

# My Rewards International Limited

## Appendix 4D

### Half-year ended 31 December 2022

<b>Name of entity:</b>	My Rewards International Limited
<b>ABN:</b>	47 095 009 742
<b>Half-year ended:</b>	31 December 2022
<b>Comparative period:</b>	31 December 2021

#### Results for announcement to the market

				\$
Revenue for ordinary activities	Up	39.1%	to	13,253,733
Loss from ordinary activities after tax attributable to members	Down	(14.7)%	to	2,524,851
Net loss for the period attributable to members	Down	(14.7)%	to	2,524,851

#### Net tangible assets per security

	<b>31 December</b>	31 December
	<b>2022</b>	2021
	<b>Cents</b>	Cents
Net tangible asset backing (per share)	<b>(1.06)</b>	(3.24)

#### Explanation of results

An explanation of the key financial elements contributing to the revenue and result above can be found in the review of operations included within the directors' report.

#### Distributions

No dividends have been paid or declared by the group for the current financial period. No dividends were paid for the previous financial period.

#### Changes in controlled entities

There have been no changes in controlled entities during the half-year ended 31 December 2022.

#### Other information required by Listing Rule 4.2A

a. Details of individual and total dividends or distributions and dividend or distribution payments:	N/A
b. Details of any dividend or distribution reinvestment plans:	N/A
c. Details of associates and joint venture entities:	N/A
d. Other information	N/A

For personal use only

For personal use only



My Rewards International Limited  
ABN 47 095 009 742

Interim financial report for the  
half-year 31 December 2022

**myrewards**

Tuesday, 28 February 2023

## My Rewards International Limited

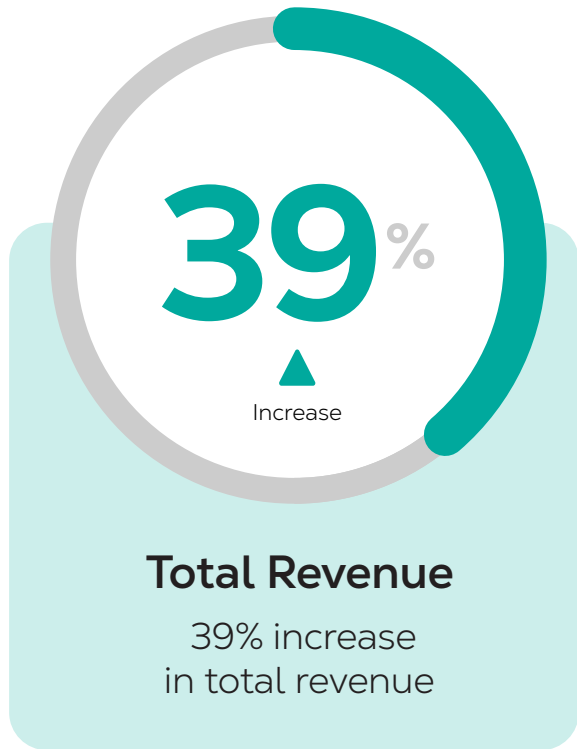
ABN 47 095 009 742

### *Interim financial report - 31 December 2022*

#### **Contents**

	Page
Review of operations and activities	2
Directors' report	12
Interim financial report	
Consolidated statement of comprehensive income	15
Consolidated balance sheet	16
Consolidated statement of changes in equity	17
Consolidated statement of cash flows	18
Notes to the consolidated financial statements	19
Directors' declaration	20
Independent auditor's report to the members	27

For personal use only



Dear shareholder,

I'm pleased to report the key operational activities and successes for the six months ending December 2022.

As the Company focuses on its pathway to profitability, we are pleased to report a year on year revenue increase of 39% and a 15% reduction in operating loss.

