REWARDS NEXUS INC. (OTC: ERNI)
A Nevada Corporation

ANNUAL REPORT FOR THE PERIOD ENDING DECEMBER 31, 2013

Prepared in accordance with
OTC Pink Basic Disclosure Guidelines
(v1.1 April 25, 2013)

Rewards Nexus Inc.
265 52nd Street, 2nd floor
Brooklyn, NY 11220

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Cautionary Note Regarding Forward-Looking Statements

Information set forth in this Annual Report contains forward-looking statements, including, without limitation, statements containing the words "believes," "anticipates," "expects," "intends," "plans," "seeks," "estimates," "may," "will," "could," "stands to," and "continues," as well as similar expressions. Such forward-looking statements may involve known and unknown risks, uncertainties and other factors which might cause the actual results, financial condition, performance or achievements of Rewards Nexus Inc., or industry results, to be materially different from any historic or future results, financial conditions, performance or achievements expressed or implied by such forward-looking statements. Given these uncertainties, the reader is advised not to place any undue reliance on such forward-looking statements. These forward-looking statements speak only as of the date of publication of this document. Rewards Nexus Inc. expressly disclaims any obligation to update any such forward-looking statements in this document to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based, unless required by law or regulation.

I. Name of the issuer and its predecessors

Name: ***Rewards Nexus Inc.*** (As of September 17, 2013)

Formerly known as
- e-Rewards Network Inc. (As of July 23, 2013)
- NIS Holdings Corp. (As of February 17, 2010)

II. Address of the issuer's principal executive offices

Company Headquarters
265 52nd Street, 2nd floor, Brooklyn, NY 11220
Tel: (212) 688-1007
info@rewardsnexus.com
www.rewardsnexus.com

IR Contact
N/A

III. Security Information

Trading Symbol: **ERNI**
Exact title and class of securities outstanding: Common Stock, Class A Convertible Preferred Stock (Not tradable), Preferred Stock (Not tradable)
CUSIP: 76156A109

Par Value: $0.00025
Total common shares authorized: 250,000,000 as of: 12/31/2013
Total common shares outstanding: 119,523,440 as of: 12/31/2013

Total preferred shares authorized: 90,000,000 as of 12/31/2013
Total preferred shares outstanding: 33,000,000 as of 12/31/2013

Total Class A preferred shares authorized: 10,000,000 as of 12/31/2013
Total Class A preferred shares outstanding: 0 as of 12/31/2013

Transfer Agent
Holladay Stock Transfer, Inc.
2939 N. 67th Place, Scottsdale, AZ 85251
Phone: (480) 481-3940
Fax: (480) 481-3941

Holladay Stock Transfer, Inc. is registered under the Securities Exchange Act of 1934 and regulated by the U.S. Securities and Exchange Commission.

– Any restrictions on the transfer of security:

NONE

– Any trading suspension orders issued by the SEC in the past 12 months.

NONE

– Any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months.

On December 17, 2013, the Company issued 44 million restricted common shares to the shareholders of Progressive Designs Inc. in exchange for the repayment of the principal amount of $220,000 that was outstanding from convertible promissory notes. After the effect of the transaction described above, Progressive Designs Inc. is now the controlling shareholder of Rewards Nexus holding approximately 55% of the Company's issued and outstanding common shares.

On December 4, 2013, the Board of Directors of Rewards Nexus filed with the Nevada Secretary of State an amendment of the Company's Articles of Incorporation whereby the authorized common shares of the Company increased from 100,000,000 to 250,000,000.

IV. Issuance History

The Company has not raised capital through a securities offering and has not issued shares for services within the last two years.

V. Financial Statements

Copies of the following unaudited Consolidated Financial Statements of Rewards Nexus Inc. for the year ended December 31, 2013 are attached hereto as Exhibit:

1. Consolidated Balance Sheets
2. Consolidated Income Statements
3. Consolidated Statements of Cash Flows
4. Statements of changes in Stockholders' Equity
5. Financial Notes

The attached Consolidated Financial Statements and the notes thereto are hereby incorporated by reference into this Annual Report.

