



My Rewards International Limited

# Annual Report

for the year ended 30th June 2022

ABN 47 095 009 742

**myrewards**

# My Rewards International Limited

## Appendix 4E

### Period ended 30 June 2022

Name of entity:  
ABN:  
Period ended:  
Previous period:

My Rewards International Limited  
47 095 009 742  
30 June 2022  
30 June 2021

#### Results for announcement to the market

					\$
Revenue from ordinary activities	Up	8.5%	to	15,936,168	
Loss from ordinary activities after tax attributable to members	Up	83.8%	to	(6,143,255)	
Net loss for the period attributable to members	Up	83.8%	to	(6,143,255)	

#### 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.

#### Explanation of results

Please refer to the review of operations and activities on page 3 for explanation of the results.

Additional information supporting the Appendix 4E disclosure requirements can be found in the review of operations and activities, directors' report and the financial statements for the period ended 30 June 2022.

#### Net tangible assets per security

	2022 Cents	2021 Cents
Net tangible asset backing (per security)	0.20	3.92

#### Changes in controlled entities

In February 2022, My Rewards International Limited acquired 100% of the issued shares in Perx Rewards Pty Ltd. For more information, please refer to note 12.

There have been no changes in controlled entities during the period ended 30 June 2022.

#### Other information required by Listing Rule 4.3A

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

#### Audit

The financial statements have been audited by the group's independent auditor and contain an unqualified audit opinion with a paragraph addressing the material uncertainty related to going concern.

## 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.

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# CORPORATE DIRECTORY

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**Directors****Mr David Vinson**

Chairman and Executive Director

**Ms Maitreyee Khire**

Managing Director

**Mr Daniel Goldman**

Non-Executive Director

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**Company Secretary****Mr Phillip Hains**

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**Principal registered office in Australia**

Suite 1 Level 3, 62 Lygon Street  
Carlton South VIC 3053

Telephone: +61 (0)3 9824 5254

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**Share register****Boardroom Pty Ltd**

Level 12, 225 George Street  
Sydney NSW 2000

Telephone +61 (0) 2 9290 9600

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**Auditor****RSM Australia Partners**

F21/55 Collins Street  
Melbourne VIC 3000

Telephone: +61 (0)3 9286 8000

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**Solicitors****Steinepreis Paganin**

Level 4, 50 Market Street  
Melbourne VIC 3000

Telephone: +61 (0)3 9111 9400

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**Stock exchange listings**

My Rewards International Limited shares are listed on  
the Australian Securities Exchange (ASX: MRI)

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**Website**

[www.myrewardsinternational.com](http://www.myrewardsinternational.com)

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# LETTER FROM CHAIRMAN



On behalf of the Board of My Rewards International Limited (Company, My Rewards ), it is my pleasure to present our first annual report since listing on the ASX in February 2022.

This year has not been without challenges. The fragile state of the global financial markets, coupled with unprecedented global economic uncertainty, created challenges and opportunities for the Company.

Listing My Rewards International Limited, a technology-based loyalty and rewards provider, at a time when there was a negative market correction on technology stock valuations created a requirement to accelerate several strategies outlined in our prospectus to focus on revenue with increased margins as well as reviewing our cost base. The Board is confident that these initiatives will flow through to demonstrable results.

Securing over \$300,000 per annum of new membership contracts from a number of companies and in a range of sectors, are all examples of the positive performance of our team since February 2022. The current inflationary environment and low unemployment rate has created an opportunity for My Rewards to provide corporates with programs that assist in attracting and retaining employees or members, as well as giving program users and their families savings on everyday expenses. Our strong sales pipeline and expected new contracts confirms that there is a heightened level of interest in what the Company offers. In addition, our suppliers continue to have more sales channels to promote their goods and services.

As part of the ASX listing, My Rewards acquired Perx Rewards Pty Ltd (Perx), which added new corporate clients, over one and half million members, and additional revenue to the business. Some of Perx's clients include Australia Post, Diabetes Victoria and Australian Catholic University. Our operations and sales team has successfully managed the integration of the Perx business as well as offering additional opportunities to their existing clients.

The Board acknowledges the support and contribution of its staff and contractors leading up to, and post, the ASX listing. The global team, led by our Managing Director, Maitreyee Khire, has shown great resilience and agility over the years and continues to show enthusiasm to contribute to our expanding business. The My Rewards "family" team is cohesive and upholds a strong sense of diversity and inclusiveness—a vital component for any corporate.

## LETTER FROM CHAIRMAN – CONT'D

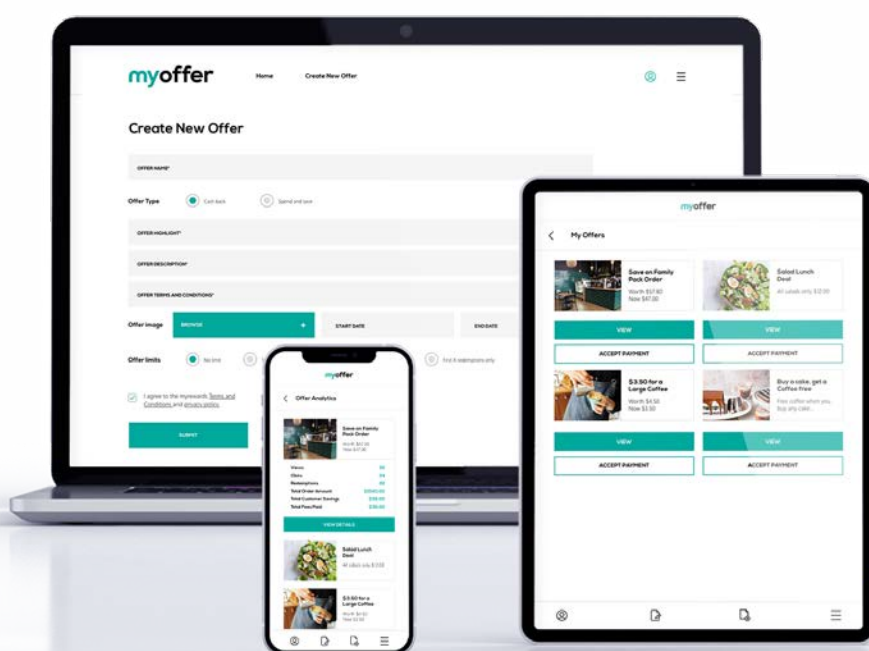
It is a privilege to work with clients and suppliers from large global brands to local manufacturers. We value the opportunity to provide our services to enhance the lives of employees, members, and customers.

We thank all shareholders for their support as we navigate the way forward to build the business and commensurate value.



David Vinson  
**Chairman and Executive Director**

We value the opportunity to provide our services to enhance the lives of employees, members and customers.



## MANAGING DIRECTOR'S REPORT – FY2022 HIGHLIGHTS

Total Transactional Value

\$32 Million+

Number of Members

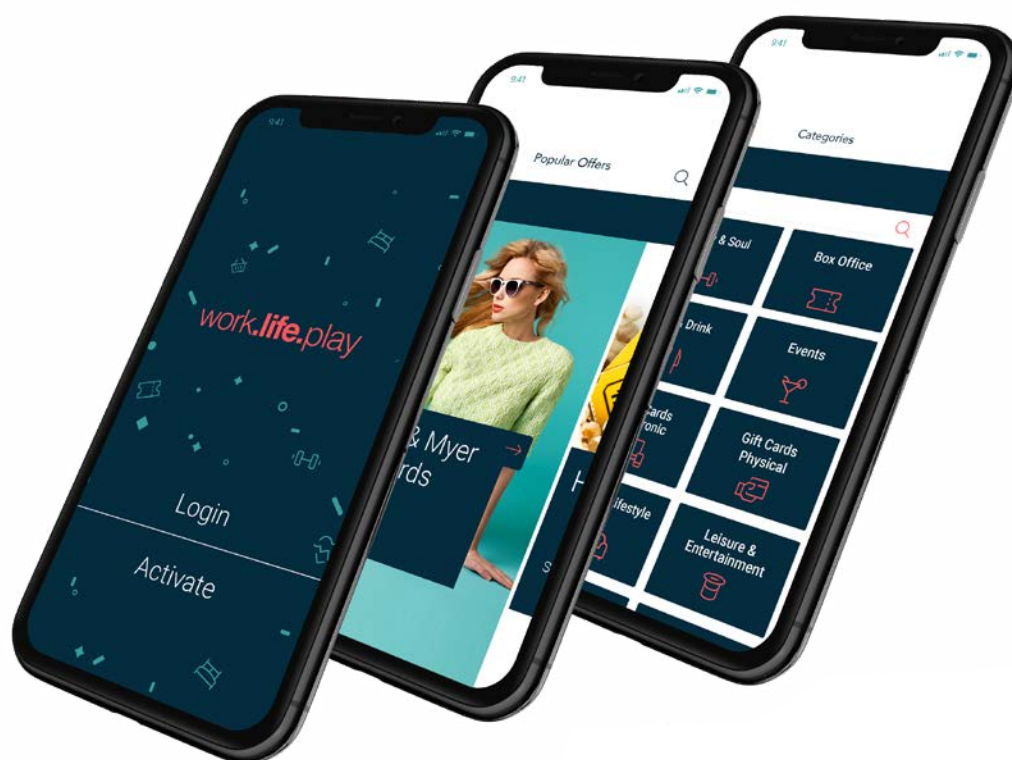
5.8Mil+

Number of Brands

4500+

Number of Clients

200+





# MANAGING DIRECTOR'S REPORT

Dear Shareholder,

I am pleased to report the key operational activities and successes for the year ended 30th June 2022.

There is no denying the challenges posed to many businesses and individuals from recovering from the pandemic as well as the economic impact from the Russia/Ukraine conflict and rising inflation. This has left many businesses and individuals in a tough situation.

At My Rewards, it has been our mission to allow everyone to live their life "their way".

The Company has focused on delivering a comprehensive solution for Corporates and Retailers to increase their customer and staff engagement and loyalty via our technology driven programs. Our continued efforts working with our corporate clients and supplier partners have benefitted our members by giving them access to great discounts that can help them save on everyday expenses such as groceries and fuel. As we move out of COVID-19 restrictions, many members have been able to experience discounted concerts, shows, and sporting events.



At My Rewards, it has been our mission to allow everyone to live their life "their way".

## About My Rewards

As a provider of customised loyalty and rewards programs for corporates and consumers, My Rewards provides some of the biggest household brands in retail, financial services, and telecommunications, including Australia Post, Telstra, Ramsay Health, MLC and AIG, with solutions for employees and customers.

Since its incorporation in 2000, My Rewards has steadily grown to connect over 5.8 million members with more than 4,500 global, national, regional and local suppliers. My Rewards provides more than 200 businesses with Employee Engagement and Customer Loyalty Programs to help them retain, engage, and attract employees or customers.

## The Market

The loyalty management market is growing year on year at a compound annual growth rate (CAGR) of 16.3%, with the size of the global market expected to be \$18.6 billion by 2026<sup>1</sup>. The employee benefits and engagement program management market is expected to grow to at a CAGR of 10.3%<sup>2</sup>.

The growth of these markets is attributed to the need to decrease customer and employee churn rates and the rising adoption of omni-channel loyalty strategies. In the current environment our programs help our clients to retain, reward, and engage their employees or customers.