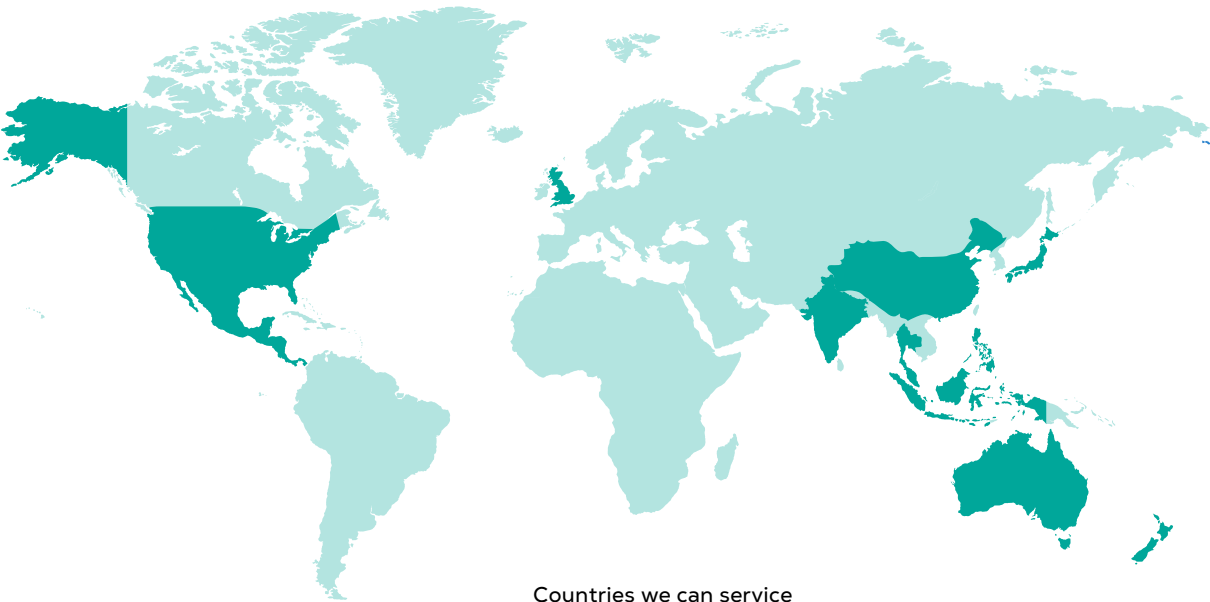
**Revenue**

The Company reported an overall growth in its revenues of 39% growing from \$9.5m for the 6 months ending Dec 2021 to \$13.2m in Dec 2022. This included growth of higher margin membership subscription revenues of 55% and a 38% increase in product sales.

This has resulted in a steady increase in gross margin from 1% in Dec 2021 to 3% in Dec 2022

**Overhead reduction**

The strategic initiatives to reduce overheads has resulted in a 34% decrease in employee expenses, the main reason for the 15% decrease in operating loss for the half from \$3.0m to \$2.5m



Countries we can service

**Acknowledgement of Country**

In the spirit of reconciliation My Rewards acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

For personal use only

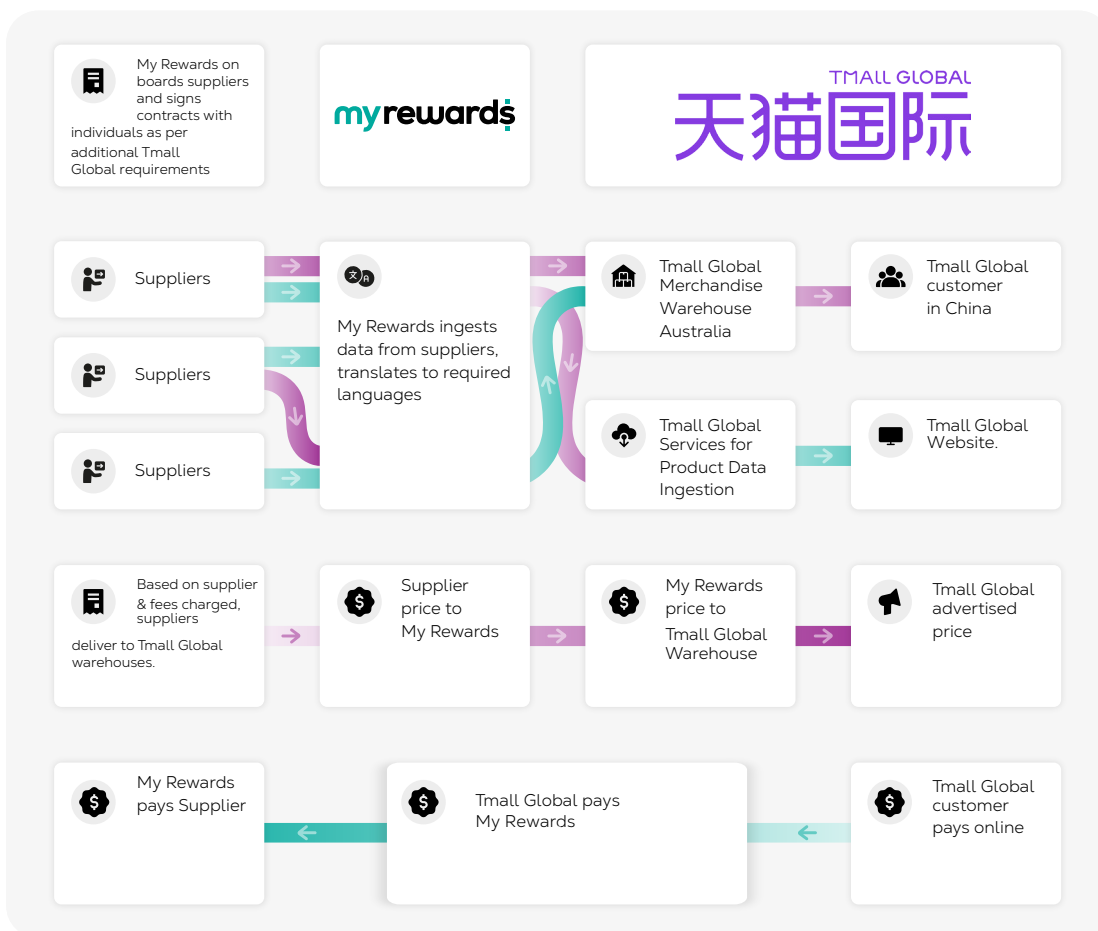
## DELIVERING ON THE COMPANY STRATEGY

### Tmall Global & MRI – Connecting Australian brands with Chinese consumers:

Launched in 2014, Tmall Global is China’s largest cross-border B2C online marketplace, and allows brands and retailers without operations in China to build virtual storefronts and ship products into China from their home countries.