VI. Issuer's Business, Products and Services

A. Overview

Rewards Nexus Inc. ("Rewards Nexus" or "The Company") offers U.S. retailers innovative loyalty solutions including rewards and gift card programs, along with emerging marketing strategies aimed at consumers. Our company grows through acquisitions and cooperative agreements with companies that have high potential and capabilities of achieving sustainable growth, resulting in a rapidly acquiring market share. We build key strategies for our subsidiaries while providing financing and operational business support.

At the moment, the Company targets four key business sectors:

- the loyalty management market
- the online food ordering industry
- the gift card industry
- the marketing consulting industry

Rewards Nexus' strategic goal is to create a commercial network of wide-brand recognition products and services from different sectors within target industries. Compelling offers utilizing consumer rewards programs and systems will be distributed individually and conveniently packaged to a ready consumer base; thus offering them numerous benefits for having consumed within the network. In conjunction with consulting services, this will create an unparalleled, technologically advanced network of high-quality retailers that are patronized by a large and loyal consumer base. The network will consist of:

- Commercial Retailers: Food, Clothing/Apparel, Consumer Products
- Leisure Firms: Theatres, Amusement, Recreation

Our Mission

Our mission is to support thousands of businesses in the realization of their business goals, by bringing to world a portfolio of brands that meet the needs and desires of people that other participants in the market are lacking. We will achieve a leading position through fostering a winning network of associates and partners and building mutually loyalty and trust. The focus of everything we do is geared towards systematically maximizing return to our shareholders and giving them the opportunity for future growth and prosperity.

Our Values

Our values include:

- Applying experienced strategic thinking and proven execution strategies to produce measurable results.
- Achieving business success which is based on the extensive expertise and commitment of our people.
- Processes and practices that promote and ensure fairness, transparency and accountability.

Our Vision

Our vision is to make Rewards Nexus a prominent, dynamic business group with sustainable growth and actively involved in multiple sectors within the retail marketing industry. Our team consists of visionaries and doers, determined to systematically provide superior value to our shareholders, our associates and our society.

Recent Business Developments

On August 26, 2013, Earn IQ Inc. officially launched the Earn IQ rewards program (www.EarnIQ.com), a tailor-made marketing solution for small to medium sized businesses desiring to capitalize on brand recognition and strengthen brand loyalty. Earn IQ is a closed loop reward program that allows consumers to purchase items either online or physically in any of the participating stores in the Earn IQ network and earn reward points based on their total bill. Consumers are able to aggregate the points (1 point = 1 USD) they have earned into a reward point exchange account and redeem them, either online or physically, for products or services at any Earn IQ retailer within the Earn IQ network, and at any time.

The Company has launched the Earn IQ program in the New York area with a focus on the dining sector.

B. Rewards Nexus Inc. was incorporated under the laws of the State of Nevada on June 21, 2004.

C. Primary SIC Code: **7389**
Secondary SIC Code: **7374**

D. Issuer's fiscal year end date: **December 31**

E. Principal products or services, and their markets

EARN IQ

Earn IQ is a tailor-made marketing solution for small to medium sized businesses desiring to capitalize on brand recognition and strengthen brand loyalty. This completely customizable marketing solution allows consumers to purchase items either online or physically from participating retailers in the robust Earn IQ network and earn points based on their total bill. Earn IQ presents its retailers with different percentage tiers to choose from. Consumers are able to aggregate the points (1 point = 1 USD) they have earned into a reward point exchange account and redeem them, either online or physically, for products or services at any retailer within the Earn IQ network and at any time. All the afore-mentioned transactions are made with the use of a unique QR-Code, available both in physical form (physical card) and via Smart phones (application).