## Our Core Solutions

### For Employees

#### Engagement, Rewards & Retention

- Benefits – Instant discounts and cashback from 4,500+ global, national, regional and local suppliers
- Rewards – Customised catalogues of merchandise to redeem via points or cash
- Recognition – Custom eCards and badges to acknowledge and appreciate employees or customers

### For Members

#### Loyalty & Rewards

Rewarding members of clubs or associations for their continued loyalty

- Thank you – Customised program to say thank you
- Rewards – Earn and Burn points via customised catalogue of gift cards and merchandise.
- Loyalty – Earn loyalty statuses based on years of affiliation or engagement

### For Customers

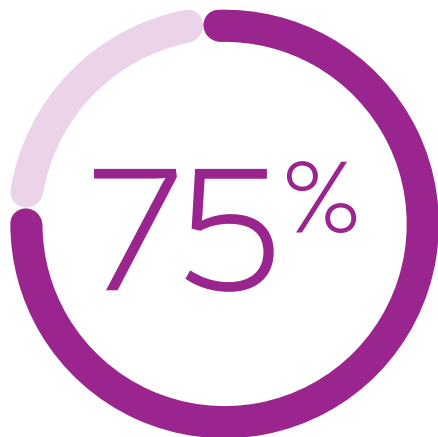
#### Loyalty & Retention

- RFM – (Recency, Frequency, Monetary) enhancement – custom designed programs for retailers, wholesalers and services providers to improve RFM scores
- Rewards – Points based and/or status based programs to drive loyalty and improve purchasing behaviors

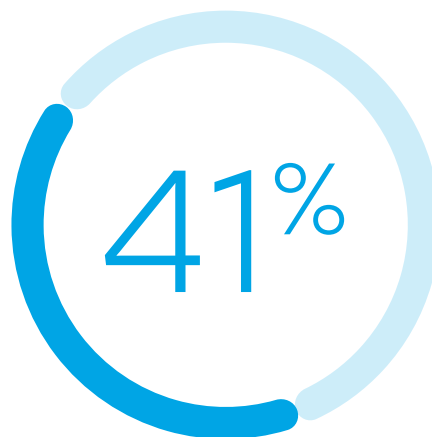
<sup>1</sup> <https://www.marketsandmarkets.com/Market-Reports/loyalty-management-market-172873907.html>

<sup>2</sup> <https://www.globenewswire.com/news-release/2021/11/03/2326528/0/en/2-466-12Mn-by-2028-Benefit-Management-Platform-Market-Size-Led-by-Cloud-Based-Deployment-10-3-CAGR-Impact-of-Coronavirus-Outbreak-and-Global-Analysis-Forecast-by-TheInsightPartners.html>

## MANAGING DIRECTOR'S REPORT – BENEFITS OF REWARDS PROGRAMS



of consumers say they favour companies that offer rewards.<sup>#</sup>



Highly engaged business units realise a 41% reduction in absenteeism and a 17% increase in productivity.<sup>##</sup>

<sup>#</sup> <https://www.smallbizgenius.net/by-the-numbers/customer-loyalty-statistics/#:%7E:text=Consumer%20Loyalty%20Statistics%20%2D%20Edi-tor%E2%80%99s%20Choice>

<sup>##</sup> <https://www.gallup.com/workplace/236366/right-culture-not-employee-satisfaction.aspx>

## Strategic Priorities

### Customer Experience and Loyalty

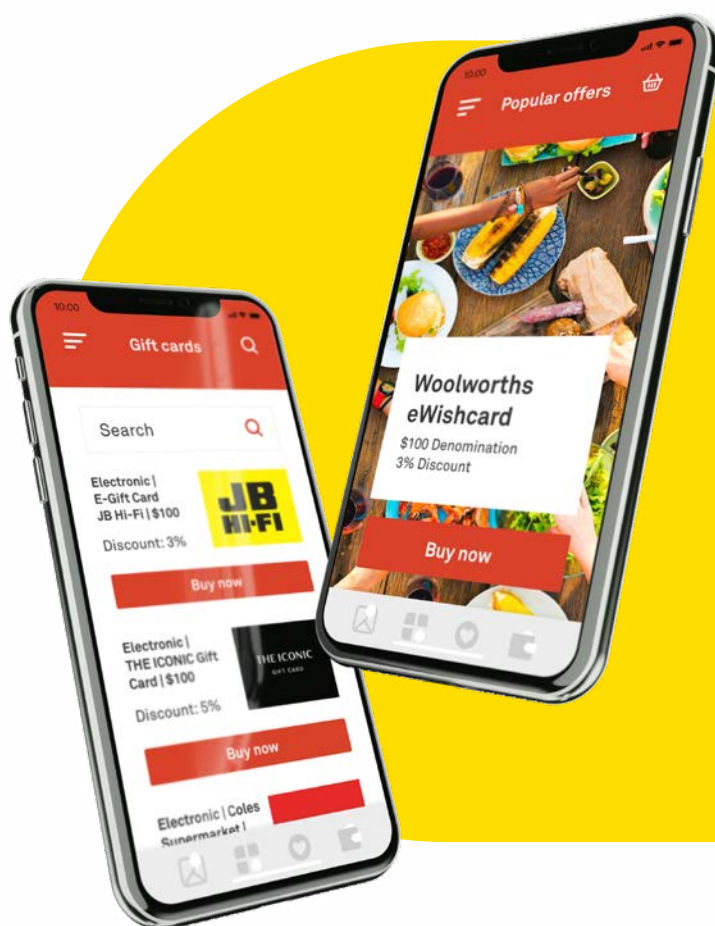
One of My Rewards' key strategic priorities is to leverage our proprietary platform, our supplier and partner relationships, and our knowledge to create better brand experiences for our clients and their employees or customers.

### Pathway to profitability

#### Growing high margin revenue

The Company has been focusing on growing higher margin revenues to improve gross profit margins, and in turn moving the Company to profitability.

Our various revenue streams have different levels of gross margins. The marketing strategies and operational support has been prioritised to focus on the key profit-making areas.



Revenue Source	Description	Margin
<b>Ongoing Membership Fees</b>	Fees paid by the Corporate to provide access to its employees, members or customers. These are either paid as per user per month OR management fee per month.	Higher
<b>Advertising Fees</b>	Fees paid by retailers to My Rewards for facilitating transactions, advertisement placement or referrals.	Higher
<b>Design &amp; Setup Fees</b>	Fees paid by the Corporate to My Rewards to set up a website / app and any additional customisation.	Medium
<b>Transactional Income</b>	Sale of merchandise, services, digital goods, tickets and points redemption that is facilitated via My Rewards eCommerce Platform. These items may be discounted or have cashback associated with it.	Lower

### Reducing overheads

My Rewards has implemented, and is on track to deliver, its cost reduction strategy to reduce overheads by at least \$1 million per annum.

The Company reduced net cash used in operating activities by 61% from the Q3 FY2022 to Q4 FY2022. [(\$2,073,000) in Q3 FY2022 to (\$796,000) in Q4 FY2022]

My Rewards ... is on track to deliver its cost reduction strategy to reduced overheads by at least \$1 million per annum.

### Supplier Partnerships

My Rewards has welcomed several new suppliers and grown our partnerships to provide our clients and their employees and customers with the most relevant offerings.

### Growing global rewards offering

With the growing opportunity for global programs, My Rewards has been focusing on onboarding suppliers in multiple countries with a focus of the Asia Pacific region.

The company will first grow a holistic online discounts and benefits offering, followed by products and services that can be delivered under drop-ship arrangements to maintain low overheads as the company grows internationally.

### Client and Customer growth

#### B2B

My Rewards previously announced several new B2B Rewards and Loyalty Contracts signed during the June 2022 quarter in the fintech, healthcare, housing, utilities, and entertainment sectors. These will see the Company add over \$300,000 of annualised membership subscription revenue. My Rewards has a solid pipeline of prospective B2B clients and is pursuing the three key pillars of its growth strategy – growing B2B membership, diversifying product mix for increased margin, and complementary business acquisition.

These will see the Company add over \$300,000 of annualised membership subscription revenue.



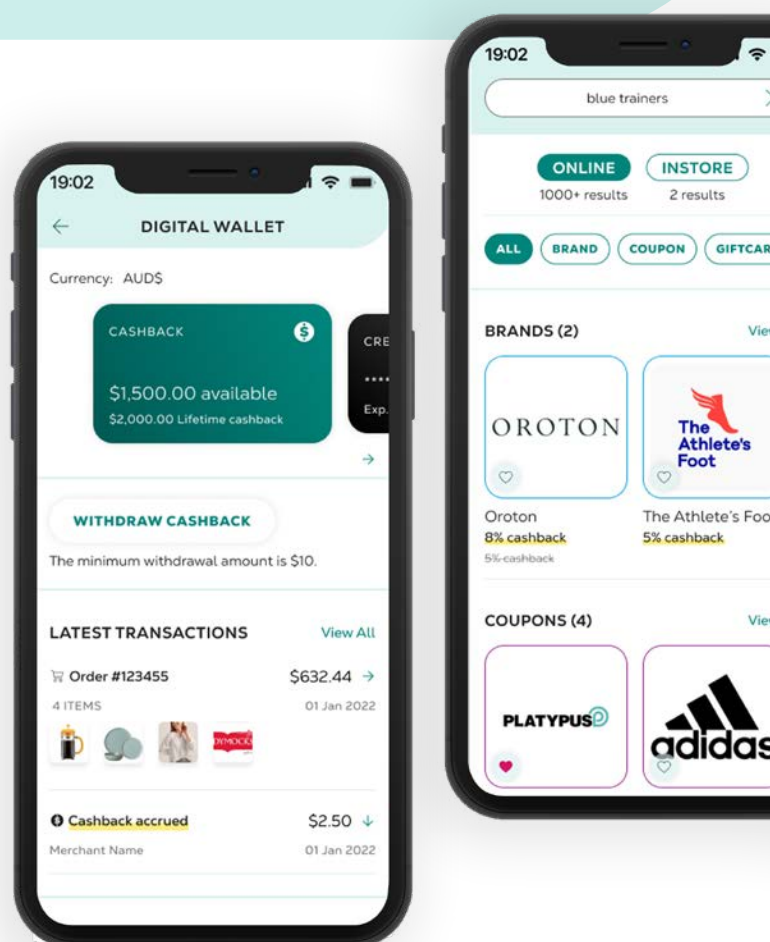
### B2C – My Rewards My Way

My Rewards is pleased to announce the launch of the My Rewards My Way web and app platforms.

This direct-to-consumer rewards marketplace will provide fast cashbacks and discounts on a wide range of products and services. Powered by the My Rewards Platform, My Rewards My Way will provide personalised experience to member and will be differentiated from the corporate B2B products in the composition of the catalogues and the offerings available to the everyday consumer.

### Retention

Our top 10 clients have been with us 6+ years with our top 3 clients with us on an average of 15 years. My Rewards is rolling out various initiatives to retain our clients and members. Our focus on customer experience is evident with ongoing contract rollovers.



## International Expansion

### Ria Rewards for Ria Money Transfer

Ria Money Transfer, a subsidiary of Euronet Worldwide NASDAQ:EEFT (market cap USD \$4.5billion) is one of the largest global money transfer companies.

Following the roll-out of the Ria Rewards program in Australia, My Rewards is excited to launch beta testing of Ria Rewards in Malaysia.

My Rewards is in advanced discussions with the Global Head of Loyalty at Ria Money Transfer and the respective stakeholders in individual countries to launch customised solutions in various regions.

The Ria Rewards program allocates points to consumers for engaging with Ria and using Ria Money Transfer Services to send money. My Rewards has integrated with Ria and manages the allocation and redemption of these points.

Our top 10 clients have been with us 6+ years with our top 3 clients with us on an average of 15 years.

### Wyndham Destinations Asia Pacific (Wyndham)

After the initial rollout in Australia, Wyndham is poised to launch their Asia program in Philippines, China, Japan, Thailand, and Indonesia. Lifestyle by Wyndham is an exclusive program that provides its members with benefits on accommodation packages and discounts on everyday expenses. My Rewards' relationship with Wyndham will allow for speedy integration into multiple countries.

### New Opportunities

The company is currently exploring opportunities with multiple companies in the Asia Pacific region for rewards and loyalty programs as well as eCommerce solutions.

### Integration of Perx Rewards Pty Ltd (Perx)

Following the ASX listing and acquisition of Perx, My Rewards has actively engaged with the clients of Perx, such as Australia Post and Diabetes Victoria, to upgrade their platform and benefits offering and finalising the full integration. This will see the current Perx technology platform retired, adding operational efficiencies and reducing costs. My Rewards expects the full integration to be completed by end of 2022 calendar year.

I appreciate the ongoing support from our shareholders and my team at My Rewards as we grow the business.

Thank you,



Maitreyee Khire  
**Managing Director**

“My Rewards have been a fantastic partner to be associated with. ... We look forward to continuing our partnership and providing a win-win situation for both companies and our customers”

**Lachlan McDonald**  
National Fleet Account Manager



## DIRECTORS' REPORT



# DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of My Rewards International Limited (My Rewards, company) and the entities it controlled at the end of, or during, the period ended 30 June 2022. Throughout the report, the consolidated entity is referred to as the 'Group'.

## Directors and company secretary

The following persons held office as directors of My Rewards International Limited during the financial period:

- Mr David Vinson, Chairman and Executive Director
- Ms Maitreyee Khire, Managing Director
- Mr Daniel Goldman, Non-Executive Director

The following person held office as company secretary of My Rewards International Limited during the whole of the financial period and up to the date of this report, except where otherwise stated:

- Mr Neill Whitehead, Chief Financial & Commercial Officer (appointed 19 April 2021, resigned 6 April 2022)
- Mr Phillip Hains (appointed 6 April 2022)

## Principal activities

My Rewards International Limited's principal activities during the financial year were providing membership services and loyalty programs for corporate and retail clients.

## Dividends – My Rewards International Limited

No dividends were declared or paid to members for the period ended 30 June 2022. The directors do not recommend that a dividend be paid in respect of the financial period.

## Review of operations

The group had revenue of \$15,936,168 for the financial year ending 30 June 2022 (30 June 2021: \$14,684,770). The loss for the group for the year amounted to \$6,143,255 (30 June 2021: \$3,342,452), with net assets amounting to \$93,938, including cash and cash equivalents of \$349,046.

## Significant changes in the state of affairs

During the year ended 30 June 2022, the following significant affairs occurred:

### Capital and debt raising

My Rewards worked with advisors as part of an IPO capital raise. \$5,000,000 was raised as part of the IPO. Funds were raised to support the business, engage in marketing activities, and fund IPO costs.