My Rewards signed a partnership with Tmall Global in November 2022 allowing Australian brands easy access to the Chinese growing middle class market and their increasing demand for high-quality imported products. Tmall Global and MRI provide the international logistics and supply chain management, translation services and regulatory compliance, ensuring that the supply of products to the world’s largest Chinese ecommerce business is just as straightforward as these Australian suppliers delivering to Beijing as it would be delivering to Bankstown or Bundoora in Australia.

Having finalised the integration with Tmall Global, My Rewards has now started onboarding Australian brands in a streamlined, cost-effective, and efficient way allowing access to a massive audience of Chinese consumers.



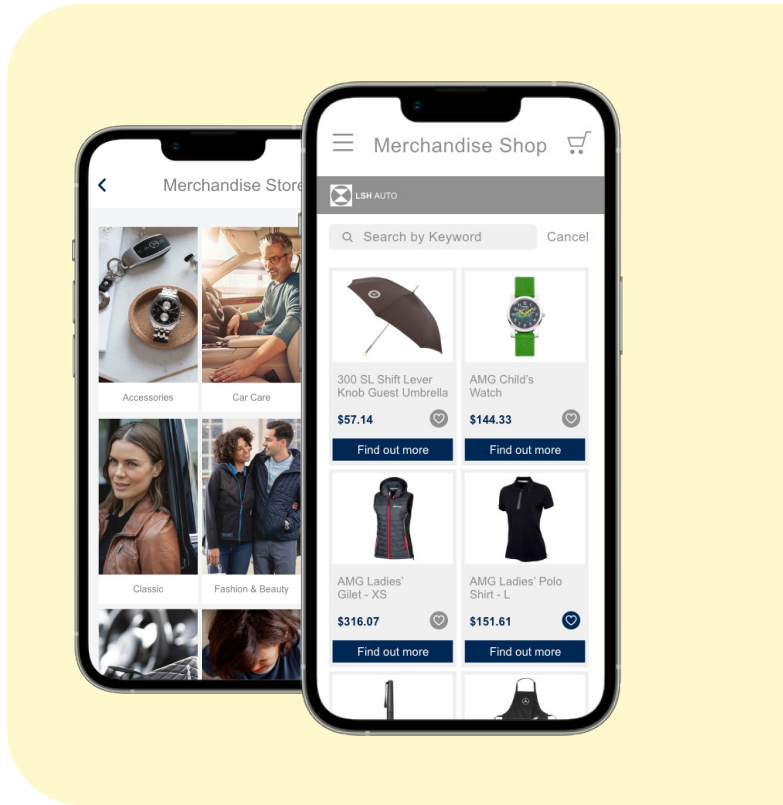
For personal use only

For personal use only

**Iridium Club:**

My Rewards continues to build on its technology platform that provides comprehensive solutions for businesses to manage their customer lifecycle and car parc<sup>1</sup> to attract, engage, and retain customers. The Company is in its final stages to deliver a relationship management and paperless sales-fulfilment solution for LSH Auto Australia.

LSH Auto<sup>2</sup> is a part of the world’s largest Mercedes-Benz passenger vehicle dealer group . A dealer group with more than 120 premium automotive retail outlets across over 30 cities and more than 6,400 employees<sup>3</sup>



**Wyndham Destinations Asia Pacific:**

Within 12 months of launching the Lifestyle by Wyndham rewards program in Australia, the Company is pleased to announce the rollout of the program to the Philippines and Singapore to be followed by Thailand, Indonesia, China, and Japan.

Lifestyle by Windham is an exclusive program that provides its members with benefits on accommodation packages and discounts on everyday expenses.



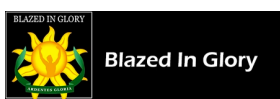
1 Number of vehicles on the road.  
 2 <https://www.lshauto.com/en/>  
 3 As at December 2021

## Blazed in Glory Memorabilia (BIG):

My Rewards' exclusive agency agreement with BIG comprises of "The Americas Range" collection of signed, authenticated products from multiple globally recognised sports superstars including Pele, Maradona, Kobe Bryant, Michael Jordan, Ronaldo, Muhammad Ali, and others.

My Rewards earns a 15% commission on any sales from the Americas range.

Continuing to grow the Company's technology capabilities, My Rewards is currently working with BIG to monetise its A\$55m in physical assets through a digital marketplace environment.



## FINANCING

### LDA Capital \$15 million equity funding facility to fast-track growth and acquisitions

The Company announced on 27 February 2023 that it has secured an agreement with LDA Capital LLC (LDA Capital) to provide a committed \$15 million equity funding facility that can be drawn upon at the Company's election over the next 36 months.

The Put Option Agreement (Agreement) enables the Company to issue shares to LDA Capital over the next three years at the Company's discretion at floor price to be determined by My Rewards and receive funds for those issue of shares.