Earn IQ's loyalty marketing solutions help firms better understand the needs of their target groups by mapping the entire chain of customer loyalty activities from account management, and the management of redemption processes, to the implementation of advertising campaigns.

As a coalition loyalty owner and operator, Earn IQ is responsible for establishing relationships with Commercial Partners, issuing the applicable reward points, and holds responsibility for the program in terms of funding any required reserve, owning the redemption liability and managing Breakage. In general terms, Earn IQ's business is based on two major streams of activity: (i) the sale of marketing services to our Commercial Partners; and (ii) delivering rewards to our members.

Earn IQ currently builds revenues and profits from a number of different sources:

- Commissions on the retailers' revenues which are attributed to Earn IQ
- Value added marketing services

Earn IQ primarily focuses on direct sales to reach merchants.

To reach a consumer audience, Earn IQ is currently using the following marketing tools:

- An integrated marketing campaign which includes a mix of local, radio, print, digital and outdoor advertising
- Word of mouth referrals
- Well-placed signage that captures the attention of consumers and conveys a simple, consistent message that encourages guests to join our loyalty program (signage on entry doors, tabletops, menu inserts, etc.)

Distribution methods of the products or services

Earn IQ conducts its sales activities in-house as well as carefully chosen free lancers who are paid based on performance. Cards are distributed through the merchants, mailing, as well as at events organized by the company. Virtual cards are also available for download through application links conveyed in social media advertising.

Competition

In general, the loyalty management market in the New York metropolitan area is highly competitive. However, we have not identified a direct competitor in this particular niche of co-branded retailing loyalty marketing industry where network size, quality of rewards and quantity of actionable data are included. The most significant competition comes from existing consulting and market research firms or from reward cards distributed through individual retailers who also choose to do business development and market research internally as part of their ordinary business functions. Our key advantage in competition with internal development is that managers are already overloaded with responsibilities and they are not willing to invest substantially in any stand-alone loyalty plan.

In regard to B2C services offered, consumers have a significant amount of power since they have a large number of reward programs to choose from. Moreover, services are undifferentiated, which means that customer loyalty is usually low. Reward programs must compete on quality, timeliness of service and customer relations. Our main competition comes from several websites and mobile apps that offer coupons or promotional gift cards usable at local stores, but the market of potential cardholders is truly vast. Our competitive edge is the simplicity of our program, the benefits gained by consumers, immediacy of customer gratification, the wide range of choices for gaining and redeeming rewards and finally, our strategy of carefully choosing our partners/merchants in order to ensure that they meet specific needs of consumers.

The market of online food ordering has enjoyed solid growth for the past 3 years. Although Earn IQ faces several competitors in this market, their focus is specifically on online food ordering. The historical growth and performance from these companies has opened the online food ordering market especially in the New York Metropolitan area. These companies are formidable competitors, but their structure does not offer the same value proposition that Earn IQ provides to its consumers. The Earn IQ loyalty program will differentiate us from online food ordering companies and will offer a larger incentive not only to the merchants who have not developed online ordering systems, but especially to those who co-operate with these companies.

VII. Issuer's Facilities

The issuer occupies approximately 2,000 square feet of the following leased office space at the rate of $2,266 per month:

263-265 52nd Street (2nd floor)
Brooklyn, NY 11220

VIII. Officers, Directors, and Control Persons

A. Officers and Directors

- *Nikolaos Mangas (President & Treasurer)*
  265 52nd Street (2nd floor), Brooklyn, NY 11220

  5 year employment history: Credit Risk Officer at Alpha Bank SA
  Board memberships and other affiliations: None
  Compensation by the issuer: None for the time being
  Number of shares beneficially owned: 11 million preferred shares

- *Niko Papavasilopoulos (Vice President)*
  265 52nd Street (2nd floor), Brooklyn, NY 11220

  5 year employment history: Privately held enterprises in the food industry
  Board memberships and other affiliations: None
  Compensation by the issuer: None for the time being