In April 2022, the company entered into a \$3.5 million line of credit with AMRAM Corp Pty Ltd to further accelerate its growth strategy.

### Acquisition of Perx Rewards Pty Ltd ('Perx')

On 7 February 2022, My Rewards completed the Acquisition of 100% of the shares in Perx (trading as Infinite Rewards) for \$1 million plus a performance bonus of \$200,000 worth of My Rewards' shares at the planned IPO share price. Perx has been in business for over 15 years and provides branded rewards programs to employees and customers of corporates.

## Events since the end of the financial year

No matters or circumstances has arisen since 30 June 2022 that has significantly affected the group's operations, results or state of affairs, or may do so in future years.

### Likely developments and expected results of operations

Other than the information disclosed in the review of operations above, there are no likely developments or details on the expected results of operations that the group has not disclosed.

### Environmental regulation

The group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

### Information on directors

The following information is current as at the date of this report.



#### Mr David Vinson

**Chairman and Executive Director**

#### Experience and expertise

David Vinson has been a director and actively involved in the My Rewards business for over 15 years, with a particular focus on sales, operations and customer experience.

David has over 30 years' experience in the marketing services industry with a focus on establishing and commercialising new concepts. David was the founder and Managing Director of CUC Australasia Limited (CUC), a company that introduced membership and loyalty strategies to Australia in the early 1990's.

David is one of Australia's most experienced practitioners of membership and loyalty marketing strategy and has had extensive exposure to value added marketing throughout the USA, UK and Europe.

David holds a Bachelor of Science, and a Chemical Engineering degree from Purdue University (1978).

The Board considers that Mr Vinson is not an independent Director.

#### Date of appointment

24 April 2005

#### Other current directorships

None

#### Former directorships in last 3 years

David was formerly an executive director of Plentex Ltd (which was listed on ASX:PRM).

#### Special responsibilities

None



**Ms Maitreyee Khire**  
**Managing Director**

**Experience and expertise**

Maitreyee Khire has a Master's degree in Business Administration (MBA) from RMIT University (Melbourne) and has worked for My Rewards for over 10 years. During this time, Maitreyee has been responsible for managing of all aspects of the business including sales, key account management, finance, IT, operations, and customer experience.

Maitreyee has led the digital and technology transformation of the Company and has been instrumental in securing and delivering accounts.

In addition to the general operations of the business, Maitreyee has worked with the Board of Directors with corporate governance, compliance and developing implementing new business strategies.

The Board considers that Ms Khire is not an independent director.

<b>Date of appointment</b>	1 December 2017
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<b>Other current directorships</b>	None
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<b>Former directorships in last 3 years</b>	None
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<b>Special responsibilities</b>	None
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### Mr Daniel Goldman

#### Non-Executive Director

#### Experience and expertise

Daniel Goldman is currently the Managing Director of Xerion Limited, a specialty pharmaceutical business. Daniel has considerable ASX listed company experience. Previously, Daniel was the General Manager of Electrical, Furniture & General Merchandise at Myer Stores Ltd, then a division of Coles Myer Limited (now Myer Holdings Limited, listed on ASX:MYR). Daniel was the Chief Financial Officer and Company Secretary of Country Road Limited, an apparel retailer and wholesaler (formerly listed in ASX:CTY). He has also held various operational, financial and accounting roles in South Africa within Woolworths Holdings Limited and Ernst & Young Chartered Accountants. Daniel was also formerly the managing director of Plentex Ltd (which was listed on ASX:PRM).

Daniel is a Chartered Accountant, with a Bachelor of Commerce (Honours) in Accounting Science from the University of South Africa and a Bachelor of Commerce from the University of Cape Town.

The Board considers that Mr Goldman is an independent Director.

<b>Date of appointment</b>	1 December 2017
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<b>Other current directorships</b>	None
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<b>Former directorships in last 3 years</b>	None
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<b>Special responsibilities</b>	None
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## Company secretary

The group secretary is Mr Phillip Hains, appointed to the position on 6 April 2022. Mr Hains is a Chartered Accountant operating a specialist public practice, 'The CFO Solution'. The CFO Solution focuses on providing back office support, financial reporting and compliance systems for listed public companies. A specialist in the public company environment, Mr Hains has

served the needs of a number of company boards and their related committees. He has over 30 years' experience in providing businesses with accounting, administration, compliance and general management services. He holds a Master of Business Administration from RMIT University and a Public Practice Certificate from the Chartered Accountants Australia and New Zealand.

## Meetings of directors

The numbers of meetings of the group's board of directors and of each board committee held during the period ended 30 June 2022, and the numbers of meetings attended by each director were:

	Full meetings of directors		Meetings of committees			
			Audit		Remuneration	
	A	B	A	B	A	B
Mr David Vinson	6	6	–	–	–	–
Ms Maitreyee Khire	6	6	–	–	–	–
Mr Daniel Goldman	6	6	–	–	–	–

A= Number of meetings attended

B= Number of meetings held during the time the director held office.

## Remuneration report (audited)

The directors present the My Rewards International Limited 2022 remuneration report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this period.

The report is structured as follows:

- (a) Key management personnel (KMP) covered in this report
- (b) Remuneration policy and link to performance
- (c) Elements of remuneration
- (d) Link between remuneration and performance
- (e) Remuneration expenses for KMP
- (f) Contractual arrangements with executive KMPs

- (g) Non-executive director arrangements
- (h) Additional statutory information

### (a) Key management personnel (KMP) covered in this report

Mr David Vinson, Chairman and Executive Director  
 Ms Maitreyee Khire, Managing Director  
 Mr Daniel Goldman, Non-Executive Director

*Non-executive and executive directors*  
 (see pages 15 to 17 for details about each director)

## (b) Remuneration policy and link to performance

Our remuneration and nomination committee is made up of independent non-executive directors, executive directors and company secretary. The committee reviews and determines our remuneration policy and structure annually to ensure it remains aligned to business needs, and meets our remuneration principles. In particular, the board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the group to attract and retain key talent
- aligned to the group's strategic and business objectives and the creation of shareholder value
- transparent and easily understood, and
- acceptable to shareholders.



Element	Purpose	Performance metrics	Potential value
Fixed remuneration (FR)	Provide competitive market salary including superannuation and non-monetary benefits	Nil	Positioned at the market rate
STI	Reward for in-year performance and retention	Company and individual performance goals	The STI can be paid either by cash, or a combination of cash and equity, as determined by the Board.
LTI	Alignment to long-term shareholder value	Share price, capital raised, company and individual performance goals	The Board at its discretion determines the total number of options granted to each executive.

### Assessing performance

The Board is responsible for assessing performance against KPIs and determining the STI and LTI to be paid.

Performance is monitored on an informal basis throughout the period and a formal evaluation is performed annually.

### Securities trading policy

My Rewards International Limited's securities trading policy applies to all directors and executives, see [www.myrewardsinternational.com](http://www.myrewardsinternational.com). It only permits the purchase or sale of group securities during certain periods.

## (c) Elements of remuneration

### Fixed annual remuneration (FR)

Key management personnel may receive their fixed remuneration as cash, or cash with non-monetary benefits such as health insurance and car allowances. FR is reviewed annually, or on promotion. It is benchmarked against market data for comparable roles in companies in a similar industry and with similar market capitalisation. The committee aims to position executives at or near the median, with flexibility to take into account capability, experience, value to the organisation and performance of the individual.

#### (i) Short-term incentives

All executives are entitled to participate in a short-term incentive scheme which provides for executive employees to receive a combination of short-term incentive (STI) as part of their total remuneration if they achieve certain performance indicators as set by the board. The STI can be paid either by cash, or a combination of cash and the issue of equity in the group, at the determination of the remuneration and nomination committee and board.

#### (ii) Long-term incentives

Executives may also be provided with longer-term incentives through the group's 'Equity Incentive Plan' (EIP), that was approved by the Board in 2021. The aim of the EIP is to allow executives to participate in, and benefit from, the growth of the group as a result of their efforts and to assist in motivating and retaining those key employees over the long-term. Continued service is the condition attached to the vesting of the options. The board at its discretion determines the total number of options granted to each executive.

## (d) Link between remuneration and performance

### Statutory performance indicators

We aim to align our executive remuneration to our strategic and business objectives and the creation of shareholder wealth. The table below shows measures of the group's financial performance over the last three periods as required by the Corporations Act 2001. However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to KMPs. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

	2022	2021	2020
Loss for the year attributable to owners (\$)	6,143,255	3,342,452	1,218,674
Basic loss per share (cents)	3.94	3.13	1.16
Share price at year end (cents)	4.80	0.00	0.00

The group's earnings have remained negative since inception due to the nature of the business. Shareholder wealth reflects this speculative and volatile market sector. No dividends have ever been declared by My Rewards International Limited. The group continues to focus on the research and development of its intellectual property portfolio with the objective of achieving key development and commercial milestones in order to add further shareholder value.

## DIRECTORS' REPORT – CONT'D

### (e) Remuneration expenses for executive KMP

The following table shows details of remuneration expenses of each director or other key management personnel recognised for the period ended 30 June 2022 in accordance of the requirements of the accounting standards.

2022	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
	Cash salary and fees	Cash bonus	Termination benefit	Super-annuation	Long service leave	Shares	Options	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Non-executive directors</b>								
Mr Daniel Goldman	29,455	–	–	2,945	–	15,000	–	47,400
<b>Executive directors</b>								
Mr David Vinson	138,000	–	–	13,800	–	–	–	151,800
Ms Maitreyee Khire	232,500	–	–	23,230	24,992	–	–	280,742
<b>Other KMP</b>								
Mr Neil Whitehead	156,231	113,636	163,722	53,484	–	100,000	95,891	682,964
Mr Patrick Hamilton	241,538	60,000	–	24,154	–	–	137,769	463,461
<b>Total KMP compensation</b>	<b>797,724</b>	<b>173,636</b>	<b>163,722</b>	<b>117,633</b>	<b>24,992</b>	<b>115,000</b>	<b>233,660</b>	<b>1,626,367</b>

Notes:

- Upon successful listing Mr Neill Whitehead and Mr Patrick Hamilton received \$125,000 and \$60,000, respectively (including statutory superannuation).
- No other bonuses were paid in the financial year.

The following table shows details of remuneration expenses of each director or other key management personnel recognised for the period ended 30 June 2021.

2021	Short-term benefits		Post-employment benefits	Long-term benefits	Share-based payments		Total
			Super-annuation	Long service leave	Shares	Options	
	Cash salary and fees	Termination benefit					
	\$	\$	\$	\$	\$	\$	
Non-executive directors							
Daniel Goldman	24,000	–	–	–	–	–	24,000
Executive directors							
David Vinson	69,831	–	1,903	–	–	–	71,734
Maitreyee Khire	131,916	–	12,532	1,679	–	–	146,127
Other KMP							
Neil Whitehead	92,308	–	8,769	–	–	–	101,077
Patrick Hamilton	5,769	–	548	–	–	–	6,317
Total KMP compensation	323,824	–	23,752	1,679	–	–	349,255



## DIRECTORS' REPORT – CONT'D

### (f) Contractual arrangements with executive KMPs

<b>Name:</b>	David Vinson
<b>Position:</b>	Chairman and Executive Director
<b>Contract duration:</b>	Unspecified
<b>Notice period:</b>	12 weeks written notice by either party
<b>Fixed remuneration:</b>	\$225,000 per annum (FTE), plus statutory superannuation
<b>Name:</b>	Maitreyee Khire
<b>Position:</b>	Managing Director
<b>Contract duration:</b>	Unspecified
<b>Notice period:</b>	12 weeks written noticed by either party
<b>Fixed remuneration:</b>	\$262,500 per annum, plus statutory superannuation

### (g) Non-executive director arrangements

Non-executive directors receive a board fee of \$40,909 per annum plus statutory superannuation, inclusive of chairing or participating on board committees. They do not receive performance-based pay or retirement allowances.

Fees are reviewed annually by the board taking into account comparable roles and market data provided by the board's independent remuneration adviser. The current base fees were reviewed at incorporation.

The maximum annual aggregate non-executive directors' fee pool limit is \$400,000 and was approved by shareholders via circular resolution on 12 January 2022.

### (h) Additional statutory information

#### (i) Relative proportions of fixed vs variable remuneration expense

The following table shows the relative proportions of remuneration that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expense on page above:

Name	Fixed remuneration		At risk – STI		At risk – LTI	
	2022 %	2021 %	2022 %	2021 %	2022 %	2021 %
<b>Executive directors</b>						
Mr David Vinson	100	100	–	–	–	–
Ms Maitreyee Khire	100	99	–	–	–	1
<b>Non-executive directors</b>	68	100	–	–	32	–
Mr Daniel Goldman						
<b>Other KMP</b>						
Mr Neill Whitehead	31	100	16	–	53	–
Mr Patrick Hamilton	57	100	13	–	30	–

# DIRECTORS' REPORT – CONT'D

## (ii) Reconciliation of options, deferred shares and ordinary shares held by KMP

### Option holdings

2022	Balance at start of the period <sup>1</sup>	Granted as remuneration	Exercised	Other changes <sup>2</sup>	Balance at end of the period	Vested and exercisable
<b>Options</b>						
Mr David Vinson	–	–	–	–	–	–
Ms Maitreyee Khire	–	–	–	–	–	–
Mr Daniel Goldman	–	–	–	–	–	–
	–	–	–	–	–	–

#### Notes

<sup>1</sup> Balance may include shares held prior to individuals becoming KMP. For individuals who became KMP during the period, the balance is as at the date they became KMP.