### Key agreement terms

- 36 Months Term
- Put options to require LDA capital to subscribe for up to \$15 million of MRI shares at the Company's election.
- The issue price of the shares pursuant to a put option will be 90% of the higher of:



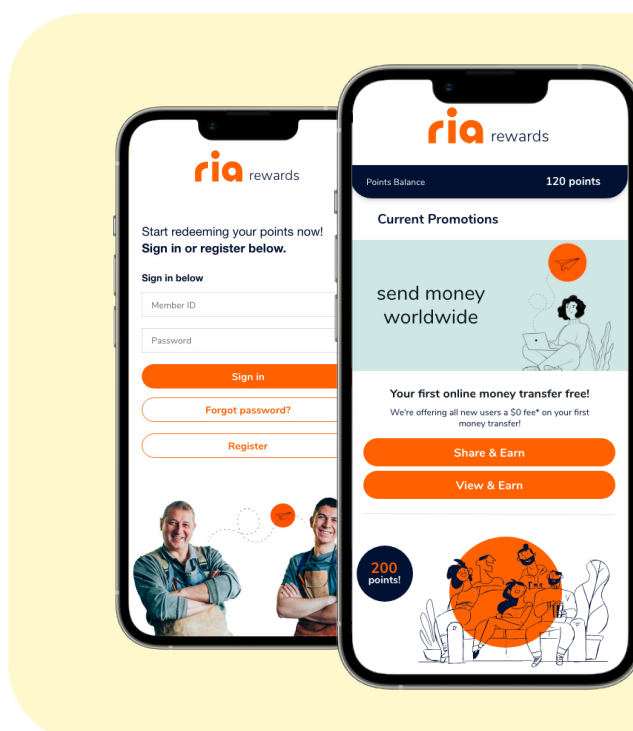
# REVIEW OF OPERATIONS – H1 FY2023

- The average Volume Weighted Average Price (VWAP) of the company shares in the 30-trading days. After the issue of call option by the company (subject to any applicable adjustments); and
- The minimum price notified to LDA Capital by the company upon the issue of the call notice.
- During the term of the agreement, LDA Capital may not hold more than 19.9% of the issued share capital of the Company.
- any placement to LDA Capital is expected to be made under the Company's listing rule 7.1 capacity.
- Fees: The fees payable to LDA Capital are
  - Commitment fee of \$300,000 in cash within 24 months of the signing of the agreement
  - 13,899,341 options at 3.51 cents

The Company is excited to collaborate with LDA Capital and believes that this partnership will help to expedite its growth plans and acquisitions. For details refer to ASX announcement dated 27th February 2023.

## LOOKING AHEAD

- The company is pleased to announce that it has entered into a Letter of Intent to acquire a Melbourne based digital agency to complement the My Rewards' offerings of a comprehensive solution to attract, engage, and retain customers. The acquisition (subject to due diligence) will add ~\$1 million EBITDA to My Rewards.
- The Company in advance stage discussions with an Indonesian based financial services provider to provide their consumer app to facilitate ecommerce sales” .
- The company is working with financial services providers and partners to grow it's fintech capabilities.
- Ria Rewards for Malaysia is in final stages of testing and expecting a rollout of the Ria Rewards loyalty program in Q2 2023.
- Strong sales pipeline with locked in blue chip client launches before June 2023.





For personal use only

## MY REWARDS PROGRAMS

My Rewards provides enterprise solutions to businesses globally focusing on attracting, engaging, and retaining customers and employees.

## OUR SOLUTIONS

Solution	Description
<b>Employee benefits &amp; rewards</b>	<p>Customised web and app-based programs to deliver employee benefits, rewards, and recognition.</p> <p><b>Benefits:</b> Access to 1000's of offers to help employees save on everyday expenses.</p> <p><b>Rewards:</b> Peer to Peer or Manager led rewards to celebrate employee success, years of service, or simply to say thank you.</p> <p><b>Recognition:</b> peer to peer digital appreciation to celebrate co-workers</p>
	
	<p><b>Business Model:</b></p> <p>Monthly membership subscription paid by the business to provide access to their employees <span style="float: right;">▲ Higher margin</span></p> <hr/> <p>Ongoing transactional revenue from sales facilitated on the platform <span style="float: right;">▼ Lower margin</span></p>
<b>Member Benefits</b>	<p>Customised web and app-based programs to deliver member discounts and rewards.</p> <p><b>These programs are typically used by:</b></p> <ul style="list-style-type: none"> <li>• Associations</li> <li>• Trades and Professional Services</li> <li>• Membership / Community Groups</li> </ul>
	
	<p><b>Business Model:</b></p> <p>Monthly membership subscription paid by the business to provide access to their customers <span style="float: right;">▲ Higher margin</span></p>

For personal use only

For personal use only

Ongoing transactional revenue from sales facilitated on the platform

  
Lower margin

## Loyalty

Customised web and app-based programs to provided tiered loyalty programs or points-based loyalty program.



### Business Model:

Monthly membership subscription paid by the business to provide access to their customers

  
Higher margin

Ongoing transactional revenue from points redemption facilitated on the platform

  
Lower margin

## Software as a service

Customised workflows for CMS, CRM, eCommerce and Procurement management



### Business Model:

Monthly membership subscription paid by the business

  
Higher margin

## MY REWARDS TECHNOLOGY PLATFORM CAPABILITIES

### CMS (Content Management System)

The My Rewards' CMS provides businesses the ability to have websites and native mobile apps designed and customised to their brand. This includes the ability to have their own content, product and offer catalogues and workflows.