Number of shares beneficially owned: 11 million preferred shares

– *Vasiliki Anagnostou (Secretary)*
265 52nd Street (2nd floor), Brooklyn, NY 11220
5 year employment history: Sales Executive at SBCS SA, Pre-sales Manager at SYSCOMP SA, Operations Manager at I-TEX SA (ISONET Group of Companies)
Board memberships and other affiliations: None
Compensation by the issuer: None for the time being
Number of shares beneficially owned: 11 million preferred shares

B. Legal/Disciplinary History

None of the officers, directors, or control persons of Rewards Nexus Inc. has, in the past five years, been the subject of any of the following:

- A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses)

- The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities

- A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

- The entry of an order by a self-regulatory organization that permanently or temporarily barred suspended or otherwise limited such person's involvement in any type of business or securities activities.

C. Beneficial Shareholders

- **Progressive Designs Inc. (Beneficial owner of 55% of the common stock)**

  Sole Shareholder: Peter Alexeas

  Address: 13 Centre Street, Hempstead NY 11550

IX. Third Party Providers

Legal Counsel:	**The McGeary Law Firm, P.C.** **1600 Airport Fwy. Suite 300,** **Bedford, Texas, 76022** **Tel: 817-282-5885, Fax: 817-282-5886**
Accountant or Auditor:	**None**
Investor Relations Consultant:	**None**
Other Advisor:	**Legal counsel and in-house management assisted the President/Treasurer in the preparation of this statement.**

X. Issuer Certifications

I, Nikolaos Mangas certify that:

1. I have reviewed this annual disclosure statement of Rewards Nexus Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: March 31, 2014
/s/ Nikolaos Mangas
President & Treasurer

EXHIBIT

REWARDS NEXUS INC. (OTC: ERNI)

(A Development Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

(Unaudited, expressed in US Dollars)

Rewards Nexus Inc.
265 52nd Street, 2nd Floor
Brooklyn, NY 11220

Rewards Nexus Inc.
(A Development Stage Company)
Consolidated Balance Sheets
(Unaudited)

	December 31, 2013	December 31, 2012
ASSETS		
Current assets		
Cash and cash equivalents	$ 2,686	$ 41,097
Accounts receivable	$ 12,053	$ -
Prepaid expenses	$ 2,200	$ 2,400
Total current assets	$ 16,938	$ 43,497
Fixed assets		
Furniture and equipment, net	$ 33,114	$ 22,103
Goodwill	$ 1,226,347	$ 1,326,647
Software development costs	$ 199,055	$ 195,137
Other Intangible assets, net	$ -	$ -
	$ 1,475,454	$ 1,587,384
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	$ 199,513	$ 194,974
Total current liabilities	$ 199,513	$ 194,974
Noncurrent liabilities		
Long-term debt, net of current maturities	$ 499,107	$ 406,762
Total liabilities	$ 698,619	$ 601,736
Shareholders' equity		
Preferred Stock, $0.00025 par value; authorized 90,000,000 Preferred shares, issued and outstanding 33,000,000 shares, authorized 10,000,000 Class A Preferred shares, issued and outstanding 0 shares	$ 8,250	$ -
Common Stock, $0.00025 par value; authorized 250,000,000 shares, issued and outstanding 119,523,440 shares	$ 29,881	$ 18,881
Additional paid-in capital	$ 8,354,698	$ 8,120,948
Subscription notes receivable	$ (3,000,000)	$ (3,000,000)
Accumulated deficit	$ (4,615,995)	$ (4,154,181)
Total shareholders' equity	$ 776,835	$ 985,648
	$ 1,475,454	$ 1,587,384

The accompanying notes are an integral part of these financial statements.