<sup>2</sup> Other changes incorporates changes resulting from the acquisition, disposal and lapse/forfeiture of options.

### Share holdings

2022	Balance at start of the period <sup>1</sup>	Granted as remuneration	Received on exercise of options	Other changes <sup>2</sup>	Balance at end of the period
<b>Ordinary shares</b>					
Mr David Vinson	3,081,300	–	–	–	3,081,300
Ms Maitreyee Khire	19,500,000	–	–	744,134	20,244,134
Mr Daniel Goldman	1,000,000	187,500	–	–	1,187,500
	<b>23,581,300</b>	<b>187,500</b>	<b>–</b>	<b>744,134</b>	<b>24,512,934</b>

#### Notes

<sup>1</sup> Balance may include shares held prior to individuals becoming KMP. For individuals who became KMP during the period, the balance is as at the date they became KMP.

<sup>2</sup> Other changes incorporates changes resulting from the acquisition and disposal of shares.

**[This concludes the remuneration report, which has been audited]**

## Shares under option

### (a) Unissued ordinary shares

Date options granted	Expiry date	Issue price (\$)	Number under option
12/07/2021	12/07/2026	\$0.10	3,250,000
12/07/2021	12/07/2026	\$0.24	4,368,758
12/07/2021	12/07/2026	\$0.28	2,925,000
26/10/2021	26/10/2024	\$0.30	4,500,000
			15,043,750

Apart from the above, there were no other unissued ordinary shares of My Rewards International Limited under option outstanding during the period ended 30 June 2022 and up to the date of this report.

### (b) Shares issued on the exercise of options

No ordinary shares of My Rewards International Limited were issued during the period ended 30 June 2022 on the exercise of options granted.

## Insurance of officers and indemnities

### (a) Insurance of officers

During the financial period, My Rewards International Limited paid a premium of \$88,849 to insure the directors and secretaries of the group and its Australian-based controlled entities, and the general managers of each of the divisions of the group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the

officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the group. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

### (b) Indemnity of auditors

My Rewards International Limited has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial period, My Rewards International Limited has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

## Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the group, or to intervene in any proceedings to which the group is a party, for the purpose of taking responsibility on behalf of the group for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the group with leave of the Court under section 237 of the *Corporations Act 2001*.

## Non-audit services

The group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the group are important.

Details of the amounts paid or payable to the auditor (RSM Australia Partners) for audit and non-audit services provided during the period are set out below.

The board of directors has considered the position and, in accordance with advice received from the

## DIRECTORS' REPORT – CONT'D

audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of *Ethics for Professional Accountants*.

During the period the following fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2022 \$	2021 \$
RSM Australia Partners Australian firm:		
Tax compliance services	17,100	–
<b>Total remuneration for taxation services</b>	<b>17,100</b>	<b>–</b>
<b>Other services</b>		
RSM Australia Partners Australian firm:		
Corporate finance services	67,250	–
<b>Total remuneration for other services</b>	<b>67,250</b>	<b>–</b>
<b>Total remuneration for non-audit services</b>	<b>84,350</b>	<b>–</b>

### 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 26.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

### Auditor

RSM Australia Partners continues in office in accordance with section 327 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. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest dollar.

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



**David Vinson**  
Chairman and Executive Director



**Maitreyee Khire**  
Managing Director

Melbourne  
31 August 2022



#### RSM Australia Partners

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### AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of My Rewards International Limited & Controlled Entities for the year ended 30 June 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

**RSM AUSTRALIA PARTNERS**

**R B MIANO**  
Partner

Dated: 31 August 2022  
Melbourne, Victoria

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation



## CORPORATE GOVERNANCE STATEMENT

My Rewards International Limited and the board are committed to achieving and demonstrating the highest standards of corporate governance. My Rewards International Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council.

The 2022 corporate governance statement is dated as at 30 June 2022 and reflects the corporate governance practices in place throughout the 2022 financial period. The 2022 corporate governance statement was approved by the board on 31 August 2022. A description of the group's current corporate governance practices is set out in the group's corporate governance statement which can be viewed at <https://www.myrewardsinternational.com/investors/>.







# FINANCIAL REPORT



## Financial Statements

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## Directors' declaration

This financial statements is consolidated financial statements for the group consisting of My Rewards International Limited and its subsidiaries. A list of major subsidiaries is included in note 13(a).

The financial statements is presented in the Australian currency, which is the functional and presentation currency.

My Rewards International Limited is a listed public group limited by shares, incorporated and domiciled in Australia.

Its registered office is:  
Suite 1 Level 3, 62 Lygon Street  
Carlton South VIC 3053

Its principal place of business is:  
My Rewards International Limited  
Suite G02, 181-185 St. Kilda Road  
St. Kilda VIC 3182

The financial statements was authorised for issue by the directors on 31 August 2022.  
The directors have the power to amend and reissue the financial statements.



## FINANCIAL STATEMENTS

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2022

		30 June 2022	30 June 2021
	Notes	\$	\$
Revenue from contracts with customers	2	15,936,168	14,684,770
Other income	3(a)	183,698	353,430
Cost of sales		(16,018,974)	(14,375,587)
Employee Benefits expense	3(b)	(2,163,391)	(692,156)
Share-based payment	7(b)	(307,964)	-
Depreciation and amortisation expense	3(b)	(276,635)	(215,186)
Goodwill impairment expense		-	(1,600,325)
Advertising and marketing expense		(894,278)	(130,806)
Legal, professional and consultancy	3(b)	(1,329,986)	(239,001)
Other expense		(992,708)	(217,795)
Finance cost	3(b)	(279,185)	(909,796)
<b>Loss before income tax</b>		<b>(6,143,255)</b>	<b>(3,342,452)</b>
Income tax expense	4	-	-
<b>Loss for the period</b>		<b>(6,143,255)</b>	<b>(3,342,452)</b>
<b>Other comprehensive income for the year, net of tax</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>(6,143,255)</b>	<b>(3,342,452)</b>
		<b>Cents</b>	<b>Cents</b>
<b>Loss per share for loss attributable to the ordinary equity holders of the group:</b>			
Basic and diluted loss per share	20	(3.94)	(3.13)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

**FINANCIAL STATEMENTS**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2022**

	Notes	2022 \$	2021 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5(a)	349,046	304,358
Trade and other receivables	5(b)	279,895	144,821
Inventories	5(e)	33,327	7,073
Other asset	5(c)	998,897	148,876
<b>Total current assets</b>		<b>1,661,165</b>	<b>605,128</b>
<b>Non-current assets</b>			
Property, plant and equipment	6(a)	194,059	281,917
Intangible assets	6(b)	1,656,998	383,641
<b>Total non-current assets</b>		<b>1,851,057</b>	<b>665,558</b>
<b>Total assets</b>		<b>3,512,222</b>	<b>1,270,686</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	5(d)	1,685,861	1,038,234
Borrowings	5(f)	183,006	488,334
Lease liabilities	6(d)	103,029	94,131
Convertible notes	5(f)	-	1,594,914
Employee benefits	6(c)	390,771	228,615
Deferred revenue	6(e)	829,352	835,971
<b>Total current liabilities</b>		<b>3,192,019</b>	<b>4,280,199</b>
<b>Non-current liabilities</b>			
Convertible notes		-	426,119
Derivative financial instruments		-	135,032
Borrowings	5(f)	53,222	243,797
Lease liabilities	6(d)	96,015	192,808
Employee benefits	6(c)	77,028	34,772
<b>Total non-current liabilities</b>		<b>226,265</b>	<b>1,032,528</b>
<b>Total liabilities</b>		<b>3,418,284</b>	<b>5,312,727</b>
<b>Net assets/(liabilities)</b>		<b>93,938</b>	<b>(4,042,041)</b>
<b>EQUITY</b>			
Share capital	7(a)	15,438,052	5,544,005
Other reserves	7(b)	422,707	37,520
Accumulated losses		(15,766,821)	(9,623,566)
<b>Total equity</b>		<b>93,938</b>	<b>(4,042,041)</b>

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

**FINANCIAL STATEMENTS**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 JUNE 2022**

	Notes	Attributable to owners of My Rewards International Limited			Total equity \$
		Share capital \$	Other reserves \$	Accumulated losses \$	
<b>Balance at 1 July 2020</b>		5,196,535	-	(6,281,114)	(1,084,579)
Loss for the period		-	-	(3,342,452)	(3,342,452)
<b>Total comprehensive loss for the period</b>		-	-	<b>(3,342,452)</b>	<b>(3,342,452)</b>
<b>Transactions with owners in their capacity as owners:</b>					
Contributions of equity net of transaction costs	7(a)	693,446	-	-	693,446
Share issue expenses	7(a)	(255,453)	-	-	(255,453)
Equity component from convertible notes	7(b)	-	37,520	-	37,520
Others	7(a)	(90,523)	-	-	(90,523)
		347,470	37,520	-	384,990
<b>Balance at 30 June 2021</b>		<b>5,544,005</b>	<b>37,520</b>	<b>(9,623,566)</b>	<b>(4,042,041)</b>
<b>Balance at 1 July 2021</b>		5,544,005	37,520	(9,623,566)	(4,042,041)
Loss for the period		-	-	(6,143,255)	(6,143,255)
<b>Total comprehensive loss for the period</b>		-	-	<b>(6,143,255)</b>	<b>(6,143,255)</b>
<b>Transactions with owners in their capacity as owners:</b>					
Contributions of equity, net of transaction costs and tax	7(a)	10,925,264	-	-	10,925,264
Share issue expenses	7(a)	(1,031,217)	-	-	(1,031,217)
Equity component from convertible notes	7(b)	-	(37,520)	-	(37,520)
Share-based payments expense	7(b)	-	422,707	-	422,707
		9,894,047	385,187	-	10,279,234
<b>Balance at 30 June 2022</b>		<b>15,438,052</b>	<b>422,707</b>	<b>(15,766,821)</b>	<b>93,938</b>

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

**FINANCIAL STATEMENTS**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 JUNE 2022**

	30 June 2022	30 June 2021
Notes	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST)	15,810,175	16,046,269
Payments to suppliers and employees (inclusive of GST)	(19,815,038)	(17,209,407)
Interest received	584	-
Interest and other finance costs paid	(219,669)	(909,796)
Other income received	183,697	353,430
Income tax (paid)/received	18,306	-
<b>Net cash (outflow) from operating activities</b>	8(a) <b>(4,021,945)</b>	(1,719,504)
<b>Cash flows from investing activities</b>		
Payments for plant and equipment	6(a) (7,014)	(185,517)
Payment to acquire entity, net of cash acquired	(967,628)	-
Payments for intangible assets	(274,852)	-
<b>Net cash (outflow) from investing activities</b>	<b>(1,249,494)</b>	(185,517)
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares	7(a) 6,588,344	693,446
Proceeds from borrowings	344,000	2,112,082
Share issue transaction costs	(774,994)	(255,453)
Repayment of borrowings	(694,872)	(275,784)
Repayment of lease liabilities	(102,888)	(63,514)
Related party borrowings repaid	(43,463)	-
<b>Net cash inflow from financing activities</b>	<b>5,316,127</b>	2,210,777
<b>Net increase in cash and cash equivalents</b>	<b>44,688</b>	305,756
Cash and cash equivalents at the beginning of the financial year	304,358	(1,398)
Cash and cash equivalents at end of period	5(a) <b>349,046</b>	304,358

*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 the research, development and commercialisation of technologies. 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:

	30 June 2022 \$	30 June 2021 \$
Revenue from loyalty programs	<u>15,936,168</u>	14,684,770
<b>Total revenue from contracts with customers</b>	<u><b>15,936,168</b></u>	<u>14,684,770</u>

### (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:

	2022 \$	2021 \$
Item sales	15,445,169	14,211,748
Membership fees	490,999	473,022
<b>Total major product lines</b>	<u><b>15,936,168</b></u>	<u>14,684,770</u>
Goods transferred at a point in time	15,445,169	14,211,748
Services transferred over time	490,999	473,022
Total timing of revenue recognition	<u><b>15,936,168</b></u>	<u>14,684,770</u>

Revenue from contract with customers are all from Australia.

