

# Appendix 4D

## Half Year Report to the Australian Securities Exchange

### Part 1

<b>Name of Entity</b>	Rewardle Holdings Limited
<b>ABN</b>	37 168 751 746
<b>Half Year Ended</b>	31 December 2015
<b>Previous Corresponding Reporting Period</b>	Half Year Ended 31 December 2014

### Part 2 – Results for Announcement to the Market

	<b>\$'000</b>	<b>Percentage increase /(decrease) over previous corresponding period</b>
<b>Revenue from continuing operations</b>	203	(46)%
<b>Loss from continuing activities after tax attributable to members</b>	(3,502)	(17)%
<b>Net loss attributable to members</b>	(3,502)	(17)%

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

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

The revenue for the half-year includes research and development tax incentive of nil (2014: \$302,623).

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

### **Part 3 – Contents of ASX Appendix 4D**

<b>Section</b>	<b>Contents</b>
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

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## 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

	2015	2014
Net tangible asset backing per ordinary security	1.10 cents	1.74 cents

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

Name of entity (or group of entities)	<b>Not applicable</b>
Date control gained or lost	<b>Not applicable</b>
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	<b>Not applicable</b>
Profit (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	<b>Not applicable</b>
Contribution to consolidated profit/(loss) from ordinary activities from sale of interest leading to loss of control	<b>Not applicable</b>

## Part 8 – Details of Associates and Joint Venture Entities

	Ownership Interest		Contribution to net profit/(loss)	
	2015 %	2014 %	2015 \$A'000	2014 \$A'000
	N/A	N/A	N/A	N/A
Name of entity				
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		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 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: 26 February 2016**



## **INTERIM FINANCIAL REPORT**

**FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

## **CORPORATE DIRECTORY**

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### **DIRECTORS**

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

### **COMPANY SECRETARY**

Ian Hobson

### **REGISTERED OFFICE**

Suite 5, 95 Hay Street  
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, 100 Flinders Street  
Melbourne VIC 3000

### **SHARE REGISTRY**

Automatic Registry Services  
Suite 1A, Level 1, 7 Ventnor Avenue  
West Perth WA 6005

Telephone: +61 8 9324 2099  
Facsimile: +61 8 9321 2337

### **AUDITORS**

Moore Stephens  
Level 18, 530 Collins Street,  
Melbourne VIC 3000

### **SOLICITORS**

Nova Legal  
Ground Floor, 10 Ord Street,  
West Perth WA 6005

### **BANK**

Westpac Banking Corporation Limited

### **AUSTRALIAN SECURITIES EXCHANGE**

ASX Code RXH

## DIRECTORS' REPORT

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Your Directors submit the financial report of the consolidated entity for the half-year ended 31 December 2015. 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 \$3,502,231 (2014: \$4,224,509), including \$260,968 (2014: \$1,559,556) in share based payments.

The December half was another strong period of Network growth and the substantial acceleration in cash receipts in the December quarter is the clearest demonstration to date of the Rewardle Network being commercialised.

Monetisation traction demonstrated during the December quarter is expected to gather momentum in upcoming periods as management's pursuit of commercial opportunities is enhanced by Rewardle growing Network scale and ongoing Platform development.

#### Rewardle Network growth continues

Network growth exceeded previously stated 31 December targets across all key metrics and new records were achieved for the fastest 100,000 Members and 1m Check-ins during the December quarter, in spite of an expected seasonal slow down.

The record growth of Membership and Check-ins during what has traditionally been a seasonally slow period illustrates the growing influence of Rewardle's Network Effect. It illustrates the merit of initially pursuing Network growth to build value and utility for Merchants and Members which in time develops into self sustaining growth and can be readily monetised once critical mass has been established.

The growth during the half year is shown in the following table:

Metric	30 June 2015	31 December 2015	Growth in the half %
Merchants	4,077	5,022	23
Member	1,075,474	1,537,098	42
Check-Ins	14.5m	22.9m	58
Prepaid Credit added	\$1,822,816	\$2,854,482	57
Prepaid Credit used	\$1,384,669	\$2,203,869	59
Prepaid Credit held	\$438,147	\$650,613	48

### Channel Partner Network continues to develop

During the December half Rewardle established Channel Partnerships with a number of industry leaders including Bite Size Coffee Treats, Curves Fitness Centres, Dimattina Coffee and Belaroma Coffee Company.