Rewards Nexus Inc.
(A Development Stage Company)
Consolidated Income Statements
(Unaudited)

	Year Ended December 31, 2013		Year Ended December 31, 2012	
Sales Revenue	$	56,414	$	-
Less Sales Discount	$	24,068	$	-
Net Sales Revenue	$	32,346	$	-
Cost of Revenue	$	19,532	$	262
Gross Profit	$	12,813	$	(262)
Operating Expenses				
Amortization & Depreciation	$	123,398	$	118,644
Consulting expense	$	12,500	$	-
General and administrative	$	266,173	$	104,929
Marketing	$	19,725	$	23,415
Professional fees	$	19,831	$	39,911
Compensation expense	$	33,000	$	-
Total operating expenses	$	474,627	$	286,899
Operating loss	$	(461,814)	$	(287,161)
Other income/expense				
Other income				
Finance charge (income)	$		$	-
Other income	$	-	$	-
Other expense	$	-	$	-
Total other income/expense	$	-	$	-
Net loss	$	(461,814)	$	(287,161)
Net loss per common share:				
- Basic and diluted	$	(0.01)	$	(0.00)
Weighted average number of common shares oustanding:		75,523,440		67,161,940

The accompanying notes are an integral part of these financial statements.

Rewards Nexus Inc.
(A Development Stage Company)
Consolidated Statements of Cash Flows
(Unaudited)

	Year Ended December 31, 2013	2012
INCREASE (DECREASE) IN CASH		
Cash flows from operating activities:		
Net loss	$ (461,814)	$ (287,161)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization & Depreciation	$ 123,398	$ 118,644
Common stock issued for executive compensation	$ 33,000	$ -
Increase (decrease) in cash attributable to changes in		
Accounts receivable	$ (12,053)	$ -
Prepaid expenses	$ 200	$ 100
Accounts payable and accrued expenses	$ 4,539	$ (28,456)
Net cash used in operating activities	$ (312,730)	$ (196,873)
Cash flows from investing activities:		
Goodwill	$ -	$ -
Acquisition of software development	$ (19,261)	$ -
Purchase of property and equipment	$ (18,766)	$ (25,447)
Net cash provided (used) in investing activities	$ (38,027)	$ (25,447)
Cash flows from financing activities:		
Proceeds from issuance of notes payable	$ 92,345	$ 261,062
Proceeds from issuance of common stock	$ -	$ -
Net cash provided by financing activities	$ 92,345	$ 261,062
Net increase (decrease) in cash	$ (258,412)	$ 38,742
Cash at beginning of period	$ 41,097	$ 2,355
Cash at end of period	$ 2,686	$ 41,097
Supplemental disclosures of cash flow information		
Noncash financing and investing activities:		
Issuance of stock in connection with debt settlement	$ 220,000	$ -
Cash paid during the period for:		
Interest	$ -	$ -
Taxes	$ -	$ -

The accompanying notes are an integral part of these financial statements.

Rewards Nexus Inc.
(A Development Stage Company)
Statement of Stockholders' Equity (deficit)
(Unaudited)

	Preferred Stock Shares	Preferred Stock Amount	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Deferred Stock-based Compensation/ Subs. Notes Receivable	Accum. Deficit	Total Stockholders' Equity (Deficiency)
Bal, June 21, 2004			-	-	-	-	-	-
Shares issued for cash at $0.01 per share			20	-	2,000			2,000
Shares issued for cash at $2.00 per share			1	-	20,000			20,000
Shares issued for cash at $5.00 per share			1	-	50,000			50,000
Net loss for the year							(72,000)	(72,000)
Bal, Dec 31 2004			22	-	72,000	-	(72,000)	-
Shares issued for asset at par value per share			4,000	1	9,999			10,000
Shares issued in a private placement at $1.00 per share			30	-	300,000			300,000
Net loss for the year							(178,031)	(178,031)
Bal, Dec 31 2005			4,052	1	381,999	-	(250,031)	131,969
Issuance of additional shares to existing investor pursuant to an anti dilution agreement			30	-	-			-
Shares issued in a private placement at $0.50 per share			244	-	1,218,000			1,218,000
Shares issued for service at $0.50 per share			110	-	550,000			550,000