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

## 3 Other income and expense items

### (a) Other income

	30 June 2022 \$	30 June 2021 \$
Jobkeeper government financial support	48,400	201,134
Research and development tax incentive	89,637	124,834
Other income	45,661	27,462
	<u><b>183,698</b></u>	<u>353,430</u>

### 3 Other income and expense items (continued)

#### (b) Expenses

	30 June 2022 \$	30 June 2021 \$
<b>Employee benefits expense</b>		
Wages and Salaries	1,788,577	585,906
Directors Fees	50,455	24,000
Superannuation and Payroll Tax	184,989	56,717
Leave obligations	139,370	25,533
	<b>2,163,391</b>	<b>692,156</b>
<b>Depreciation and amortisation expense</b>		
Amortisation	174,679	151,498
Depreciation	101,956	63,688
	<b>276,635</b>	<b>215,186</b>
<b>Legal, professional and consultancy</b>		
Accounting and audit	170,754	42,436
Consulting fees	812,352	190,329
Legal fees	346,880	6,236
	<b>1,329,986</b>	<b>239,001</b>
<b>Finance costs</b>		
Interest and finance charges paid/payable on borrowings	265,260	902,298
Interest on leases	13,925	7,498
	<b>279,185</b>	<b>909,796</b>

### 4 Income tax expense

#### (a) Numerical reconciliation of income tax expense to prima facie tax payable

	30 June 2022 \$	30 June 2021 \$
Loss from continuing operations before income tax expense	(6,143,255)	(3,342,451)
Tax at the Australian tax rate of 25% (2021: 26%)	(1,597,246)	(869,037)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-assessable income	-	16,610
Non deductible expenses	1,597,246	852,427
Income tax expense	-	-

## **5 Financial assets and financial liabilities**

### **(a) Cash and cash equivalents**

	<b>2022</b>	2021
	<b>\$</b>	\$
Cash at bank and in hand	<b>349,046</b>	304,358

#### **(i) Reconciliation to cash flow statement**

The above figures reconcile to the amount of cash shown in the consolidated statement of cash flows at the end of the financial period as follows:

	<b>2022</b>	2021
	<b>\$</b>	\$
Balances as above	<b>349,046</b>	304,358
Balances per statement of cash flows	<b>349,046</b>	304,358

### **(b) Trade receivables**

	<b>2022</b>	2021
	<b>\$</b>	\$
<b>Current assets</b>		
Trade receivables	<b>155,973</b>	116,465
Loss allowance	5(b)(iii) <b>-</b>	(28,166)
	<b>155,973</b>	88,299
Other receivables	<b>123,922</b>	56,522
	<b>279,895</b>	144,821

#### **(i) Classification as trade receivables**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in note 10(b).

#### **(ii) Fair value of trade and other receivables**

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

#### **(iii) Expected credit losses**

The group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables assets have been grouped based on shared credit risk characteristics and the days past due.

## 5 Financial assets and financial liabilities (continued)

### (b) Trade receivables (continued)

#### (iii) Expected credit losses (continued)

The expected loss rates are based on the payment profiles of sales over a period of 60 months before 30 June 2022 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

On that basis, the loss allowance as at 30 June 2022 was determined as follows for trade receivables:

30 June 2021	Days past due					Total
	1-30	31-60	61-90	91-120	121+	
	\$	\$	\$	\$	\$	\$
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	97.00%	
Gross carrying amount	78,205	8,340	463	461	28,997	116,465
<b>Loss allowance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,166</b>	<b>28,166</b>

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 121 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

### (c) Other asset

	2022	2021
	\$	\$
Prepayments	831,312	57,975
Deferred costs	167,585	90,901
	<b>998,897</b>	<b>148,876</b>

### (d) Trade and other payables

	2022	2021
	\$	\$
Trade payables	1,298,276	544,105
Credit card payables	191,530	296,155
Other payables	138,393	190,778
Payroll tax and other statutory liabilities	57,662	7,196
	<b>1,685,861</b>	<b>1,038,234</b>

### (e) Inventories

	2022	2021
	\$	\$
Sales merchandise inventory	33,327	7,073
	<b>33,327</b>	<b>7,073</b>



## 5 Financial assets and financial liabilities (continued)

Trade payables are unsecured and are usually paid within 30 days of recognition.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

### (f) Borrowings

Notes	2022 Current \$	2022 Non- current \$	2022 Total \$	2021 Current \$	2021 Non- current \$	2021 Total \$
<b>Secured</b>						
External loans	89,006	53,222	142,228	444,871	173,797	618,668
Related party loan	-	-	-	43,463	70,000	113,463
Total secured borrowings	<b>89,006</b>	<b>53,222</b>	<b>142,228</b>	<b>488,334</b>	<b>243,797</b>	<b>732,131</b>
<b>Unsecured</b>						
Convertible notes	-	-	-	1,594,914	426,119	2,021,033
Convertible notes – embedded derivative liability	-	-	-	-	135,032	135,032
External Loans	<b>94,000</b>	-	<b>94,000</b>	-	-	-
Total unsecured borrowings	<b>94,000</b>	<b>-</b>	<b>94,000</b>	<b>1,594,914</b>	<b>561,151</b>	<b>2,156,065</b>
<b>Total borrowings</b>	<b>183,006</b>	<b>53,222</b>	<b>236,228</b>	<b>2,083,248</b>	<b>804,948</b>	<b>2,888,196</b>

### Assets pledged as security

No assets are pledged as security, secured loans in the consolidated Group are guaranteed by the directors.

### Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	2022 \$	2021 \$
<b>Total facilities</b>		
Bank overdraft		155,820
Bank and other external loans	3,666,735	808,876
	<u>3,666,735</u>	<u>964,696</u>
<b>Used as the reporting date</b>		
Bank overdraft		34,448
Bank and other external loans	257,128	808,876
	<u>257,128</u>	<u>843,324</u>
<b>Unused at the reporting date</b>		
Bank overdraft		121,372
Bank and other external loans	3,406,000	-
	<u>3,406,000</u>	<u>121,372</u>

## 6 Non-financial assets and liabilities

### (a) Property, plant and equipment

Non-current	Plant and equipment \$	Land and buildings - right of use \$	Motor vehicles - right of use \$	Office equipment - right of use \$	Total \$
<b>At 1 July 2020</b>					
Cost or fair value	189,020	58,900	52,944	-	300,864
Accumulated depreciation	(184,848)	(32,520)	(8,438)	-	(225,806)
Net book amount	4,172	26,380	44,506	-	75,058
<b>Year ended 30 June 2021</b>					
Opening net book amount	4,172	26,380	44,506	-	75,058
Additions	6,145	250,419	-	13,982	270,546
Depreciation charge	(2,485)	(47,248)	(11,857)	(2,097)	(63,687)
Closing net book amount	7,832	229,551	32,649	11,885	281,917
<b>At 30 June 2021</b>					
Cost or fair value	195,166	250,419	52,944	13,982	512,511
Accumulated depreciation	(187,334)	(20,868)	(20,295)	(2,097)	(230,594)
Net book amount	7,832	229,551	32,649	11,885	281,917
<b>Year ended 30 June 2022</b>					
Opening net book amount	7,832	229,551	32,649	11,885	281,917
Additions	7,014	-	-	7,083	14,097
Depreciation charge	(3,916)	(83,473)	(10,589)	(3,977)	(101,955)
Closing net book amount	10,930	146,078	22,060	14,991	194,059
<b>At 30 June 2022</b>					
Cost or fair value	202,180	250,419	52,944	21,065	526,608
Accumulated depreciation	(191,250)	(104,341)	(30,884)	(6,074)	(332,549)
Net book amount	10,930	146,078	22,060	14,991	194,059

#### (i) Depreciation methods and useful lives

Property, plant and equipment is recognised at historical cost less depreciation.

See note 22(n) for the other accounting policies relevant to property, plant and equipment.

#### (ii) Leased assets

Additions to the right-of-use assets during the year were \$7,083.

The group leases buildings for its offices under agreements of three years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The group also lease motor vehicles under agreements of between three to five years.

## 6 Non-financial assets and liabilities (continued)

### (b) Intangible assets

Non-Current assets	Goodwill \$	Patents and trademarks \$	Software \$	Total \$
<b>At 1 July 2020</b>				
Cost	1,600,325	265,600	921,684	2,787,609
Accumulated amortisation	-	(258,507)	(579,156)	(837,663)
Net book amount	1,600,325	7,093	342,528	1,949,946
<b>Period ended 30 June 2021</b>				
Opening net book amount	1,522,597	7,093	342,528	1,872,218
Additions	-	-	185,517	185,517
Amortisation charge	-	(7,093)	(144,404)	(151,497)
Impairment charge	(1,522,597)	-	-	(1,522,597)
Closing net book amount	-	-	383,641	383,641
<b>At 30 June 2021</b>				
Cost	-	265,600	1,107,203	1,372,803
Accumulated amortisation	-	(265,600)	(723,562)	(989,162)
Net book amount	-	-	383,641	383,641
	Goodwill \$	Patent and trademarks \$	Software \$	Total \$
<b>At 30 June 2021</b>				
Cost	-	265,600	1,107,203	1,372,803
Accumulated amortisation	-	(265,600)	(723,562)	(989,162)
Net book amount	-	-	383,641	383,641
<b>Period ended 30 June 2022</b>				
Opening net book amount	-	-	383,641	383,641
Additions	1,173,184	-	274,852	1,448,036
Amortisation charge	-	-	(174,679)	(174,679)
Closing net book amount	1,173,184	-	483,814	1,656,998
<b>At 30 June 2022</b>				
Cost	1,173,184	265,600	1,382,055	2,820,839
Accumulated amortisation	-	(265,600)	(898,241)	(1,163,841)
Net book amount	1,173,184	-	483,814	1,656,998

## **6 Non-financial assets and liabilities (continued)**

### **(b) Intangible assets (continued)**

#### **(i) Impairment testing**

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

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Branded rewards program	1,173	-
	<u>1,173</u>	<u>-</u>

The recoverable amount of the consolidated entity's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a 2 year projection period approved by management and extrapolated for a further 3 years using a steady rate, together with a terminal value.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

The following key assumptions were used in the discounted cash flow model for the Branded rewards program:

- 18.2% pre-tax discount rate;
- 10% per annum projected revenue growth rate;
- 10% per annum increase in operating costs and overheads.

The discount rate of 18.2% pre-tax reflects management's estimate of the time value of money and the consolidated entity's weighted average cost of capital adjusted for the Branded rewards program; the risk free rate and the volatility of the share price relative to market movements.

Management believes the projected 10% revenue growth rate is prudent and justified, based on the current rewards program market.

There were no other key assumptions for the Branded rewards programme.

Based on the above, the recoverable amount of the Branded rewards programme exceeded the carrying amount by \$1,088,012.

#### **Sensitivity**

As disclosed in note 9, the directors have made judgements and estimates in respect of impairment testing of goodwill.

Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. The sensitivities are as follows:

- Revenue would need to decrease by more than 20% before goodwill would need to be impaired, with all other assumptions remaining constant.
- The discount rate would be required to increase by 16.2% before goodwill would need to be impaired, with all other assumptions remaining constant.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of goodwill is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

## 6 Non-financial assets and liabilities (continued)

### (c) Employee benefit obligations

	Current \$	2022 Non- current \$	Total \$	Current \$	2021 Non- current \$	Total \$
Leave obligations (i)	171,319	77,028	248,347	74,204	34,772	108,976
Payroll Liability	219,452	-	219,452	154,411	-	154,411
Total employee benefit obligations	390,771	77,028	467,799	228,615	34,772	263,387

#### (i) Leave obligations

The leave obligations cover the group's liabilities for annual leave which are classified as short-term benefits, as explained in note 22(x).

The current portion of this liability includes all of the accrued annual leave and pro-rata payments employees are entitled to in certain circumstances. The entire amount of the provision of \$171,319 (2021: \$74,204) is presented as current, since the group does not have an unconditional right to defer settlement for any of these obligations.

### (d) Leases

#### (i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	30 June 2022 \$	30 June 2021 \$
<b>Right-of-use assets<sup>1</sup></b>		
Land and Building	146,078	229,551
Motor Vehicles	22,060	32,649
Office Equipment	14,991	11,885
	<b>183,129</b>	<b>274,085</b>

<sup>1</sup>Included in the line item 'property, plant and equipment' in the consolidated balance sheet.

	30 June 2022 \$	30 June 2021 \$
<b>Lease liabilities</b>		
Current	103,029	94,131
Non-current	96,015	192,808
	<b>199,044</b>	<b>286,939</b>

#### (ii) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

## **6 Non-financial assets and liabilities (continued)**

### **(d) Leases (continued)**

#### **(ii) Amounts recognised in the statement of profit or loss (continued)**

	<b>30 June 2022</b>	30 June 2021
Notes	\$	\$
<b>Depreciation charge of right-of-use assets</b>		
Land and Building	<b>83,473</b>	47,248
Motor Vehicles	<b>10,589</b>	11,858
Office Equipment	<b>3,977</b>	2,097
Interest expense (included in finance cost)	<b>13,925</b>	7,498
3(b)	<b>111,964</b>	68,701

The total cash outflow for leases in 2022 was \$102,888. (30 June 2021: \$63,514)

#### **(iii) The group's leasing activities and how these are accounted for**

The consolidated entity leases buildings for its offices under agreements of three years with, with an option to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The consolidation entity also leases motor vehicles under agreements of between three to five years.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the group's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date, less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Low-value assets comprise IT-equipment and small items of office furniture.