### CRM (Customer relationship management)

My Rewards provides marketing automation and design services for marketing via email, SMS, and app notifications. The Company designs and facilitates surveys, feedbacks and product reviews for our clients and suppliers as well as facilitating lotteries and competitions.

### eCommerce

Apart from performing all the standard functions of an eCommerce platform such as inventory management, My Rewards also provides its clients customised catalogues of brands and offers and provides targeted advertising opportunities to suppliers.

### eWallet

The My Rewards eWallet facilitates QR code-based transactions between suppliers and customers in the My Rewards eco-system. The eWallet hosts digital gift cards and integrates with Visa, Mastercard, Amex and PayPal to facilitate payments. The eWallet also facilitates payments with points (earned via my rewards programs) as well as points +pay to maximise benefits to our members.

### Loyalty

Our loyalty programs offer our clients flexibility with their points and tier allocations. Providing the ability to share, pool or donate points, My Rewards can facilitate true community-based rewards programs.

*“What sets us apart from other providers is our ability to provide a full service. We undertake research, design the program, develop UX, create content and deliver customised solution for our clients.”*

For personal use only

## ABOUT MY REWARDS INTERNATIONAL LIMITED (ASX: MRI)

My Rewards is a growing global provider of subscription-based Customer Engagement Technologies that includes loyalty and rewards programs for businesses and consumers. My Rewards' core technology solutions include Content Management Systems, Relationship Management & Marketing Automation System, and eCommerce solutions custom designed to attract, retain and engage customers and employees. Since its incorporation in 2000, My Rewards has steadily grown to connect over 5.8 million members with more than 4,500 global, national, and local suppliers.

My Rewards provides more than 200 corporates with Employee Engagement and Customer Loyalty Programs to help them retain, engage, and attract employees or customers. My Rewards' clients include some of the biggest household brands in retail, financial services, and telecommunications, including Telstra, Ramsay Health, MLC, and AIG.

## ABOUT BLAZED IN GLORY (BIG)

Blazed in Glory (Australia) was founded in 1992 and is Australia's leading authentic sports memorabilia company. Blazed in Glory has provided tens of thousands of Australian and international customers with authentic and high-quality signed sporting memorabilia supported by a 100% Money back authenticity guarantee.

## ABOUT LDA CAPITAL

LDA Capital is a global alternative investment group with expertise in complex cross border transactions worldwide and have collectively executed over 200 transactions both in the public and private markets across 43 countries with aggregate transaction values of over US\$10 billion. For more information on LDA Capital please visit [www.ldacap.com](http://www.ldacap.com)

For personal use only

Your directors present their report on My Rewards International Limited (referred to hereafter as the 'group') for the half-year ended 31 December 2022.

### Directors

The following persons held office as directors of My Rewards International Limited during the financial period and up to the date of this report:

Mr David Vinson  
Ms Maitreyee Khire  
Mr Daniel Goldman

### Principal activities

The principal activities of the group during the half-year were providing membership services and loyalty programs for corporate and retail clients.

### Review of operations and activities

Information on the financials and operations of the group and its business strategies and prospects is set out in the review of operations and activities on pages 2 to 11 of this interim financial report.

### Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the group during the period.

### Events since the end of the financial year

As announced on 27 February 2023, the group has entered into an equity funding agreement with LDA Capital Limited for up to \$15 million in ordinary share placements over a 36 month period, to support the group's growth plans for the medium term. In addition, the group has received a refund of \$479,728 from the Australian Taxation Office under the Research & Development Tax Incentive for the financial year 2022.

No other matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the group, the results of those operations or the state of affairs of the group or economic entity in subsequent financial periods.

### 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 on page 14.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)a of the *Corporations Act 2001*.

### Rounding of amounts

The group is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest dollar in accordance with the instrument.

This report is made in accordance with a resolution of directors.



Mr David Vinson  
Chairman and Executive Director



Ms Maitreyee Khire  
Managing Director

Melbourne  
28 February 2023

For personal use only

**RSM Australia Partners**

Level 21, 55 Collins Street Melbourne VIC 3000  
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000  
F +61 (0) 3 9286 8199

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

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of My Rewards International Limited and its controlled entities for the half year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



**RSM AUSTRALIA PARTNERS**



**R B MIANO**  
Partner

Dated: 28 February 2023  
Melbourne, Victoria

For personal use only



**My Rewards International Limited**  
**Consolidated statement of comprehensive income**  
**For the half-year ended 31 December 2022**