Shares issued for prepaid services at $0.50 per share			200	-	1,000,000	(1,000,000)		-
Cancellation of shares			(310)	-	(774)			(774)
Amortization of stock based compensation						1,000,000		1,000,000
Net loss for the year							(3,268,149)	(3,268,149)
Bal, Dec 31 2006			4,326	1	3,149,225	-	(3,518,180)	(368,954)
Shares issued for acquisition of the tangible personal property of Icelounge.com, Inc. at $0.50 per share			70	-	350,000			350,000
Net loss for the year							(994,584)	(994,584)
Bal, Dec 31 2007			4,396	1	3,499,225	-	(4,512,764)	(1,013,538)
Net loss for the year							(170,722)	(170,722)
Bal, Dec 31 2008			4,396	1	3,499,225	-	(4,683,486)	(1,184,260)
Net loss for the year							(95,211)	(95,211)
Bal, Dec 31, 2009			4,396	1	3,499,224	-	(4,778,697)	(1,279,472)
Shares issued for service Jan 5, 2010 at $0.01			600	0	60,000			60,000
Shares issued for service April 16, 2010 at $0.001			300,000	75	29,925			30,000
Shares issued for debt June 16, 2010 at $0.001			81,500	20	8,130			8,150
Series A Convertible Preferred Stock issued for debt June 16, 2010	424,532	106			42,347			42,453
Conversion of Series A Preferred Stock July 15, 2010	(119,667)	(30)	119,667	30	(0)			-
Conversion of Series A Preferred Stock December 20, 2010	(65,000)	(16)	65,000	16	0			-
Prior period adjustment							1,396,767	1,396,767
Net loss for the year							(174,275)	(174,275)
Bal, December 31, 2010	239,865	60	571,163	143	3,639,626	-	(3,556,205)	83,624
Conversion of Series A Preferred Stock February 28, 2011	(750)	-	750	-				-

Conversion of Series A Preferred Stock June 9, 2011	(40,000)	(10)	40,000	10				-
Shares issued for acquisition of Alpha Dynamic December 12, 2011 at $0.2 per share			5,000,000	1,250	998,750			1,000,000
Shares issued for acquisition of Alpha Card December 12, 2011 at $0.05 per share			10,000,000	2,500	497,500			500,000
Shares issued for funding December 12, 2011 at $0.075 per share			40,000,000	10,000	2,990,000	(3,000,000)		-
Net loss for the year							(310,816)	(310,816)
Bal, December 31, 2011	199,115	50	55,611,940	13,903	8,125,876	(3,000,000)	(3,867,021)	1,272,809
Conversion of Series A Preferred Stock January 4, 2012	(55,000)	(14)	5,500,000	1,375	(1,361)			-
Conversion of Series A Preferred Stock January 20, 2012	(60,500)	(15)	6,050,000	1,512	(1,497)			-
Conversion of Series A Preferred Stock June 6, 2012	(66,000)	(17)	6,600,000	1,650	(1,634)			-
Conversion of Series A Preferred Stock August 21, 2012	(17,615)	(4)	1,761,500	441	(437)			-
Net loss for the year							(287,161)	(287,161)
Bal, December 31, 2012	-	-	75,523,440	18,881	8,120,948	(3,000,000)	(4,154,182)	985,648
Preferred Stock issued for executive compensation December 17, 2013	33,000,000	8,250			24,750			33,000
Shares issued for debt December 17, 2013 at $0.005			44,000,000	11,000	209,000			220,000
Net loss for the year							(461,814)	(461,814)
Bal, December 31, 2013	33,000,000	-	119,523,440	29,881	8,354,698	(3,000,000)	(4,615,995)	776,835

The number of shares issued and outstanding have been restated to give retroactive effect for reverse stock splits effective on October 28, 2005, on March 16, 2010 and on October 28, 2011 on a one for 100 basis. The par value and additional paid-in capital were adjusted during the year ended December 31, 2005 to adjust the par value amount in conformity with the number of shares issued.