The incremental borrowing rate used for the calculation of leases and lease terms for the financial year was 6.0%

## 6 Non-financial assets and liabilities (continued)

### (e) Deferred revenue

	2022 \$	2021 \$
Deferred revenue	<u>(829,352)</u>	<u>(835,971)</u>
	<b>(829,352)</b>	<b>(835,971)</b>

### (i) Reconciliation

Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

	2022 \$	2021 \$
Opening balance	835,971	1,374,765
Payments received in advance	712,054	834,171
Cumulative catch-up adjustments	-	-
Transfer to revenue - included in the opening balance	(718,673)	(1,372,965)
Transfer to revenue - performance obligations satisfied in previous periods	-	-
Transfer to revenue - other balances	-	-
Closing balance	<u>829,352</u>	<u>835,971</u>

## 7 Equity

### (a) Share capital

Notes	2022 Shares	2021 Shares	2022 \$	2021 \$
Ordinary shares				
Fully paid	<u>194,019,716</u>	112,882,543	<u>15,438,052</u>	5,544,005
7(a)(i)	<b>194,019,716</b>	112,882,543	<b>15,438,052</b>	5,544,005



## 7 Equity (continued)

### (a) Share capital (continued)

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

Details	Number of shares	Total \$
<b>Balance at 1 July 2020</b>	<b>105,440,423</b>	<b>5,196,535</b>
Issue of Shares at \$0.10 (21/12/2020)	375,000	37,500
Issue of Shares at \$0.10 (22/12/2020)	450,000	45,000
Issue of Shares at \$0.10 (23/12/2020)	700,000	70,000
Issue of Shares at \$0.10 (28/12/2020)	200,000	20,000
Issue of Shares at \$0.10 (21/01/2021)	150,000	15,000
Issue of Shares at \$0.10 (09/02/2021)	200,000	20,000
Issue of Shares at \$0.08 (10/03/2021)	1,250,000	100,000
Issue of Shares in lieu of payment for services at \$0.10 (16/04/2021)	78,700	7,870
Issue of Shares in lieu of payment for services at \$0.05 (23/04/2021)	515,320	25,766
Issue of Shares in lieu of payment for services at \$0.10 (19/05/2021)	34,900	3,490
Issue of Shares in lieu of payment for services at \$0.10 (31/05/2021)	450,000	45,000
Issue of Shares in lieu of payment for services at \$0.10 (05/06/2021)	38,200	3,820
Issue of Shares at \$0.10 (30/06/2021)	3,000,000	300,000
Less: Transaction costs arising on share issues	-	(255,453)
Less: Other	-	(90,523)
<b>Balance at 30 June 2021</b>	<b>112,882,543</b>	<b>5,544,005</b>

Details	Number of shares	Total \$
<b>Balance at 1 July 2021</b>	<b>112,882,543</b>	<b>5,544,005</b>
Conversion of convertible notes to Ordinary Shares at \$0.05 (04/08/2021)	100,000	5,000
Issue of Shares at \$0.10 (04/08/2021)	760,000	76,000
Issue of Shares in lieu of payment for services at \$0.10 (04/08/2021)	55,000	5,500
Issue of Shares at \$0.10 (17/08/2021)	750,000	75,000
Issue of Shares at \$0.14 (17/08/2021)	2,489,290	348,502
Issue of Shares at \$0.10 (01/09/2021)	4,700,000	470,000
Issue of Shares at \$0.10 (03/09/2021)	1,350,000	135,000
Issue of Shares at \$0.14 (03/09/2021)	1,430,000	200,200
Issue of Shares at \$0.10 (23/09/2021)	5,900,000	590,000
Issue of Shares at \$0.14 (23/09/2021)	628,857	88,040
Issue of Shares in lieu of payment for services at \$0.08 (23/09/2021)	1,437,500	115,000
Issue of Shares in lieu of payment for services at \$0.10 (23/09/2021)	110,000	11,000
Issue of Shares in lieu of payment for services at \$0.14 (23/09/2021)	114,715	16,060

## **7 Equity (continued)**

### **(a) Share capital (continued)**

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

<b>Details</b>	<b>Number of shares</b>	<b>Total \$</b>
Issue of Shares at \$0.10 (05/10/2021)	1,050,000	105,000
Issue of Shares at \$0.14 (05/10/2021)	185,000	25,900
Issue of Shares in lieu of payment for services at \$0.10 (05/10/2021)	2,508,742	250,874
Issue of Shares in lieu of payment for services at \$0.14 (05/10/2021)	147,335	20,627
Issue of Shares at \$0.10 (08/10/2021)	900,000	90,000
Conversion of loan to Ordinary Shares at \$0.14 (08/10/2021)	744,134	104,179
Issue of Shares at \$0.10 (26/10/2021)	270,000	27,000
Issue of Shares at \$0.14 (26/10/2021)	357,143	50,000
Issue of Shares in lieu of payment for services at \$0.14 (26/10/2021)	71,429	10,000
Conversion of convertible notes to Ordinary Shares at \$0.05 (21/01/2022)	9,200,000	460,000
Conversion of convertible notes to Ordinary Shares at \$0.13 (21/01/2022)	13,237,473	1,773,822
Issue of Shares in lieu of payment for services at \$0.10 (11/02/2022)	2,021,451	202,145
Issue of shares on initial public offering at \$0.20 (11/02/2022)	25,000,000	5,000,000
Issue of Shares in lieu of payment for services at \$0.20 (11/02/2022)	750,000	150,000
Issue of Shares in lieu of payment for services at \$0.10 (11/02/2022)	3,869,104	386,910
Issue of Shares on acquisition of Perx Rewards at \$0.20 (07/02/2022)	1,000,000	200,000
Less: Transaction costs arising on share issues	-	(1,097,712)
<b>Balance 30 June 2022</b>	<b>194,019,716</b>	<b>15,438,052</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.

#### **(ii) Share-based payments**

Information relating to share-based payments, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial period, is set out in notes 18.

## **7 Equity (continued)**

### **(a) Share capital (continued)**

#### **(iii) Capital risk management**

The group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The group is pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2021 Annual Report.

### **(b) Other reserves**

	Share-based payments \$	Convertible notes \$	Total other reserves \$
<b>At 1 July 2020</b>	-	-	-
<b>Other comprehensive income</b>	-	-	-
Transactions with owners in their capacity as owners			
Convertible notes	-	37,520	37,520
<b>At 30 June 2021</b>	-	<b>37,520</b>	<b>37,520</b>
<b>At 1 July 2021</b>	-	<b>37,520</b>	<b>37,520</b>
<b>Other comprehensive income</b>	-	-	-
Transactions with owners in their capacity as owners			
Share-based payments expense	422,707	-	422,707
Convertible notes	-	(37,520)	(37,520)
<b>At 30 June 2022</b>	<b>422,707</b>	<b>-</b>	<b>422,707</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.

## **7 Equity (continued)**

### **(b) Other reserves (continued)**

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

#### *Share-based payments (continued)*

#### *Convertible notes*

The convertible notes reserve consists of the equity component from the convertible notes valuation.

## **8 Cash flow information**

### **(a) Reconciliation of loss after income tax to net cash outflow from operating activities**

	Notes	2022 \$	2021 \$
<b>Loss for the period</b>		<b>(6,143,255)</b>	(3,342,452)
Adjustments for			
Depreciation and amortisation	3(b)	<b>276,635</b>	215,186
Impairment of goodwill		-	1,600,325
Finance income		<b>12,253</b>	-
Share-based payments		<b>307,964</b>	-
Non-cash interest converted to shares		<b>47,354</b>	-
Non cash payments to suppliers		<b>1,710,413</b>	-
Non cash interest		<b>493</b>	-
Assets acquired in business combination		<b>(5,556)</b>	-
Change in operating assets and liabilities:			
(Increase)/decrease in trade and other receivables		<b>(966,385)</b>	(118,864)
(Increase)/decrease in inventories		<b>(26,254)</b>	24,505
(Increase)/decrease in other current assets		<b>(81,196)</b>	-
Increase/(decrease) in trade payables		<b>730,670</b>	(98,204)
Increase/(decrease) in employee benefits		<b>121,537</b>	-
Increase/(decrease) in deferred revenue		<b>(6,618)</b>	-
Net cash outflow from operating activities		<b>(4,021,945)</b>	(1,719,504)

### **(b) Non-cash investing and financing activities**

Non-cash investing and financing activities disclosed in other notes are:

- shares and options issued for no cash consideration.

## **9 Critical estimates, judgements and errors**

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires to exercise its judgement in applying the group's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements, are set out below;

### **(a) Significant estimates and judgements**

The areas involving significant estimates or judgements are:

- Fair value measurement hierarchy - note 22(j)
- Estimation of useful lives of assets - note 22(n)
- Goodwill and other indefinite life of intangible assets - note 22(q)(i)
- Impairment of non-financial assets other than goodwill and other indefinite life intangible assets - note 22(ab)
- Income tax - notes 4 and 22(g)
- Lease term - notes 6(d), 22(o) and 22(u)
- Incremental borrowing rate - 6(d), 22(p) and 22(u)
- Employee benefits provision - note 22(x)
- Share based payment - note 22(x)(iv)
- Business combination - note 12
- Expected credit loss - notes 10(b) and 22(k)

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

## **10 Financial risk management**

This note explains the group's exposure to financial risks and how these risks could affect the group's future financial performance.

The group's risk management is predominantly controlled by the board. The board monitors the group's financial risk management policies and exposures and approves substantial financial transactions. It also reviews the effectiveness of internal controls relating to market risk, credit risk and liquidity risk.

### **(a) Market risk**

#### **(i) Price risk**

##### **Exposure**

The group is not exposed to any significant price risk.

#### **(ii) Foreign exchange risk**

The group is not exposed to any significant foreign currency risk.

#### **(iii) Interest rate risk**

The group is not exposed to any significant interest rate risk.

### **(b) Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the group.

#### **(i) Risk management**

Credit risk is managed through the maintenance of procedures (such as the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring the financial stability of significant customers and counterparties), ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms are normally 30 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating.

#### **(ii) Security**

For some trade receivables the group may obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

#### **(iii) Impairment of financial assets**

The group has one type of financial asset subject to the expected credit loss model:

- trade receivables for item sales

While cash and cash equivalents and deposits at call are subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

### **(c) Liquidity risk**

Liquidity risk arises from the possibility that the group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The group manages this risk through the following mechanisms:

- maintaining adequate cash reserves and borrowing facilities;
- preparing forward looking cash flow analyses in relation to its operating, investing and financing activities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

## 10 Financial risk management (continued)

### (c) Liquidity risk (continued)

#### (i) Maturities of financial liabilities

The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Less than 6 months	6 - 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount (assets)/ liabilities
At 30 June 2022	\$	\$	\$	\$	\$	\$	\$
<b>Non-derivatives</b>							
<b>Non-interest bearing</b>							
Trade payables	1,298,276	-	-	-	-	1,298,276	1,298,276
Other Payables	196,055	-	-	-	-	196,055	196,055
Deferred Revenue	829,352	-	-	-	-	829,352	829,352
<b>Total</b>	<b>2,323,683</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,323,683</b>	<b>2,323,683</b>
<b>Interest bearing</b>							
Borrowings	77,514	105,492	23,395	29,827	-	236,228	236,228
<b>Total</b>	<b>77,514</b>	<b>105,492</b>	<b>23,395</b>	<b>29,827</b>	<b>-</b>	<b>236,228</b>	<b>236,228</b>
	<b>2,401,197</b>	<b>105,492</b>	<b>23,395</b>	<b>29,827</b>	<b>-</b>	<b>2,559,911</b>	<b>2,559,911</b>
<b>At 30 June 2021</b>							
<b>Non-derivatives</b>							
<b>Non-interest bearing</b>							
Trade payables	544,105	-	-	-	-	544,105	544,105
Other Payables	197,974	-	-	-	-	197,974	197,974
Deferred Revenue	835,971	-	-	-	-	835,971	835,971
Borrowings	372,623	-	190,574	53,222	-	616,419	688,667
Convertible notes	846,372	-	19,541	406,578	-	1,272,491	2,021,034
<b>Total</b>	<b>2,797,045</b>	<b>-</b>	<b>210,115</b>	<b>459,800</b>	<b>-</b>	<b>3,466,960</b>	<b>4,287,751</b>
<b>Interest bearing</b>							
Borrowings	372,623	-	190,574	53,222	-	616,419	688,667
Convertible notes	846,372	-	19,541	406,578	-	1,272,491	2,021,034
<b>Total</b>	<b>1,218,995</b>	<b>-</b>	<b>210,115</b>	<b>459,800</b>	<b>-</b>	<b>1,888,910</b>	<b>2,709,701</b>
<b>Derivatives</b>							
Trading derivatives	69,388	65,644	-	-	-	135,032	135,032
<b>Total</b>	<b>69,388</b>	<b>65,644</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>135,032</b>	<b>135,032</b>



## **10 Financial risk management (continued)**

### **(c) Liquidity risk (continued)**

#### *(i) Maturities of financial liabilities (continued)*

At 30 June 2021

<b>Total</b>	4,085,428	65,644	420,230	919,600	-	5,490,902	7,132,484
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The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

#### *(b) Fair value of financial instruments*

Unless otherwise stated, the carrying amounts of financial instruments.

