

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 2016
Previous Corresponding Reporting Period	12 months ended 30 June 2015

Part 2 – Results for Announcement to the Market

	\$'000	Percentage increase /(decrease) over previous corresponding period
Revenue from ordinary activities	2,280	84%
Loss from ordinary activities after tax attributable to members	(4,517)	28%
Net loss attributable to members	(4,517)	28%

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 following Review of Operations for further commentary on the results for the year ended 30 June 2016.

Part 3 – Contents of ASX Appendix 4E

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

	Part	Year Ended 30 June 2016 \$	Year Ended 30 June 2015 \$
Revenue			
Rendering of services		585,792	122,615
Other revenue from ordinary activities	9(a)	1,694,243	1,116,039
Expenses			
Consulting fees		(140,701)	(134,315)
Depreciation		(6,773)	-
Directors fees and benefits		(244,250)	(183,187)
Employee benefits expense		(3,274,360)	(2,130,794)
Finance costs		(325)	(573,948)
IT equipment		(655,377)	(1,274,482)
Legal fees		(25,829)	(58,622)
Merchant and member network costs		(1,144,901)	(693,222)
Share based payments		(296,791)	(1,559,556)
Other expenses from ordinary activities	9(b)	(1,007,381)	(911,431)
Loss before income tax expense		(4,516,653)	(6,280,903)
Income tax expense		-	-
Loss after income tax for the year		(4,516,653)	(6,280,903)
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss attributable to members of Rewardle Holdings Limited		(4,516,653)	(6,280,903)

Part 5 – Consolidated Accumulated losses

	Year Ended 30 June 2016 \$	Year Ended 30 June 2015 \$
Accumulated losses at the beginning of the year	(10,389,743)	(4,108,840)
Loss for the year	<u>(4,516,653)</u>	<u>(6,280,903)</u>
Accumulated losses at the end of the year	<u><u>(14,906,396)</u></u>	<u><u>(10,389,743)</u></u>

Part 6 – Consolidated Statement of Financial Position

	30 June 2016 \$	30 June 2015 \$
ASSETS		
Current Assets		
Cash and cash equivalents	906,533	4,859,008
Trade and other receivables	<u>150,776</u>	<u>118,723</u>
Total Current Assets	<u>1,057,309</u>	<u>4,977,731</u>
Non-Current Assets		
Trade and other receivables	4,141	714
Plant and equipment	<u>12,376</u>	<u>-</u>
Total Non-Current Assets	<u>16,517</u>	<u>714</u>
Total Assets	<u>1,073,826</u>	<u>4,978,445</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	456,221	228,039
Provisions	<u>150,317</u>	<u>110,757</u>
Total Current Liabilities	<u>606,538</u>	<u>338,796</u>
Total Liabilities	<u>606,538</u>	<u>338,796</u>
NET ASSETS/(LIABILITIES)	<u>467,288</u>	<u>4,639,649</u>
EQUITY		
Issued capital	12,353,702	12,306,202
Reserves	3,019,982	2,723,190
Accumulated losses	<u>(14,906,396)</u>	<u>(10,389,743)</u>
TOTAL EQUITY	<u>467,288</u>	<u>4,639,649</u>

Part 7 – Consolidated Statement of Cash Flows

	Year Ended 30 June 2016 \$	Year Ended 30 June 2015 \$
Cash flows from operating activities		
Receipts from customers	478,107	100,516
Payments to suppliers and employees	(6,152,851)	(5,329,874)
Interest received	27,604	43,463
R&D tax offset refund received	1,666,639	1,072,576
Interest and other finance costs paid	(325)	(170,858)
Net cash (used in) operating activities	(3,980,826)	(4,284,177)
Cash flows from investing activities		
Payment for plant and equipment	(19,149)	-
Payment of security deposit	-	(986)
Net cash (used in) investing activities	(19,149)	(986)
Cash flows from financing activities		
Proceeds from issue of shares	47,500	9,067,500
Payment of capital raising costs	-	(591,929)
Proceeds from borrowings	-	260,000
Repayment of borrowings	-	(45,687)
Net cash provided by financing activities	47,500	8,689,884
Net (decrease)/increase in cash held	(3,952,475)	4,404,721
Cash at the beginning of the financial year	4,859,008	454,287
Cash at the end of the financial year	906,533	4,859,008