The accompanying notes are an integral part of these financial statements

Rewards Nexus, Inc.

Notes to Consolidated Financial Statements

(Unaudited)

Note 1. General Development of the Business

Rewards Nexus Inc. (“Rewards Nexus” or “The Company”) was incorporated under the laws of the state of Nevada on June 21, 2004.

On October 21, 2005, the Company changed its name to Associated Media Holdings Inc. and on March 16, 2010 the name was changed to NIS Holdings, Corp. to further develop and promote the Ignition Website and Trademarks (hereinafter, the "Intangibles") which focus on multi content for mobile and portable cellular devices. On this same day, the board of directors approved an increase in the authorized number of common shares of the Company from 25,000,000 to 100,000,000 and changed its par value from $0.001 to $0.00025. This change is reflected in these financial statements.

On June 15, 2010, the directors approved to change the authorized Preferred Shares of 100,000,000 into 90,000,000 Preferred Shares at $0.00025 par value and 10,000,000 Class A Preferred Shares at $0.00025 par value. Each class A Preferred Shares is convertible at the Holder's option to Common Shares at a ratio of one hundred shares of Common Stock for each share of Class A Preferred Stock.

On February 4, 2011, the Company acquired Earn IQ Inc. (“Earn IQ”, formerly Alpha Dynamic Group, Inc). Earn IQ was incorporated in the State of New York on December 2, 2010 to engage mainly in the development and launch of an innovative loyalty card solution for small to medium sized businesses. Rewards Nexus acquired one hundred percent (100%) of the total issued shares of Earn IQ’s stock in exchange for the issuance of one promissory note in the principal amount of $1 million to the sole shareholder of Earn IQ. On December 12, 2011 this promissory note was converted into 5,000,000 restricted shares of Rewards Nexus’ common stock. As a result of this transaction, Earn IQ became a wholly-owned subsidiary of the Company.

On June 22, 2011, the Company acquired Alpha Card Technology Inc. (“Alpha Card”). Alpha Card was incorporated in the State of New York on December 9, 2010 to engage in the development of gift card processing solutions. Rewards Nexus acquired one hundred percent (100%) of the total issued shares of Alpha Card’s stock in exchange for the issuance of one promissory note in the principal amount of $500,000 to the sole shareholder of Alpha Card. On December 12, 2011 this promissory note was converted into 10,000,000 restricted shares of Rewards Nexus’ common stock. As a result of this transaction, Alpha Card Technology became a wholly-owned subsidiary of the Company.

On February 11, 2013, Alpha Dynamic Group, Inc. changed its name to Earn IQ, Inc. The name change is part of the Earn IQ program launch initiative to better align the company's name with its strategy and business activity.

On February 15, 2013, Earn IQ, Inc. began its pilot testing phase of the Earn IQ reward program in a real environment with a significant number of restaurants in New York and officially launched it on August 26, 2013.

On December 4, 2013, the Board of Directors approved an increase in the authorized number of common shares of the Company from 100,000,000 to 250,000,000 with $0.00025 par value.

The Company has yet to fully develop any material income from its stated primary objective and it is classified as a development stage company. All income, expenses, cash flows and stock transactions are reported since the beginning of development stage.

These financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. On December 31, 2013, the Company has not yet achieved profitable operations, it has accumulated losses of $4,615,995 since inception and expects to incur further losses in the development of its business, of which cast substantial doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon the amount of growth in its revenues from Earn IQ's line of business and/or the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management has obtained funds by related parties' advances.

Note 2. Significant Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America and are stated in US dollars. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgment. Actual results may differ from these estimates.

