

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 2022
Previous period:	For the half-year ended 31 December 2021

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	359% to	3,168,853
Profit from ordinary activities after tax attributable to the owners of Rewardle Holdings Limited	up	3,131% to	1,868,606
Profit for the half-year attributable to the owners of Rewardle Holdings Limited	up	3,131% to	1,868,606
		31 December 2022	31 December 2021
		Cents	Cents
Basic earnings per share		0.36	0.01
Diluted earnings per share		0.36	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 \$1,868,606 (31 December 2021: \$57,831).

3. Net tangible assets

	Reporting period	Previous period
	Cents	Cents
Net tangible assets per ordinary security	<u>0.13</u>	<u>(0.41)</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.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

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

Not applicable.

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.

11. Attachments

Details of attachments (if any):

The Interim Report of Rewardle Holdings Limited for the half-year ended 31 December 2022 is attached.

12. Signed



Signed _____

Date: 28 February 2023

Ruwan Weerasooriya
Managing Director
Melbourne

For personal use only



Interim Report - 31 December 2022

Rewardle Holdings Limited

Contents

31 December 2022

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	16
Auditor's independence declaration	17
Independent auditor's review report to the members of Rewardle Holdings Limited	18

For personal use

Rewardle Holdings Limited
Corporate directory
31 December 2022

Directors

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

Company secretary

Nicholas Day

Registered office

Suite 70, Level 4, 80 Market St, South Melbourne VIC 3205
Telephone : 1300 407 891
Email: corporate@rewardle.com
Website: www.rewardleholdings.com

Principal place of business

Suite 70, Level 4, 80 Market St, South Melbourne VIC 3205

Share register

Automatic 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 44, 600 Bourke 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 2022

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 2022.

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 the development, operation and commercialisation of its proprietary Business to Business to Consumer (B2B2C) software platform (Rewardle Platform).

Review of operations

The profit for the Consolidated Entity after providing for income tax amounted to \$1,868,606 (31 December 2021: \$57,831).

- Revenue from Rendering of services (primarily SaaS Merchant fees and professional services and software licensing) is up 359% to \$3,168,853 (31 Dec 2021: \$690,984).
- Other income (primarily R&D tax incentive rebate) increased 12% to \$409,722 due to increased investment in R&D activity during FY22.
- Expenses increased by 71% to \$1,709,969 (31 December 2021: \$1,000,568) mainly due the use of contract resources to support growth during the half-year ended 31 December 2022.

The Company is taking advantage of the high operating leverage of its B2B2C software platform business model and has continued to successfully execute its strategy to drive growth by developing opportunities that leverage its operations, resources and capabilities.

Q2 FY23 was the Company's fifth consecutive quarter of positive cash flow from operating activities and this positive momentum is being carried into the remainder of FY23.

As per the Company's growth strategy, cash flow generated by leveraging its operations, resources and capabilities are being invested into growth initiatives to create a compounding growth flywheel effect for the business moving forward.

The Company's growth strategy includes the development of a VC style portfolio of transactional, licensing and equity positions in complementary partner businesses. The primary partner focus during the H1 FY23 has been Cardiac Rhythm Diagnostics (Cardiac MedTech),

In addition to the ongoing development of its portfolio of high growth strategic partnerships, the Company is preparing to grow its merchant network and associated revenue streams. This includes ongoing development and testing of the Rewardle Platform's transactional based rewards capabilities.

To support these growth initiatives, the Company arranged to finance its FY22 R&D rebate and received \$290k which was repaid upon receipt of the FY22 R&D tax rebate of \$402k. Financing of the R&D rebate supported the Company to aggressively maximise its fee to equity conversion opportunities while ensuring sufficient working capital was available to support new growth initiatives to gain traction.

The positive momentum gathered in FY22 is being carried into FY23 and the Company is becoming more robust as its diverse range of revenue streams and opportunities are developed. While fluctuations are to be expected, the Directors remain confident that the Company can continue to execute its strategy to operate and grow without the need for additional funding.

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.

Rewardle Holdings Limited
Directors' report
31 December 2022

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2022 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

A handwritten signature in blue ink, consisting of a circular scribble followed by a horizontal line extending to the right.