	Notes	31 December 2022 \$	31 December 2021 \$
Revenue from contracts with customers	2	13,253,733	9,524,818
Other income		33,306	63,912
Cost of sales		(12,848,241)	(9,531,100)
Employee benefits expense	3(a)	(825,694)	(1,243,811)
Share-based payments		15,651	-
Depreciation and amortisation expense	3(a)	(166,375)	(133,571)
Advertising and marketing expense		(514,027)	(565,569)
Legal, professional and consultancy	3(a)	(712,744)	(417,613)
Other expense		(658,413)	(499,723)
Finance cost	3(a)	(102,047)	(156,786)
<b>Loss before income tax</b>		<b>(2,524,851)</b>	<b>(2,959,443)</b>
Income tax expense		-	-
<b>Loss for the period</b>		<b>(2,524,851)</b>	<b>(2,959,443)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss:</i>			
Other comprehensive income for the period, net of tax		-	-
<b>Total comprehensive loss for the period</b>		<b>(2,524,851)</b>	<b>(2,959,443)</b>
		<b>Cents</b>	<b>Cents</b>
<b>Loss per share for loss attributable to the ordinary equity holders of the group:</b>			
Basic loss per share		(1.20)	(2.35)
Diluted loss per share		(1.20)	(2.35)

*The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.*

**My Rewards International Limited**  
**Consolidated balance sheet**  
**As at 31 December 2022**

	Notes	31 December 2022 \$	30 June 2022 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		290,804	349,046
Trade and other receivables		294,039	279,895
Inventories		29,068	33,327
Other current assets		861,694	998,897
<b>Total current assets</b>		<b>1,475,605</b>	<b>1,661,165</b>
<b>Non-current assets</b>			
Property, plant and equipment		272,247	194,059
Intangible assets	4	1,737,055	1,656,998
<b>Total non-current assets</b>		<b>2,009,302</b>	<b>1,851,057</b>
<b>Total assets</b>		<b>3,484,907</b>	<b>3,512,222</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		1,652,125	1,685,861
Lease liabilities		123,087	103,029
Borrowings		947,874	183,006
Employee benefit obligations		339,120	390,771
Deferred revenue		836,353	829,352
<b>Total current liabilities</b>		<b>3,898,559</b>	<b>3,192,019</b>
<b>Non-current liabilities</b>			
Borrowings		73,091	53,222
Lease Liabilities		154,537	96,015
Employee benefit obligations		77,940	77,028
<b>Total non-current liabilities</b>		<b>305,568</b>	<b>226,265</b>
<b>Total liabilities</b>		<b>4,204,127</b>	<b>3,418,284</b>
<b>Net (liabilities)/assets</b>		<b>(719,220)</b>	<b>93,938</b>
<b>EQUITY</b>			
Share capital		17,165,396	15,438,052
Other reserves	5	407,056	422,707
Accumulated losses		(18,291,672)	(15,766,821)
<b>Total equity</b>		<b>(719,220)</b>	<b>93,938</b>

*The above consolidated balance sheet should be read in conjunction with the accompanying notes.*

**My Rewards International Limited**  
**Consolidated statement of changes in equity**  
**For the half-year ended 31**

Notes	Attributable to owners of My Rewards International Limited			Total equity \$
	Share capital \$	Other reserves \$	Accumulated losses \$	
<b>Balance at 1 July 2021</b>	5,544,005	37,520	(9,623,565)	(4,042,040)
Loss for the period	-	-	(2,959,443)	(2,959,443)
<b>Total comprehensive loss for the period</b>	-	-	<b>(2,959,443)</b>	<b>(2,959,443)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Contributions of equity	2,818,880	-	-	2,818,880
Share issue expenses	(276,772)	-	-	(276,772)
Equity component from convertible notes	-	(12,459)	-	(12,459)
Share-based payments expense	-	405,547	-	405,547
	2,542,108	393,088	-	2,935,196
<b>Balance at 31 December 2021</b>	<b>8,086,113</b>	<b>430,608</b>	<b>(12,583,008)</b>	<b>(4,066,287)</b>
<b>Balance at 1 July 2022</b>	15,438,052	422,707	(15,766,821)	93,938
Loss for the period	-	-	(2,524,851)	(2,524,851)
<b>Total comprehensive loss for the period</b>	-	-	<b>(2,524,851)</b>	<b>(2,524,851)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Contributions of equity	5(a) 2,005,546	-	-	2,005,546
Share issue expenses	5(a) (278,202)	-	-	(278,202)
Share-based payments expense	5(b) -	(15,651)	-	(15,651)
	1,727,344	(15,651)	-	1,711,693
<b>Balance at 31 December 2022</b>	<b>17,165,396</b>	<b>407,056</b>	<b>(18,291,672)</b>	<b>(719,220)</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

For personal use only

**My Rewards International Limited**  
**Consolidated statement of cash flows**  
**For the half-year ended 31**

	<b>31 December</b>	<b>31 December</b>
	<b>2022</b>	<b>2021</b>
Notes	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST)	<b>13,246,590</b>	9,499,890
Payments to suppliers and employees (inclusive of GST)	<b>(14,599,772)</b>	(11,425,126)
Interest and other revenue received	<b>33,306</b>	63,912
Interest and other finance costs paid	<b>(102,047)</b>	(109,301)
<b>Net cash outflow from operating activities</b>	<b><u>(1,421,923)</u></b>	<b><u>(1,970,625)</u></b>
<b>Cash flows from investing activities</b>		
Payments for investments	-	(100,000)
Payments for plant & equipment	-	(145,282)
Payments for intangible assets	<b>(188,643)</b>	-
<b>Net cash outflow from investing activities</b>	<b><u>(188,643)</u></b>	<b><u>(245,282)</u></b>
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares and other equity securities	<b>1,120,075</b>	2,818,880
Proceeds from borrowings	<b>765,780</b>	47,286
Share issue transaction costs	<b>(278,202)</b>	(162,029)
Repayment of borrowings	-	(639,152)
Repayment of lease liabilities	<b>(55,329)</b>	(39,372)
<b>Net cash inflow from financing activities</b>	<b><u>1,552,324</u></b>	<b><u>2,025,613</u></b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(58,242)</b>	(190,294)
Cash and cash equivalents at the beginning of the financial year	<b>349,046</b>	304,358
<b>Cash and cash equivalents at end of the period</b>	<b><u>290,804</u></b>	<b><u>114,064</u></b>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