Each of Rewardle's Channel Partners have committed to endorse and promote the Rewardle Platform to their client bases, which in aggregate total thousands of local merchants. The endorsement and introduction to Merchants by industry leaders supports the efficient expansion of Rewardle's Merchant Network and supports the Company's objective of building a dominant presence across the local retail landscape.

Management is encouraged by the growing engagement of industry leaders who are recognising the potential of the Rewardle Platform to transform the retail experience at local brick and mortar businesses to drive stronger customer engagement and sales.

The Company is continuing to develop a pipeline of Channel Partnerships which will support the cost efficient growth of our Merchant Network. These include a number of discussions with high profile industry leaders.

Subsequent to the end of the half Rewardle added Di Bella Coffee, a subsidiary of Retail Food Group (ASX:RFG), to its network of Channel Partners.

### Monetisation of Rewardle Network gathering momentum

During the December quarter Brand Partnerships and Merchant services supported cash receipts of \$120,000. For context, this quarterly result was 4x the September quarter (\$30,000) and greater than the total cash receipts during FY15 (\$99,000). The growing scale of the Rewardle Network coupled with ongoing development and innovation ensure the Company is very well positioned to continue growing revenues over coming quarters.

This substantial acceleration in monetisation is the clearest demonstration to date of the developing commercial potential of the Rewardle Network. Encouragingly this has occurred during a period where the Company has been focused on the growth of the Rewardle Network rather than monetisation of the Network. Management is confident of building on this momentum in future periods with an initial focus on Brand Partnerships.

In addition to driving short term cash flow, Brand Partnerships add value and strengthen the engagement of Merchants and Members, which supports the future development of Rewardle's Software as a Service (SaaS) revenue stream.

The business development efforts of the Company have been bolstered with the appointment of Michael Johnstone as Commercial Director at the start of October. Mr Johnstone is a proven sales leader with a strong track record of success across traditional media and launching new digital platforms.

Commercial opportunities are being enhanced by the accelerating growth and scale of the Rewardle Network. Discussions with some of Australia's best known brands are at various stages of development.

### Financing and Investing Activities

The company issued the following securities during the period:

- 60,000 unlisted \$0.20 performance options expiring on 7 February 2018;
- 836,500 unlisted \$0.25 performance options expiring on 7 February 2018;
- 550,000 unlisted \$0.30 performance options expiring on 7 February 2018;
- 1,000,000 unlisted \$0.30 options expiring on 31 March 2018;
- 150,000 ordinary fully paid shares on the exercise of unlisted options expiring 30 June 2017, exercised at a price of \$0.20 each, raising \$30,000; and
- 87,500 ordinary fully paid shares on the exercise of unlisted options expiring 7 February 2018, exercised at a price of \$0.20 each, raising \$17,500.



## **DIRECTORS' REPORT**

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### **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

During the half-year ended 31 December 2015 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 2015 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, sweeping horizontal line.

Ruwan Weerasooriya  
Managing Director  
26 February 2016

**CONSOLIDATED CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	<b>Consolidated</b>	
	<b>31 December 2015 \$</b>	<b>31 December 2014 \$</b>
<b>Revenue</b>		
Sales	<b>182,471</b>	60,414
Interest	<b>20,306</b>	16,375
Research and development tax incentive	-	302,623
<b>Expenses</b>		
Depreciation	<b>(2,022)</b>	-
Directors and employee benefits	<b>(1,634,565)</b>	(981,176)
Finance costs	<b>(55)</b>	(573,948)
Operating expenses associated with the Rewardle network	<b>(1,807,398)</b>	(1,489,241)
Share based payments	<b>(260,968)</b>	(1,559,556)
<b>Loss before income tax expense</b>	<b>(3,502,231)</b>	(4,224,509)
Income tax expense	-	-
<b>Loss after income tax for the period</b>	<b>(3,502,231)</b>	(4,224,509)
<b>Other comprehensive income</b>	-	-
Other comprehensive income for the period, net of tax	-	-
<b>Total comprehensive loss attributable to members of Rewardle Holdings Limited</b>	<b>(3,502,231)</b>	(4,224,509)
	<b>Cents</b>	<b>Cents</b>
<b>Basic and diluted loss per share for the period attributable to the members of Rewardle Holdings Limited</b>	<b>(2.67)</b>	(4.28)