28 February 2023

Rewardle Holdings Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2022

		Consolidated	
	Note	31 December 2022	31 December 2021
		\$	\$
Rendering of services	4	3,168,853	690,984
Other income	5	409,722	367,415
Expenses			
Operating expenses associated with Rewardle network	6	(1,160,280)	(587,777)
Employee benefits expense		(548,935)	(412,619)
Depreciation and amortisation expense		(754)	(172)
Profit before income tax expense		1,868,606	57,831
Income tax expense		-	-
Profit after income tax expense for the half-year attributable to the owners of Rewardle Holdings Limited		1,868,606	57,831
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of equity instruments at fair value through other comprehensive income, net of tax		1,070,018	-
Other comprehensive income for the half-year, net of tax		1,070,018	-
Total comprehensive income for the half-year attributable to the owners of Rewardle Holdings Limited		2,938,624	57,831
		Cents	Cents
Basic earnings per share	15	0.36	0.01
Diluted earnings per share	15	0.36	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 2022

		Consolidated	
	Note	31 December	30 June 2022
		2022	2022
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		726,499	132,794
Trade and other receivables		8,878	34,502
Total current assets		<u>735,377</u>	<u>167,296</u>
Non-current assets			
Financial assets at fair value through other comprehensive income	7	3,049,090	347,072
Property, plant and equipment		4,070	1,294
Total non-current assets		<u>3,053,160</u>	<u>348,366</u>
Total assets		<u>3,788,537</u>	<u>515,662</u>
Liabilities			
Current liabilities			
Trade and other payables	8	1,633,226	1,320,585
Borrowings	11	1,277,971	1,277,971
Employee benefits		142,981	148,314
Contract liabilities		47,166	44,988
Total current liabilities		<u>3,101,344</u>	<u>2,791,858</u>
Non-current liabilities			
Employee benefits		24,765	-
Total non-current liabilities		<u>24,765</u>	<u>-</u>
Total liabilities		<u>3,126,109</u>	<u>2,791,858</u>
Net assets/(liabilities)		<u>662,428</u>	<u>(2,276,196)</u>
Equity			
Issued capital	9	18,190,908	18,190,908
Reserves		1,070,018	-
Accumulated losses		(18,598,498)	(20,467,104)
Total equity/(deficiency)		<u>662,428</u>	<u>(2,276,196)</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 2022

Consolidated	Issued capital \$	Financial asset reserve \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 July 2021	18,190,908	-	(20,425,573)	(2,234,665)
Profit after income tax expense for the half-year	-	-	57,831	57,831
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	57,831	57,831
Balance at 31 December 2021	<u>18,190,908</u>	<u>-</u>	<u>(20,367,742)</u>	<u>(2,176,834)</u>

Consolidated	Issued capital \$	Financial asset reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	18,190,908	-	(20,467,104)	(2,276,196)
Profit after income tax expense for the half-year	-	-	1,868,606	1,868,606
Other comprehensive income for the half-year, net of tax	-	1,070,018	-	1,070,018
Total comprehensive income for the half-year	-	1,070,018	1,868,606	2,938,624
Balance at 31 December 2022	<u>18,190,908</u>	<u>1,070,018</u>	<u>(18,598,498)</u>	<u>662,428</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 2022

	Consolidated	
	31 December 2022	31 December 2021
	\$	\$
Cash flows from operating activities		
Receipts from customers	4,566,836	677,322
Payments to suppliers (inclusive of GST)	(2,729,914)	-
Payments to suppliers and employees	-	(674,292)
	<hr/>	<hr/>
Interest and other finance costs paid	1,836,922	3,030
Government grant and tax incentives received	(13,457)	-
	<hr/>	<hr/>
	402,240	20,000
	<hr/>	<hr/>
Net cash from operating activities	2,225,705	23,030
	<hr/>	<hr/>
Cash flows from investing activities		
Payments for investments	(1,632,000)	-
	<hr/>	<hr/>
Net cash used in investing activities	(1,632,000)	-
	<hr/>	<hr/>
Cash flows from financing activities		
Proceeds from borrowings	-	86,304
	<hr/>	<hr/>
Net cash from financing activities	-	86,304
	<hr/>	<hr/>
Net increase in cash and cash equivalents	593,705	109,334
Cash and cash equivalents at the beginning of the financial half-year	132,794	57,777
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial half-year	<u>726,499</u>	<u>167,111</u>

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 2022

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

Suite 70, Level 4, 80 Market St, South Melbourne VIC 3205
Telephone: 1300 407 891
Email: corporate@rewardle.com
Website: www.rewardleholdings.com

Principal place of business

Suite 70, Level 4, 80 Market St, South Melbourne VIC 3205
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 28 February 2023.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 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 2022 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 2022, the Consolidated Entity had an operating profit of \$1,868,606 (2021: \$57,831), net cash from the operating activities of \$2,225,705 (2021: \$23,030) and net current liabilities of \$2,365,967 (30 June 2022: \$2,624,562). However, the current liabilities as at 31 December 2022 contain a number of liability accounts, including non-recourse interest free loan from Directors of \$1,277,971 and salaries including superannuation, Directors fee payable to the current Directors of \$957,992, employee provisions towards Directors of \$70,941 and unearned income of \$47,166 which represent the results of accounting adjustments and 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 2022, the net working capital deficit is reduced to \$11,897 (30 June 2022: Net working capital deficit of \$407,397).