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 2016 \$	Year Ended 30 June 2015 \$
REVENUES AND EXPENSES		
(a) Other revenue		
Interest	27,604	43,463
Research and development tax incentive	1,666,639	1,072,576
	<u>1,694,243</u>	<u>1,116,039</u>
(b) Other expenses		
Audit fees	39,358	41,210
Company secretarial, compliance and accounting	91,550	128,404
Doubtful debt expense	39,343	7,907
Securities exchange and registry fees	42,403	109,241
Travel costs	83,213	106,253
Other	711,514	518,416
	<u>1,007,381</u>	<u>911,431</u>

Part 10 – Commentary on Results

Refer to the following Review of Operations for commentary on the results for the year ended 30 June 2016.

Part 11 – Notes to the Consolidated Statement of Cash Flows

	Year Ended 30 June 2016 \$	Year Ended 30 June 2015 \$
(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	906,533	4,859,008
Cash on hand and at bank	906,533	4,859,008
(b) Reconciliation of loss for the year to net cash flows from operating activities:		
Loss for the year	(4,516,653)	(6,280,903)
<i>Non-cash flows in loss:</i>		
Depreciation	6,773	-
Equity settled share based payments	296,791	2,031,866
<i>Changes in assets and liabilities:</i>		
Increase in trade and other receivables	(31,887)	(84,760)
Increase/(Decrease) in trade and other payables	224,590	(11,466)
Increase in provisions	39,560	61,086
Net cash outflows from operating activities	(3,980,826)	(4,284,177)

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 2016	Year Ended 30 June 2015
Basic (loss) per share	(3.44 cents)	(5.66 cents)
Weighted average number of ordinary shares used in the calculation of basic (loss) per share	131,349,944	111,023,332
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 2016	30 June 2015
Net tangible asset backing per ordinary security (cents)	0.36	3.54

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)	
	30/06/16 %	30/06/15 %	Year ended 30/06/16 \$A'000	Year ended 30/06/15 \$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 2016 \$	30 June 2015 \$
Share capital		
131,389,015 (30 June 2015: 131,151,515) fully paid ordinary shares	13,047,601	13,000,101
<i>The following movements in issued capital occurred during the period:</i>		
	Year Ended 30 June 2016	Year Ended 30 June 2015
	Number of Shares	Number of Shares
Balance at beginning of the year	131,151,515	76,966,665
Issued for cash at 15 cents each	-	533,335
Issued upon conversion of 3,700,000 convertible notes at 20 cents each	-	18,500,000
Issued for cash pursuant to prospectus placement at 20 cents each	-	20,000,000
Issued for cash pursuant to share placement at 33 cents each	-	15,151,515
Issued on exercise of options at 20 cents each	237,500	-
	131,389,015	131,151,515
Options		
The following options to subscribe for ordinary fully paid shares are outstanding at balance date:		
<ul style="list-style-type: none"> • 19,225,000 options expiring 30 June 2017, exercisable at 20 cents each; • 19,972,500 performance options expiring 7 February 2018, exercisable at 20 cents each; • 836,500 performance options expiring 7 February 2018, exercisable at 25 cents each; • 550,000 performance options expiring 7 February 2018, exercisable at 30 cents each; and • 1,000,000 options expiring 31 March 2018, exercisable at 30 cents each. 		

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

Entitlement Share Offer

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 comprises 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, for up to 21,944,508 shares, closed on 26 August 2016 with results to be announced to the market on 31 August 2016.

Apart from the above, there were no other significant events subsequent to year ended 30 June 2016 and prior to the date of this report that have not been dealt with elsewhere in this report.

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	

<p>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:</p> <p>Not applicable</p>
<p>If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:</p> <p>Not applicable</p>