## 1 Segment information

Management has determined, based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions, that the group has one reportable segment being providing membership services and loyalty programs for corporate and retail clients. The segment details are therefore fully reflected in the body of the financial report.

## 2 Revenue from contract with customers

The group derives the following types of revenue:

	<b>31 December 2022</b>	31 December 2021
	\$	\$
Revenue from loyalty programs	<b>13,253,733</b>	9,524,818
<b>Total revenue from contracts with customers</b>	<b>13,253,733</b>	<b>9,524,818</b>

### (a) Disaggregation of revenue from contracts with customers

The group derives revenue from contracts with customers and at a point in time in the following major product lines:

	<b>31 December 2022</b>	31 December 2021
	\$	\$
Item sales	<b>12,931,653</b>	9,316,085
Membership fees	<b>322,080</b>	208,733
<b>Total major product lines</b>	<b>13,253,733</b>	<b>9,524,818</b>
Goods transferred at a point in time	<b>12,931,653</b>	9,316,085
Services transferred over time	<b>322,080</b>	208,733
<b>Total timing of revenue recognition</b>	<b>13,253,733</b>	<b>9,524,818</b>

Revenue from contract with customers are all from Australia.

Revenue from the item sales is recognized at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

### 3 Other expense items

#### (a) Expenses

	<b>31 December 2022</b>	31 December 2021
	\$	\$
<b>Employee benefits expense</b>		
Wages and Salaries	683,434	681,122
Directors Fees	20,455	27,923
Superannuation and other payroll related costs	111,938	392,164
Leave obligations	9,867	142,602
	<b>825,694</b>	<b>1,243,811</b>
<b>Depreciation and amortisation expense</b>		
Amortisation	108,586	83,013
Depreciation	57,789	50,558
	<b>166,375</b>	<b>133,571</b>
<b>Legal, professional and consultancy</b>		
Accounting and audit	72,812	102,229
Consulting fees	596,791	135,503
Legal fees	43,141	179,881
	<b>712,744</b>	<b>417,613</b>
<b>Finance costs</b>		
Interest and finance charges paid/payable on borrowings	94,266	149,294
Interest on leases	7,781	7,492
	<b>102,047</b>	<b>156,786</b>

For personal use only

4 Intangible assets

	Goodwill \$	Patent and trademarks \$	Software \$	Total \$
<b>Half-year ended 31 December 2022</b>				
Opening net book amount	1,173,184	-	483,814	1,656,998
Additions	-	-	188,643	188,643
Amortisation charge	-	-	(108,586)	(108,586)
<b>Closing net book amount</b>	<b>1,173,184</b>	<b>-</b>	<b>563,871</b>	<b>1,737,055</b>

(i) Impairment testing

Goodwill acquired through business combinations have been allocated to the following cash-generating units:

	Consolidated	
	31 December 2022	30 June 2022
Branded rewards program	<u>1,173,184</u>	1,173,184

The directors have considered the impact that the acquisition of Perx Rewards Pty Limited ("Perx") has had on the recoverability of goodwill. Goodwill acquired through the business combination of Perx has been allocated to one cash generating unit ("CGU").

Directors have considered and assessed possible changes to the key assumptions and have not identified any instance that could cause the carrying amount of the CGU to exceed its recoverable amount.

## 5 Equity

### (a) Share capital

	Notes	31 December 2022 Shares	30 June 2022 Shares	31 December 2022 \$	30 June 2022 \$
Ordinary shares Fully paid		<b>231,655,686</b>	194,019,716	<b>17,165,396</b>	15,438,052

#### (i) Movements in ordinary shares:

Details	Number of shares	Total \$
<b>Balance at 1 July 2022</b>	<b>194,019,716</b>	<b>15,438,052</b>
Adjustment of number of shares-	4	-
Issue of Shares in lieu of payment for services at \$0.10 (27/07/2022)	1,580,181	158,018
Issue of Shares in lieu of payment for services at \$0.07 (05/08/2022)	1,977,182	138,403
Issue of Shares in lieu of payment for services at \$0.06 (05/09/2022)	3,034,483	176,000
Issue of Shares at \$0.05 (05/09/2022)	11,000,000	550,000
Issue of Shares in lieu of payment for services at \$0.05 (14/10/2022)	1,872,116	97,350
Issue of Shares in lieu of payment for services at \$0.05 (01/11/2022)	4,488,000	224,400
Issue of Shares entitlement offer at \$0.05 (17/11/2022)	11,401,504	570,075
Issue of Shares in lieu of payment for services at \$0.04 (20/12/2022)	2,282,500	91,300
Less: Transaction costs arising on share issues	-	(278,202)
<b>Balance 31 December 2022</b>	<b>231,655,686</b>	<b>17,165,396</b>

Ordinary shares entitled the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.