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

**CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2015**

		Consolidated	
	Note	31 December 2015 \$	30 June 2015 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		1,790,501	4,859,008
Trade and other receivables		201,718	118,723
<b>Total Current Assets</b>		<b>1,992,219</b>	<b>4,977,731</b>
<b>Non-Current Assets</b>			
Trade and other receivables		4,140	714
Plant and equipment		12,372	-
<b>Total Non-Current Assets</b>		<b>16,512</b>	<b>714</b>
<b>Total Assets</b>		<b>2,008,731</b>	<b>4,978,445</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		432,125	228,039
Provisions		130,720	110,757
<b>Total Current Liabilities</b>		<b>562,845</b>	<b>338,796</b>
<b>Total Liabilities</b>		<b>562,845</b>	<b>338,796</b>
<b>Net Assets/(Liabilities)</b>		<b>1,445,886</b>	<b>4,639,649</b>
<b>EQUITY</b>			
Issued capital	2	12,353,702	12,306,202
Reserves		2,984,158	2,723,190
Accumulated losses		(13,891,974)	(10,389,743)
<b>Total Equity</b>		<b>1,445,886</b>	<b>4,639,649</b>

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

**CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

<b>Consolidated</b>	<b>Issued Capital \$</b>	<b>Accumulated Losses \$</b>	<b>Reserves \$</b>	<b>Total \$</b>
<b>Balance at 1 July 2015</b>	<b>12,306,202</b>	<b>(10,389,743)</b>	<b>2,723,190</b>	<b>4,639,649</b>
Loss for period	-	(3,502,231)	-	(3,502,231)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>(3,502,231)</b>	<b>-</b>	<b>(3,502,231)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Securities issued during the period	47,500	-	-	47,500
Cost of share based payments	-	-	260,968	260,968
<b>Balance at 31 December 2015</b>	<b>12,353,702</b>	<b>(13,891,974)</b>	<b>2,984,158</b>	<b>1,445,886</b>
<b>Balance at 1 July 2014</b>	<b>220,101</b>	<b>(4,108,840)</b>	<b>1,061,665</b>	<b>(2,827,074)</b>
Loss for period	-	(4,224,509)	-	(4,224,509)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>(4,224,509)</b>	<b>-</b>	<b>(4,224,509)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Securities issued during the period	7,780,000	-	-	7,780,000
Capital raising costs	(366,719)	-	-	(366,719)
Cost of share based payments	-	-	1,661,525	1,661,525
<b>Balance at 31 December 2014</b>	<b>7,633,382</b>	<b>(8,333,349)</b>	<b>2,723,190</b>	<b>2,023,223</b>

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

**CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Consolidated	
	31 December 2015 \$	31 December 2014 \$
	Inflows/ (Outflows)	Inflows/ (Outflows)
<b>Cash flows from operating activities</b>		
Receipts from customers	150,447	41,454
Payments to suppliers and employees	(3,272,311)	(2,433,522)
Interest received	20,306	16,375
R&D tax offset refund received	-	302,623
Interest and other finance costs paid	(55)	(170,858)
Net cash (used in) operating activities	(3,101,613)	(2,243,928)
<b>Cash flows from investing activities</b>		
Payment for plant and equipment	(14,394)	-
Net cash (used in) investing activities	(14,394)	-
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	47,500	4,067,500
Payment of capital raising costs	-	(264,749)
Proceeds from borrowings	-	260,000
Repayment of borrowings	-	(45,687)
Net cash provided by financing activities	47,500	4,017,064
Net (decrease)/increase in cash held	(3,068,507)	1,773,136
Cash at beginning of the financial period	4,859,008	454,287
Cash at end of the financial period	1,790,501	2,227,423

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

## NOTES TO THE CONSOLIDATED CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

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### 1. BASIS OF PREPARATION

These general purpose interim financial statements for the half-year reporting period ended 31 December 2015 has 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 2015 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 2016 annual report as a consequence of these amendments.

There were no new standards issued since 30 June 2015 that have been applied by the Company. The 30 June 2015 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 2015.

#### (b) Going Concern Basis

For the financial half-year ended 31 December 2015, the consolidated entity had an operating net loss of \$3,502,231 (2014: \$4,224,509) and net cash outflows from operating activities of \$3,101,613 (2014: \$2,243,928).