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.

Note 2. Significant accounting policies (continued)

While the direct impact of the COVID-19 pandemic is receding, the economic events and conditions emerging as a result of the COVID-19 pandemic are unrepresented and may be materially different from those estimated by the Group at the reporting date. 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.

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 historical Merchants Services products (SaaS) continuing in keeping with historical performance and growing in the future in keeping with management assumptions;
- Forecast revenue from new Merchant Services products (SaaS) in keeping with management assumptions;
- Forecast revenue from brand partnerships continuing in keeping with historical performance and forecast revenue from new brand partnership products in keeping with management assumptions;
- Forecast professional services revenue resulting from strategic partnership agreements for the provision of technology, marketing, operational support and corporate strategy services to Pepper Leaf, Beanhunter, SplitPay and Cardiac Rhythm Diagnostics in keeping with management assumptions;
- Forecast Growth Services revenue in keeping with management assumptions including development of new partnership opportunities;
- Strategic partners ability to generate income and/or raise sufficient capital to support their ongoing growth and forecast professional services income;
- Ongoing growth of membership and development of opportunities to generate new revenue streams from members;
- Ongoing management of the underlying cost base (primarily through employee costs, improved technology efficiencies and other operating cost reductions) such that they are in keeping with management assumptions;
- Forecast receipt of FY23 research and development tax incentive rebates (R&D) continuing in keeping with historical levels of cost apportionment and management assumptions;
- Access to R&D financing on quarterly draw down on similar terms provided to the Company previously;
- Access to loans which Directors may elect to provide on terms yet to be negotiated and agreed;
- Potential to raise capital as equity.

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, that is the development, operation and commercialisation of its proprietary Business to Business to Consumer (B2B2C) software platform (Rewardle Platform) by leveraging the Company's operational capabilities, expertise and IP.

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.

Revenue of \$3,033,727 representing 95.7% of total revenue from ordinary activities was derived from a single customer.

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

Note 4. Rendering of services

Disaggregation of revenue

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.

	Consolidated	Consolidated
	31 December 2022	31 December 2021
	\$	\$
Merchant (SaaS) fees	112,249	177,670
Growth services income	3,054,165	500,324
Brand partnership fee	-	4,000
Set up fees	2,439	8,990
Rendering of services	<u>3,168,853</u>	<u>690,984</u>

	Consolidated	Consolidated
	31 December 2022	31 December 2021
	\$	\$
Goods transferred at a point in time	3,166,414	681,994
Services transferred over time	<u>2,439</u>	<u>8,990</u>
	<u>3,168,853</u>	<u>690,984</u>

Rewardle Holdings Limited
Notes to the financial statements
31 December 2022

Note 5. Other income

	Consolidated	
	31 December 2022	31 December 2021
	\$	\$
R&D tax incentive rebate	402,240	347,365
Interest and other income	7,482	50
COVID-19 incentives and other grants	-	20,000
	<u>409,722</u>	<u>367,415</u>

Note 6. Operating expenses associated with Rewardle network

	Consolidated	
	31 December 2022	31 December 2021
	\$	\$
Consulting fees	675,285	189,989
Merchant and member network costs	56,862	50,528
Sales commission and service fees	88,030	87,592
Company secretarial and accounting fees	31,664	24,147
Auditing fees	19,840	14,756
Impairment of trade receivables	82,191	57,100
Other operating expenses	206,408	163,665
	<u>1,160,280</u>	<u>587,777</u>

Note 7. Non-current assets - Financial assets at fair value through other comprehensive income

	Consolidated	
	31 December 2022	30 June 2022
	\$	\$
Investment in Cardiac Rhythm Diagnostics	3,012,018	310,000
Investment in SplitPay	37,072	37,072
	<u>3,049,090</u>	<u>347,072</u>

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial half-year are set out below:

Opening fair value	347,072	-
Additions	1,632,000	347,072
Revaluation increments	1,070,018	-
Closing fair value	<u>3,049,090</u>	<u>347,072</u>

Refer to note 12 for further information on fair value measurement.

Rewardle Holdings Limited
Notes to the financial statements
31 December 2022

Note 7. Non-current assets - Financial assets at fair value through other comprehensive income (continued)

The Company's growth strategy includes the development of a portfolio of transactional, licensing and equity positions in complementary partner businesses. Having established agreements with SplitPay (UK BNPL) and Cardiac Rhythm Diagnostics (Cardiac MedTech) to convert fees into equity, the Company's initial growth focus has been on building its high growth equity portfolio in these partner businesses.

During the previous year, the Company converted \$37,072 of fees to equity in SplitPay which equates to a total shareholding in SplitPay to approximately 0.8%. In addition, the Company converted \$310,000 of fees into equity in Cardiac Rhythm Diagnostics to give the Company a shareholding of approximately 6%.