The financial statements have, in management's opinion, been properly prepared within the framework of the significant accounting policies summarized below:

(a) Development Stage Company

The Company is a development stage company. The Company is devoting substantially all of its present efforts to establish a new business and its planned principal operations have recently commenced. All losses accumulated since inception have been considered as part of the Company's development stage activities.

(b) Principles of Consolidation

The accompanying condensed consolidated financial statements include the accounts of Earn IQ, Inc. and of Alpha Card Technology Inc., the Company's wholly-owned subsidiaries. All significant inter-company transactions have been eliminated.

(c) Financial Instruments

The carrying values of cash, accounts receivable, accounts payable, promissory notes payable and due to related parties approximate fair value because of the short-term nature of these instruments. Management is of the opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

(d) Stock Issued in Exchange for Services

The valuation of common stock issued in exchange for services is valued at an estimated fair market value as determined by officers and directors of the Company based upon other sales and issuances of the Company's common stock within the same general time period.

(e) Stock-based Compensation

Financial Accounting Standards Board (“FASB”), Accounting Standards Codification (“ASC”) 718 "Stock Compensation" requires public companies to recognize the cost of employee services received in exchange for equity instruments, based on the grant-date fair value of those instruments, with limited exceptions. FASB ASC 718 "Stock Compensation" also affects the pattern in which compensation cost is recognized, the accounting for employee share purchase plans, and the accounting for income tax effects of share-based payment transactions. For small business filers, FASB ASC 718 "Stock Compensation" is effective for interim or annual periods beginning after December 15, 2005. The Company adopted the guidance in FASB ASC 718 "Stock Compensation" on October 1, 2007.

(f) Basic and Diluted Loss Per Share

The Company presents of both basic and diluted earnings per share ("EPS") on the face of the income statement. Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of common shares outstanding during the year. Diluted EPS gives effect to all dilative potential common shares outstanding during the year including stock options, using the treasury stock method, and convertible preferred stock, using the if-converted method. In computing diluted EPS, the average stock price for the year is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential common shares if their effect is anti-dilutive. As of December 31, 2013 there were no potentially dilutive shares relating to the outstanding convertible preferred stock.

(g) Income Taxes

The Company uses the assets and liability method of accounting for income taxes pursuant to FASB ASC 740 "Income Taxes". Under the asset and liability method of FASB ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

(h) Recently Issued Accounting Pronouncements

Management does not believe that any other recently issued, but not yet effective, accounting standard if currently adopted would have a material effect on the accompanying financial statements.

Note 3. Common Stock

On December 17, 2013 the Company authorized issuance of 44,000,000 restricted common shares at $0.005 each for debt settlement.

On December 17, 2013 the Company authorized issuance of 33,000,000 restricted preferred shares for executive compensation.

Note 4. Intangible Assets

Intangible assets consist of patent and trademark costs. Patent costs are costs incurred to develop and file patent application. Trademark costs are costs incurred to develop and file trademark applications. If the patents or trademarks are approved, the costs are amortized using the straight-line method over the estimated lives of 7 years for patents, 5 years and 10 years for trademarks.

Through the issuance of 40,000,000 restricted common shares valued at $10,000, the Company acquired exclusive license rights to the Intangibles which consist of a website and the Ignition trademarks, and these are amortized over a period of 10 years. Through the issuance of 700,000 restricted common shares valued at $350,000 and $63,000 cash, the Company acquired the Intangibles of icelounge.com, Inc. which consist of a website, databases and proprietary software, and these are amortized over a period of 5 years. The Company recognizes amortization of the Intangibles on a monthly basis. Management assesses the carrying values of long-lived assets for impairment when circumstances warrant such a review. In performing this assessment, management considers current market analysis and appraisal of the technology, along with estimates of future cash flows. The Company has determined that as of December, 31 2013 icelounge.com and its intangible assets have no value and have been written off.

Note 5. Subsequent Events

The Company has evaluated subsequent events through December 31, 2013 and has determined that there were no additional subsequent events to recognize or disclose in these financial statements.