## 11 Fair value measurement

### *Fair value hierarchy*

The following tables detail the group'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

Level 3: Unobservable inputs for the asset or liability

#### **Consolidated – 2021**

	<b>Level 1</b> \$	<b>Level 2</b> \$	<b>Level 3</b> \$	<b>Total</b> \$
<b>Non-current liabilities</b>				
Other hedging instruments	-	-	135,032	135,032
Total non-current derivative financial instrument liabilities	-	-	135,032	135,032

#### **Consolidated – 2022**

	<b>Level 1</b> \$	<b>Level 2</b> \$	<b>Level 3</b> \$	<b>Total</b> \$
<b>Non-current liabilities</b>				
Other hedging instruments	-	-	-	-
Total non-current derivative financial instrument liabilities	-	-	-	-

	<b>Convertible notes</b> \$	<b>Total</b> \$
Balance at 1 July 2021	135,032	135,032
Additions	-	-
Disposals	(135,032)	(135,032)
Balance at 30 June 2022	-	-

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

## 12 Business combination

### (a) Summary of acquisition – Acquisition of Perx Rewards Pty

On 7 February 2022, the Group acquired 100% of the ordinary shares of Perx Rewards Pty Limited for the total consideration transferred of \$1,200,000. This is a branded rewards program business providing rewards to employees, customers, and corporates. It was acquired to boost member numbers and accelerate the growth of the Group. \$1,173,484, either gain on bargain or goodwill, represents the expected synergies from expanding the Group's member numbers and increasing transactional revenue.

The acquired business contributed revenue of \$14,164,185 and profit before tax of \$7,472 to the consolidated entity for the period from 7 February 2022 to 30 June 2022. If acquisition occurred on 1 July 2021, the full year contributions would have been revenues of \$14,580,610 and loss before tax of \$118,630.

Details of the purchase consideration, the net assets acquired, and goodwill are as follows:

	\$
Purchase consideration (refer to (b) below):	
Cash paid to vendor	1,000,000
My Rewards International Limited shares issued to vendor	<u>200,000</u>
Total purchase consideration	<u>1,200,000</u>

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value \$
Cash and cash equivalents	32,372
Trade receivables	15,697
Prepayments	12,928
Trade payables	(14,324)
Tax liabilities	<u>(20,157)</u>
Net identifiable assets acquired	26,516
Add: Goodwill	<u>1,173,484</u>
Net assets acquired	<u>1,200,000</u>

Acquisition costs expense to profit or loss is \$18,250.

#### (i) Acquired receivables

The fair value of trade receivables is \$15,697.

## 12 Business combination (continued)

### (b) Purchase consideration – cash outflow

	30 June 2022 \$
Outflow of cash to acquire subsidiary, net of cash acquired Acquisition – date fair value of the total consideration transferred	1,200,000
Less: cash and cash equivalent acquired	(32,372)
Less: shares issued by Company as part of consideration	(200,000)
	<b><u>967,628</u></b>

As the acquisition has only recently occurred the numbers presented for are provisional amounts pending the completion of the fair valuation of assets acquired.

## 13 Interests in other entities

### (a) Material subsidiaries

The group's principal subsidiaries at 30 June 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group	
		2022 %	2021 %
My Rewards Pty Ltd	Melbourne, Australia	100	100
My Rewards (USA) Inc.	Delaware, USA	100	100
Perx Rewards Pty Ltd	Melbourne, Australia	100	-

## 14 Contingent liabilities and contingent assets

### (a) Contingent assets

The group had no contingent assets at 30 June 2022 (2021: nil).

### (b) Contingent liabilities

The group had no contingent liabilities at 30 June 2022 (2021: nil).

## 15 Commitments

### (a) Capital commitments

The group had no capital commitments at 30 June 2022 (2021: nil).

## 16 Events occurring after the reporting period

No 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.

## 17 Related party transactions

### (a) Key management personnel compensation

#### Compensation

The aggregate compensation made to Directors and other members of key management personnel of the group is set out below:

	30 June 2022	30 June 2021
	\$	\$
Short-term employee benefits ( includes cash salary and termination benefit)	971,360	323,824
Post-employment benefits	117,633	23,752
Long-term benefits	24,992	1,679
Termination benefits	163,722	-
Share-based payments (includes shares and options)	348,660	-
	<b>1,626,367</b>	<b>349,255</b>

Detailed remuneration disclosures are provided in the remuneration report on pages 13 to 14.

### (b) Transactions with key management personnel

The following transactions occurred with key management personnel:

	30 June 2022	30 June 2021
	\$	\$
<b>Sales and purchases of goods and services</b>		
Trade payable to Director - M Khire	110,391	158,480
Trade payable/(receivable) from Director - D Goldman	-	(1,200)
<b>Other transactions</b>		
Wages accrual to - P Hamilton	16,894	
Wages accrual to Director - D Vinson	14,434	17,734
Wages accrual to Director - M Khire	62,364	38,325
<b>(c) Loans to/from related parties</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Loans from key management personnel</b>		
Loan payable to Director - M Khire	-	70,000
Interest incurred on loan payable to Director - M Khire	-	32,061
End of period	-	102,061
<b>Loans to other related parties</b>		
Loan payable to former Director - B Langdon	-	43,463
Interest and loan repayment by former Director - B Langdon	-	28,465
End of period	-	71,928

## 18 Share-based payments

### (a) Employee Option Plan

A share option plan has been established by the consolidated entity and approved by shareholders at a general meeting, whereby the consolidated entity may, at the discretion of the Nomination and Remuneration Committee, grant options over ordinary shares in the company to certain key management personnel of the consolidated entity. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Nomination and Remuneration Committee.

Set out below are summaries of all listed and unlisted options, including those issued under the plan:

	2022 Average exercise price	per share option	Number of options
As at 1 July	-	-	-
Granted during the year	\$0.24		17,500,000
Forfeited during the year	\$0.27		(2,456,250)
As at 30 June	\$0.24		15,043,750
Vested and exercisable at 30 June	\$0.24		15,043,750

Share options outstanding at the end of the period have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price (\$)	Share options 30 June 2022
12/07/2021	12/07/2026	0.10	3,250,000
12/07/2021	12/07/2026	0.24	4,368,750
12/07/2021	12/07/2026	0.28	2,925,000
26/10/2021	26/10/2024	0.30	4,500,000
Total			15,043,750

Weighted average remaining contractual life of options outstanding at end of period 3.64

### (i) Fair value of options granted

The assessed fair value of options at grant date was determined using the Binomial option pricing model that takes into account the exercise price, term of the option, security price at grant date and expected price volatility of the underlying security, the expected dividend yield, the risk-free interest rate for the term of the security and certain probability assumptions.

The model inputs for options granted during the period ended 30 June 2022 included:

Grant date	Expiry date	Exercise price (\$)	No. of options	Share price at grant date (\$)	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date per option (\$)
12/07/2021	12/07/2026	\$0.10	3,250,000	\$0.10	60%	0.00%	0.64%	\$0.0456
12/07/2021	12/07/2026	\$0.24	4,875,000	\$0.10	60%	0.00%	0.64%	\$0.0276
12/07/2021	12/07/2026	\$0.28	4,875,000	\$0.10	60%	0.00%	0.64%	\$0.0246
26/10/2021	26/10/2024	\$0.30	4,500,000	\$0.14	60%	0.00%	0.26%	\$0.0255
			<u>17,500,000</u>					

## **18 Share-based payments (continued)**

### **(b) Expenses arising from share-based payment transactions**

Total expenses arising from share-based payment transactions recognised during the period were as follows:

	<b>2022</b>	2021
	<b>\$</b>	\$
Options issued under employee option plan	<b>307,964</b>	-

## **19 Remuneration of auditors**

During the period the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

### **(a) RSM Australia Partners Australia**

#### **(i) Audit and other assurance services**

	<b>2022</b>	2021
	<b>\$</b>	\$
Audit and review of financial statements	<b>112,115</b>	33,880
Total remuneration for audit and other assurance services	<b>112,115</b>	33,880

#### **(ii) Taxation services**

Tax compliance services	<b>17,100</b>	-
Total remuneration for taxation services	<b>17,100</b>	-

#### **(iii) Other services**

Corporate finance services	<b>67,250</b>	-
Total remuneration for other services	<b>67,250</b>	-

<b>Total auditors' remuneration</b>	<b>196,465</b>	33,880
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## 20 Loss per share

### (a) Reconciliations of earnings used in calculating loss per share

<b>30 June</b>	30 June
<b>2022</b>	2021
<b>\$</b>	<b>\$</b>

#### *Basic and diluted loss per share*

Loss attributable to the ordinary equity holders of the group used in calculating loss per share:

From continuing operations	<u><b>6,143,255</b></u>	<u>3,342,452</u>
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### (b) Weighted average number of shares used as the denominator

<b>2022</b>	2021
<b>Number</b>	Number

Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share

<u><b>156,002,890</b></u>	<u>106,910,941</u>
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## **21 Parent entity financial information**

### **(a) Summary financial information**

The individual financial statements for the parent entity shows the following aggregate amounts:

	<b>2022</b>	2021
	<b>\$</b>	<b>\$</b>
Balance sheet		
Current assets	<b>1,212,718</b>	2,486,365
Non-current assets	<b>1,256,313</b>	1,095,205
Total assets	<b>2,469,031</b>	3,581,570
Current liabilities	<b>930,697</b>	2,411,972
Non-current liabilities	<b>-</b>	237,093
Total liabilities	<b>930,697</b>	2,649,065
<b>Shareholders' equity</b>		
Share capital	<b>15,438,052</b>	5,544,005
Reserves		
Other reserves	<b>(422,707)</b>	856,379
Retained earnings	<b>(7,508,216)</b>	(4,649,020)
	<b>7,507,129</b>	1,751,364
<b>Loss for the period</b>	<b>2,859,198</b>	557,532
<b>Total comprehensive loss</b>	<b>2,859,198</b>	557,532

### **(b) Guarantees entered into by the parent entity**

The parent entity has not entered into any guarantees in relation to debts of its subsidiaries in the period ended 30 June 2022 (2021: nil).

### **(c) Contingent liabilities of the parent entity**

The parent entity had no contingent liabilities as at 30 June 2022 (2021: nil).

### **(d) Contractual commitments for the acquisition of property, plant or equipment**

The parent entity has not entered into any contractual commitments for the acquisition of property, plant or equipment in the period ended 30 June 2022 (2021: nil).

### **(e) Determining the parent entity financial information**

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except as set out below.

#### **(i) Investments in subsidiaries, associates and joint venture entities**

Investments in subsidiaries are accounted for at cost in the financial statements of My Rewards International Limited.

## **22 Summary of significant accounting policies**

### **(a) Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. My Rewards International Limited is a for-profit entity for the purpose of preparing the financial statements.

#### **(i) Compliance with IFRS**

The financial statements of the My Rewards International Limited group also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

#### **(ii) Historical cost convention**

The financial statements has been prepared on a historical cost basis.

#### **(iii) 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 group incurred a loss after income tax of \$6,143,255, a deficit in working capital (current liabilities exceed current assets) of \$1,530,854 and had net cash outflows from operating activities of \$4,021,945 respectively for the year ended 30 June 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 believe that it is reasonably foreseeable that the group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The group has an unused finance facility of \$3,406,000 (2020: \$nil) at its disposal (refer to note 5(f) for further details);
- The directors are confident the group has the ability to raise further capital from existing shareholders and new investors if required;
- 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.

Accordingly, the directors believe that the group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

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.

#### **(iv) New and amended standards adopted by the group**

There are no other new accounting standards or interpretations that would be expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions.

#### **(v) New standards and interpretations not yet adopted**

There are no new standards and interpretations that are not yet effective and that would be expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions.

## **22 Summary of significant accounting policies (continued)**

### **(a) Basis of preparation (continued)**

#### **(vi) Critical accounting estimates**

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 9.

### **(b) Principles of consolidation and equity accounting**

#### **(i) Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group (refer to note 22(p)).

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

### **(c) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

### **(d) Foreign currency translation**

#### **(i) Functional and presentation currency**

Items included in the financial statements of the group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements is presented in the Australian dollar (\$), which is My Rewards International Limited's functional and presentation currency.