During the current half year ended 31 December 2022, Company has invested additional \$1,632,000 in Cardiac Rhythm Diagnostics to give the Company a shareholding of approximately 19.82%.

Note 8. Current liabilities - trade and other payables

	Consolidated	
	31 December	30 June 2022
	2022	2022
	\$	\$
Trade payables	611,415	360,457
Other payables	1,021,811	960,128
	<u>1,633,226</u>	<u>1,320,585</u>

Note 9. Equity - issued capital

	Consolidated			
	31 December	30 June 2022	31 December	30 June 2022
	2022	2022	2022	2022
	Shares	Shares	\$	\$
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 - dividends

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

Note 11. Related parties

Transactions with related parties are consistent with those disclosed in the 30 June 2022.

The Group has the unsecured, non-recourse, interest free working capital loan facility of \$1.3m in place from Executive Chairman, Mr Ruwan Weerasooriya. During the half year ended 31 December 2022, the Group has drawn \$nil from this facility and \$1.28m remains payable to Mr Weerasooriya.

Rewardle Holdings Limited
Notes to the financial statements
31 December 2022

Note 12. Fair value measurement

The following tables detail the Consolidated Entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated - 31 December 2022	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Investment in Cardiac Rhythm Diagnostics shares	-	-	3,012,018	3,012,018
Investment in SplitPay	-	-	37,072	37,072
Total assets	-	-	3,049,090	3,049,090

Consolidated - 30 June 2022	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Investment in Cardiac Rhythm Diagnostics shares	-	-	310,000	310,000
Investment in SplitPay	-	-	37,042	37,042
Total assets	-	-	347,042	347,042

There were no transfers between levels during the financial half-year.

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.

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current financial half-year are set out below:

Consolidated	Investment in CRD \$	Investment in SplitPay \$	Total \$
Balance at 1 July 2022	310,000	37,072	347,072
Additions	1,632,000	-	1,632,000
Gains recognised in other comprehensive income	1,070,018	-	1,070,018
Balance at 31 December 2022	3,012,018	37,072	3,049,090

Note 12. Fair value measurement (continued)

The level 3 assets and liabilities unobservable inputs and sensitivity are as follows:

Description	Unobservable inputs	Valuation methodology	Sensitivity
Unlisted shares	Investment at cost and most recent capital raising supported by Independent Valuation Model and Report	SplitPay has been retained at acquisition cost. The Company assessed that there has been no material change in the prospects of the investee. Investment in Cardiac Rhythm Diagnostics (CRD) initially recognised at acquisition cost, has been fair valued at the balance sheet date taking into consideration most recent capital raising by CRD and Independent Valuation Report based on Discounted Cashflow technique.	A 10% increase/decrease in shares would increase/ decrease the net asset position of the Consolidated entity by approximately \$305k respectively.

Note 13. Contingent liabilities

The Group had no contingent liabilities as at 31 December 2022 (30 June 2022: nil).

Note 14. Events after the reporting period

No matter or circumstance has arisen since 31 December 2022 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 15. Earnings per share

	Consolidated	
	31 December 2022	31 December 2021
	\$	\$
Profit after income tax attributable to the owners of Rewardle Holdings Limited	<u>1,868,606</u>	<u>57,831</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>526,321,488</u>	<u>526,321,488</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>526,321,488</u>	<u>526,321,488</u>
	Cents	Cents
Basic earnings per share	0.36	0.01
Diluted earnings per share	0.36	0.01

Rewardle Holdings Limited
Directors' declaration
31 December 2022

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 2022 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

A handwritten signature in blue ink, consisting of a circular scribble followed by a horizontal line extending to the right.

28 February 2023



Moore Australia Audit (VIC)

Level 44, 600 Bourke Street
Melbourne Victoria 3000

T +61 3 9608 0100

Level 1, 219 Ryrie Street
Geelong Victoria 3220

T +61 5215 6800

victoria@moore-australia.com.au

www.moore-australia.com.au

**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 2022, 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**

A handwritten signature in black ink, appearing to read 'Andrew Johnson', is written over a faint, large watermark that says 'For personal use only'.

**ANDREW JOHNSON
Partner
Audit and Assurance**

Melbourne, Victoria

28 February 2023

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 and Controlled Entity (**the Group**), which comprises the condensed statement of financial position as at 31 December 2022, 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 Group does not comply with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the Group's financial position as at 31 December 2022 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.

Basis of Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the Directors for the 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 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. 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 other 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.

MOORE AUSTRALIA AUDIT (VIC)
ABN 16 847 721 257



ANDREW JOHNSON
Partner
Audit and Assurance

Melbourne, Victoria

28 February 2023