capital		
331,168,066 (30 June 2017: 188,435,949) fully paid ordinary shares	18,061,694	15,899,948
<i>The following movements in issued capital occurred during the period:</i>		
	Year Ended 30 June 2018	Year Ended 30 June 2017
	Number of Shares	Number of Shares
Balance at beginning of the year	188,435,949	131,389,015
Issued for cash at 1.5 cents each	134,597,106	-
Issued for cash at 1.2 cents each	4,609,485	-
Issued for cash at 1.0 cent each	3,525,526	-
Issued for cash at 5.0 cents each	-	57,046,934
	331,168,066	188,435,949

Part 18 – 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, being operating as a Digital Customer Engagement platform for local SME merchants.

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

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

Revenues were not derived from a single external customer.

Part 19 – Subsequent Events

No subsequent events are noted

Part 20 – Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited		The accounts have been subject to review	
The accounts are in the process of being audited or subject to review	✓	The accounts have not yet been audited or reviewed	

If the accounts have not yet been audited and are likely to contain an independent audit report that is subject to a modified opinion, emphasis of matter or other matter paragraph, a description of the modified opinion, emphasis of matter or other matter paragraph:

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