The Group has commenced monetisation of the Network, initially through Brand Partnerships, as demonstrated with partnerships already announced with Air Asia, Quickflix and Nestle.

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.

To this end, the consolidated entity is expecting to fund ongoing obligations through capital raising activities to the extent that may be required. The Directors are confident that the Group will be successful in raising the required capital, due to the success the Company had previously in its capital raising.

Based on the above and cash flow forecasts prepared, the directors are of the opinion that the basis upon which the financial statements are prepared is appropriate in the circumstances.

**NOTES TO THE CONSOLIDATED CONDENSED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

**1. BASIS OF PREPARATION (CONTINUED)**

**(b) Going Concern Basis (continued)**

These conditions indicate a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern. Should the consolidated entity be unable to continue as a going concern, it 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. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or to the amounts and classification of liabilities that might be necessarily incurred should the consolidated entity not continue as a going concern.

**2. ISSUED CAPITAL**

	<b>31 December 2015 \$</b>	<b>30 June 2015 \$</b>
<b>(a) Issued and paid up capital</b>		
Ordinary shares - fully paid	12,353,702	12,306,202
<b>(b) Movement in ordinary shares on issue</b>	<b>Number</b>	<b>\$</b>
<i>Ordinary shares – fully paid</i>		
Balance at beginning of half-year	131,151,515	12,306,202
Issued on exercise of options	237,500	47,500
Balance at end of half-year	131,389,015	12,353,702

**3. SHARE BASED PAYMENTS**

During the half-year period, the following securities were issued as share based payments:

	<b>Value per Share/Option</b>	<b>Number</b>	<b>Value \$</b>
Unlisted performance options exercisable at \$0.20 each on or before 7 February 2018, issued as incentives to employees	\$0.1498	60,000	8,988
Unlisted performance options exercisable at \$0.25 each on or before 7 February 2018, issued as incentives to employees	\$0.1347	836,500	112,676
Unlisted performance options exercisable at \$0.30 each on or before 7 February 2018, issued as incentives to employees	\$0.1222	550,000	67,210
Unlisted options exercisable at \$0.30 each on or before 31 March 2018, issued as incentives to employees	\$0.1260	1,000,000	126,000
Less value of performance options not vested at 31 December 2015			(53,906)
			<u>260,968</u>

## **NOTES TO THE CONSOLIDATED CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

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The unlisted performance options issued to employees (vesting upon achievement of performance milestones and completion of minimum service periods) for nil consideration, were valued using a Black Scholes model with an underlying share price of \$0.265, volatility of 80% and an interest rate of 2.03%.

The unlisted options issued to employees for nil consideration and which vested immediately, were valued using a Black Scholes model with an underlying share price of \$0.265, volatility of 80% and an interest rate of 2.03%.

### **4. RELATED PARTIES**

Transactions with related parties are consistent with those disclosed in the 30 June 2015 annual report.

### **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.



**NOTES TO THE CONSOLIDATED CONDENSED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

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**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.

## DIRECTORS' DECLARATION

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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 2015 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' followed by a long horizontal flourish.

Ruwan Weerasooriya  
Managing Director

Melbourne, 26 February 2016

Moore Stephens Audit (Vic)

Level 18, 530 Collins Street  
Melbourne Victoria 3000

**T** +61 (0)3 9608 0100

**F** +61 (0)3 9608 0192

**E** [victoria@moorestephens.com.au](mailto:victoria@moorestephens.com.au)

[www.moorestephens.com.au](http://www.moorestephens.com.au)

**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 2015, 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

26 February 2016

Moore Stephens Audit (Vic)

Level 18, 530 Collins Street  
Melbourne Victoria 3000

**T** +61 (0)3 9608 0100

**F** +61 (0)3 9608 0192

**E** [victoria@moorestephens.com.au](mailto:victoria@moorestephens.com.au)

[www.moorestephens.com.au](http://www.moorestephens.com.au)

## **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 condensed statement of financial position as at 31 December 2015, the consolidated condensed statement of profit or loss and other comprehensive income, consolidated condensed statement of changes in equity, the consolidated 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.

#### *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 2015 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 2015 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 \$3,502,231 and had net cash outflows from operating activities of \$3,101,613, for the half-year ended 31 December 2015. These conditions, along with the group's dependence on future capital raising as a source of funding, 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

26 February 2016