#### **(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of profit or loss and other comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss and other comprehensive income on a net basis within finance income.

## **22 Summary of significant accounting policies (continued)**

### **(e) Revenue recognition**

#### **(i) Revenue from contracts with customers**

Revenue is recognised at an amount that reflects the consideration to which the group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the group, identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services performed.

#### **(ii) Revenue from loyalty programs**

Revenue from the sale of gift cards is recognised at the point in time when the customer obtains control of the gift cards, which is generally at the time of delivery.

#### **(iii) Membership Revenue**

Revenue from membership fees is recognised across the membership period.

#### **(iv) Commissions**

Revenue from commissions is recognised when the sale transaction and delivery of goods from the third party is complete.

#### **(v) Interest**

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### **(vi) Other revenue**

Other revenue is recognised when it is received or when the right to receipt payment is established.

### **(f) Finance costs**

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

### **(g) Income tax**

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the group and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

## **22 Summary of significant accounting policies (continued)**

### **(g) Income tax (continued)**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### **(h) Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

### **(i) Cash and cash equivalents**

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

### **(j) Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

## **22 Summary of significant accounting policies (continued)**

### **(j) Fair value measurement (continued)**

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

### **(k) Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The group has applied the simplified approach to measure expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

### **(l) Contract assets**

Contract assets are recognised when the consolidated entity has transferred goods or services to the customer but where the consolidated entity is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

### **(m) Inventories**

Inventory is stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, import duties and other taxes. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

### **(n) Plant and equipment**

The group's accounting policy for land and buildings is explained in note 6(a). All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

- Plant and equipment (3-20 years)

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at the end of each reporting period.



## **22 Summary of significant accounting policies (continued)**

### **(n) Plant and equipment (continued)**

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

### **(o) Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of lease liability adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

### **(p) Business combinations**

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred. The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

## **22 Summary of significant accounting policies (continued)**

### **(p) Business combinations (continued)**

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognised in profit or loss.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

### **(q) Intangible assets**

Intangible assets are initially measured at cost. Following initial recognition, intangible assets are carried at historical cost, less any accumulated amortisation and impairment losses. The useful lives of intangible assets that are available for use are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication of impairment.

Amortisation methods and periods for an intangible asset with a finite useful life is reviewed at least at each financial period end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation method and/or period, as appropriate, which is a change in accounting estimate and applied prospectively. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss and other comprehensive income.

#### **(i) Goodwill**

Goodwill is measured as described in note 22(q)(i). Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

#### **(ii) Patents and trademarks**

Significant costs associated with patents and trademarks are deferred and amortised on a reducing balance method basis over the period of their benefit, being their finite life of 2.5 years.

#### **(iii) Software**

Significant costs associated with software development are deferred and amortised on a reducing balance method basis at 40%.

## **22 Summary of significant accounting policies (continued)**

### **(q) Intangible assets (continued)**

#### **(iv) Research and development**

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the group is able to use or sell the asset; the group has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a reducing balance method basis over the period of their expected benefit, being their finite life of 2.5 years.

### **(r) Trade and other payables**

These amounts represent liabilities for goods and services provided to the group prior to the end of financial period which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 to 90 days of recognition.

### **(s) Contract liabilities**

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

### **(t) Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

### **(u) Lease Liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

## **22 Summary of significant accounting policies (continued)**

### **(v) Classification and measurement of financial liabilities**

Financial liabilities are initially measured at fair value, and where applicable adjusted for transaction costs unless the group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

### **(w) Derivatives and hedging activities**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

### **(x) Employee benefits**

#### **(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### **(ii) Other long-term employee benefit obligations**

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### **(iii) Defined contribution superannuation expense**

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

## **22 Summary of significant accounting policies (continued)**

### **(x) Employee benefits (continued)**

#### **(iv) Share-based payments**

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost is determined by applying the Binomial option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

## **22 Summary of significant accounting policies (continued)**

### **(y) Provisions**

Provisions are recognised when the group has a present (legal or constructive) obligation as a result of a past event, it is probable the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

### **(z) Contributed equity**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### **(aa) Loss per share**

#### **(i) Basic loss per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period.

#### **(ii) Diluted loss per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

### **(ab) Impairment of non-financial assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### **(ac) 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 financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest dollar.

## **22 Summary of significant accounting policies (continued)**

### **(ad) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority

### **(ae) Parent entity financial information**

The financial information for the parent entity, My Rewards International Limited, disclosed in note 21 has been prepared on the same basis as the consolidated financial statements.

### **(af) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**In the directors' opinion:**

- (a) the financial statements and notes set out on pages 22 to 67 are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the entity's financial position as at 30 June 2022 and of its performance for the financial period 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.

Note 22(a) confirms that the financial statements also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The director have been given the declaration required by section 295A of the Corporations Act 2001.

Signed in accordance with resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.



Mr David Vinson  
Chairman and Executive Director



Ms Maitreyee Khire  
Managing Director

Melbourne  
31 August 2022



## INDEPENDENT AUDITOR'S REPORT

To the Members of My Rewards International Limited

### Opinion

We have audited the financial report of My Rewards International Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit 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* (the Code) that are relevant to our audit of the 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 the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 22(a)(iii) to the financial statements which indicates that the Group incurred a loss after income tax of \$6,143,255, a deficit in working capital (current liabilities exceed current assets) of \$1,530,854 and had net cash outflows from operating activities of \$4,021,945 respectively for the year ended 30 June 2022. These events or conditions, along with other matters as set forth in Note 22(a)(iii), indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed this matter
<b>Recognition of Revenue</b> Refer to Note 2 in the financial statements	
<p>Revenue recognition was considered a Key Audit Matter, as it is complex and involves significant management judgements.</p> <p>The Group's revenue primarily derives from membership subscription fees, gift voucher/merchandise sales and affiliate retailer commissions. There is a risk that revenue will not be appropriately recognised in accordance with accounting standards.</p>	<p>Our audit procedures in relation to the recognition of revenue included:</p> <ul style="list-style-type: none"> <li>Assessing the recognition and measurement of revenue against the requirements of AASB15 <i>Revenue from contracts with customers</i>;</li> <li>Evaluating and testing operating effectiveness of management's controls relating to revenue recognition;</li> <li>For a sample of revenue transactions, substantiating transactions by agreeing to supporting documentation; and</li> <li>Ensuring that revenue has been correctly deferred/accrued and recognised over the correct financial period.</li> </ul>

## Key Audit Matters (Continued.)

Key Audit Matter	How our audit addressed this matter
<b><i>Impairment of Intangible Assets</i></b> Refer to Note 6(b) in the financial statements	
<p>The Group has goodwill of \$1.2 million relating to its acquisition of Perx Rewards Pty Ltd on 7 February 2022 for \$1.2 million. We identified this area as a Key Audit Matter due to the size of the goodwill balance, and because the directors' assessment of the 'value in use' of the cash generating unit ("CGU") involves judgements about the future underlying cash flows of the business and the discount rates applied to them.</p> <p>For the year ended 30 June 2022 management have performed an impairment assessment over the goodwill balance by:</p> <ul style="list-style-type: none"> <li>calculating the value in use for each CGU using a discounted cash flow model. These models used cash flows (revenues, expenses and capital expenditure) for each CGU for 5 years, with a terminal growth rate applied to the 5th year. These cash flows were then discounted to net present value using the CGU's weighted average cost of capital (WACC); and</li> <li>comparing the resulting value in use of each CGU to their respective book values.</li> </ul>	<p>Our audit procedures in relation to management's impairment assessment included:</p> <ul style="list-style-type: none"> <li>Assessing management's determination that the goodwill should be allocated to a single CGU based on the nature of the Group's business and the manner in which results are monitored and reported</li> <li>Assessing the valuation methodology used;</li> <li>Challenging the reasonableness of key assumptions, including the cash flow projections, exchange rates, discount rates, and sensitivities used;</li> <li>Checking the mathematical accuracy of the cash flow model, and reconciling input data to supporting evidence, such as approved budgets and considering the reasonableness of these budgets; and</li> <li>Performing a sensitivity analysis over the value in use calculations, by varying the assumptions used (growth rates, terminal growth rate and WACC) to assess the impact on the valuations.</li> <li>As a final check compared the book values of each CGU to the ASX Limited market capitalisation for the Group.</li> </ul>

## Key Audit Matters (Continued.)

Key Audit Matter	How our audit addressed this matter
<p><b>Business Combinations</b></p> <p>Refer to Note 12 in the financial statements</p>	
<p>During the year, the Group completed the acquisition of 100% of the ordinary shares of Perx Infinite Rewards Assets ("Perx Rewards") through a Share Purchase Agreement.</p> <p>The above transaction has been assessed to be a business combination under AASB 3 <i>Business Combinations</i> wherein My Rewards is the acquirer and Perx Rewards is the acquiree. The values identified in relation to the acquisition of Perx Rewards are provisional as at 30 June 2022.</p> <p>The accounting for business combination is a complex exercise which involves significant management judgments and estimates and elaborate disclosures in the financial report, which could lead to a risk of material misstatement.</p> <p>These include the identification of acquirer, recognition and valuation of consideration paid, the determination of the fair value of the assets acquired and liabilities assumed, and the resultant goodwill.</p>	<p>Our audit procedures included the following, among others:</p> <ul style="list-style-type: none"> <li>• Obtaining and reviewing the Share Purchase Agreement (SPA) between My Rewards and the Vendor, along with any other associated documents to understand the key terms and conditions and ensuring that the transaction had been accounted for in accordance with AASB 3.</li> <li>• Testing the accuracy of the purchase consideration by reviewing the SPA, the Scheme and the issue of equity shares by My Rewards;</li> <li>• Reviewing management's process for the identification of the accounting acquirer, calculation of purchase consideration, acquisition date, appropriateness of the fair values of the net assets acquired having regard to the completeness of assets acquired and liabilities assumed, and the reasonableness of any underlying assumptions in their respective valuations, including useful lives of the tangible and intangible assets acquired and the resultant goodwill.</li> <li>• Reviewing the adequacy of the relevant disclosures in the financial report in compliance with the requirements of AASB 3.</li> </ul>

## **Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of the Directors for the Financial Report**

The directors of the Group are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/admin/file/content102/c3/ar2\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf)

This description forms part of our auditor's report.

## **Report on the Remuneration Report**

### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of My Rewards International Limited, for the year ended 30 June 2022, complies with section 300A of the Corporations Act 2001.

### *Responsibilities*

The directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

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

Dated: 31 August 2022  
Melbourne, Victoria

The shareholder information set out below was applicable as at 29 August 2022.

**A. Distribution of equity securities**

Analysis of numbers of equity security holders by size of holding:

Holding	Class of equity security	
	No. of holders (shares)	Shares
1 - 1000	3	1,734
1,001 - 5,000	11	39,190
5,001 - 10,000	95	883,936
10,001 - 100,000	299	12,507,842
100,001 and over	152	126,899,130
	560	140,331,832

There were 39 holders of less than a marketable parcel of ordinary shares.

**B. Equity security holders**

**Twenty largest quoted equity security holders**

The names of the twenty largest holders of quoted equity securities are listed below:

Name	Ordinary shares	
	Number held	Percentage of issued shares
MAITREYEE KHIRE & MANAS PATANKAR	20,244,134	10.20
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	17,156,571	8.70
BNP PARIBAS NOMINEES PTY LTD BARCLAYS <DRP A/C>	8,553,740	4.30
WORLD MARK PTY LTD	8,000,000	4.00
SAM LAU	7,797,845	3.90
EST ELSIE KOADLOW	6,500,000	3.30
DONALD MALCOLM MORRIS & VERITY ANNE MORRIS	5,850,000	3.00
MR ANDREW KENNETH BRUCE MORTIMER	5,289,066	2.70
WINTERAY LIMITED	4,444,445	2.20
ADRIAN LAU	4,335,200	2.20
GERALD LAU	4,335,200	2.20
MR BRADLEY JAMES LANGDON	4,200,558	2.10
PARK TERRACE INVESTMENTS PTY LTD	3,666,667	1.90
DAVID VINSON	3,081,300	1.60
PEARL MANAGEMENT PTY LTD <PEARL VENTURE CAP P LP A/C>	2,800,000	1.40
MR ANDREW KENNETH BRUCE MORTIMER	2,780,974	1.40
SA CAPITAL FUNDS MANAGEMENT LIMITED <SACFM NO 1 FUND A/C>	2,250,000	1.10
MR BRIAN PETER BYASS	2,175,000	1.10
KLYP AUSTRALIA PTY LTD	2,021,451	1.00
LOCKSLEY HOLDINGS PTY LTD	1,600,001	0.80
	117,082,152	59.10

**C. Substantial holders**

Substantial holders in the group are set out below:

	<b>Number held</b>	<b>Percentage</b>
HUB	17,156,571	12.16%
Maitreyee Khire and Manas Patankar	20,244,134	10.65%

Substantial holdings are based on the last notice for each holder lodged on the Australian Stock Exchange (ASX).