## 5 Equity (continued)

### (b) Other reserves

Notes	Share-based payments \$	Total other reserves \$
<b>At 1 July 2022</b>	<b>422,707</b>	<b>422,707</b>
Transactions with owners in their capacity as owners		
Share-based payments expense	(15,651)	(15,651)
<b>At 31 December 2022</b>	<b>407,056</b>	<b>407,056</b>

#### (i) Nature and purpose of other reserves

##### Share-based payments

The share-based payment reserve records items recognised as expenses on valuation of share options and warrants issued to key management personnel, other employees and eligible contractors.

## 6 Events occurring after the reporting period

As announced on 27 February 2023, the group has entered into an equity funding agreement with LDA Capital Limited for up to \$15 million in ordinary share placements over a 36 month period, to support the group's growth plans for the medium term. In addition, the group has received a refund of \$479,728 from the Australian Taxation Office under the Research & Development Tax Incentive for the financial year 2022.

No other matters or circumstances has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the group, the results of those operations or the state of affairs of the group or economic entity in subsequent financial periods.

## 7 Loss per share

### a. Reconciliations of earnings used in calculating loss per share

	31 December 2022 \$	31 December 2021 \$
<i>Basic and diluted loss per share</i>		
Loss attributable to the ordinary equity holders of the group used in calculating loss per share:		
From continuing operations	<b>(2,524,851)</b>	<b>(2,959,443)</b>

### b. Weighted average number of shares used as the denominator

	2022 Number	2021 Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	<b>211,202,462</b>	126,064,658

## 8 Summary of 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 Group 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.

### General information

The financial statements cover My Rewards International Limited as a consolidated entity consisting of My Rewards International 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 My Rewards International Limited's functional and presentation currency.

My Rewards International Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is: Suite G02, 181-185 St Kilda Road St Kilda, Victoria 3182.

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 the Directors, on 28 February 2023. The Directors have the power to amend and reissue the financial statements.

### (a) New accounting standards and interpretations

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.

## 8 Summary of significant accounting policies (continued)

### (b) Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss after income tax of \$2,524,851, had net current liabilities of \$2,422,954, a net liability position of \$719,220 and had net cash outflows from operating activities of \$1,421,923 respectively for the half-year ended 31 December 2022.

These factors indicate a material uncertainty which may cast significant doubt as to whether the group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The directors have considered the group's cash forecast for a period exceeding 12 months from the approval date of these financial statements and concluded that the Company will be able to continue as a going concern and will have sufficient cash resources to meet its working capital requirements as and when they fall due. The directors' assessment has considered the following factors:

- The group has an unused finance facility of \$2,896,000 (2021: \$nil) at its disposal;
- As announced on 27 February 2023, the group has entered into an equity funding agreement with LDA Capital Limited for up to \$15 million, as set out at the subsequent event note 6;
- The group has demonstrated the ability to raise further capital, if required, pursuant to ASX Listing Rule 7.1 and 7.1A;
- Management have instigated a review of operating costs that forecast cash outflows to be significantly lower in the next 12 months; and
- Management are able to decrease discretionary spending on technology and other growth assets without affecting the operations of the group.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the group does not continue as a going concern.

In the directors' opinion:

- (a) the financial statements and notes set out on pages 15 to 25 are in accordance with the *Corporations Act 2001*, including:
- (i) complying with AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date, and
- (b) there are reasonable grounds to believe that the group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.



Mr David Vinson  
Chairman and Executive Director



Ms Maitreyee Khire  
Managing Director

Melbourne  
28 February 2023

For personal use only

**RSM Australia Partners**

Level 21, 55 Collins Street Melbourne VIC 3000  
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000  
F +61 (0) 3 9286 8199

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

**INDEPENDENT AUDITOR'S REVIEW REPORT**  
**To The Members of My Rewards International Limited**

*Conclusion*

We have reviewed the accompanying half-year financial report of My Rewards International Limited (Company) and its Controlled Entities (Group) which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated 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 director's 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 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 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 *Corporations Regulations 2001*.

*Basis for 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 Company 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.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of My Rewards International Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

*Material Uncertainty related to Going Concern*

We draw attention to Note 8 in the half-year financial report, which indicates the Group incurred a loss of \$2,524,851 and had net cash outflows from operating activities of \$1,421,923 for the half-year ended 31 December 2022. As at that date the Group had net current liabilities of \$2,422,954 and net liabilities of \$719,220. As stated in Note 8, these conditions, along with other matters as set forth in Note 8, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

### *Responsibility of the Directors' for the Financial Report*

The directors of My Rewards International Limited 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 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. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report 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: giving a true and fair view of the Group'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.

A handwritten signature in blue ink, appearing to read "RSM".

**RSM AUSTRALIA PARTNERS**

A handwritten signature in blue ink, appearing to read "R B Miano".

**R B MIANO**  
Partner

Melbourne, Victoria  
Dated: 28 February 2023