



My Rewards International Limited

QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDING 30 SEPTEMBER 2022

ABN 47 095 009 742

myrewards

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.

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2022

KEY BUSINESS HIGHLIGHTS

- Strategic initiatives for growth and cost cutting on track
- Focus on developing more business-to-business contracts
- New partnerships aligned for pathway to profitability, customer engagement

My Rewards International Limited (Company, My Rewards), a fast-growing global provider of rewards, recognition and loyalty programs for businesses and consumers, is pleased to provide a summary of its activities for the quarter ending 30 September 2022.



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

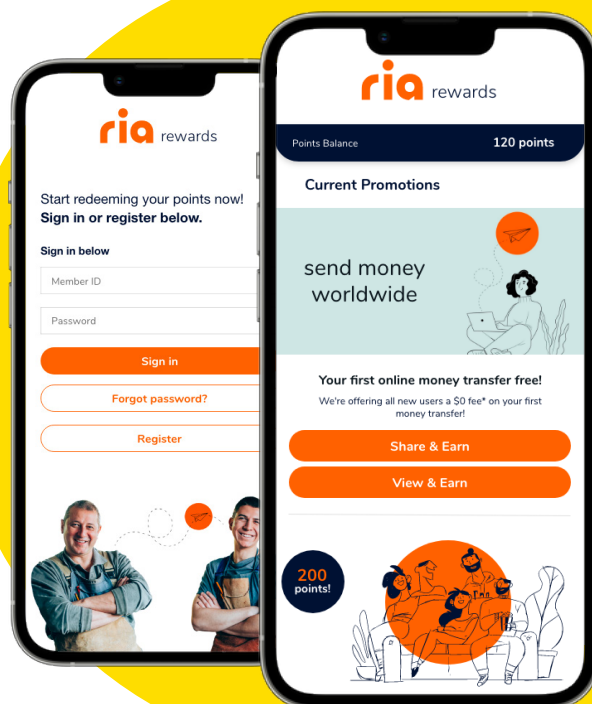
Loyalty & Retention

- 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

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2022 CONT'D

Focus on implementing and onboarding new business to business Rewards and Loyalty programs

My Rewards has a solid pipeline of prospective B2B clients that deliver high gross margin membership fees and is pursuing the three key pillars of its growth strategy – growing B2B membership, diversifying product mix for increased margin and complementary business acquisitions.



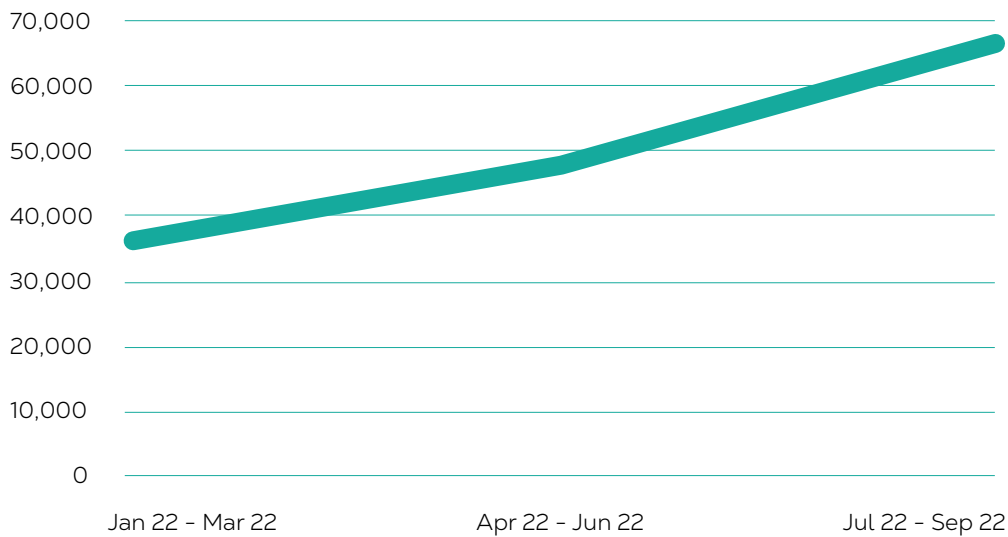
Revenue Source	Description	Margin
Ongoing Membership Fees	Fees paid by the Businesses to provide access to its employees, members or customers. These are either paid as per user per month OR management fee per month.	Higher
Advertising Fees	Fees paid by retailers to My Rewards for facilitating transactions, advertisement placement or referrals.	Higher
Design & Setup Fees	Fees paid by the Businesses to My Rewards to set up a website / app and any additional customisation.	Medium
Transactional Income	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

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2022 CONT'D

Member growth

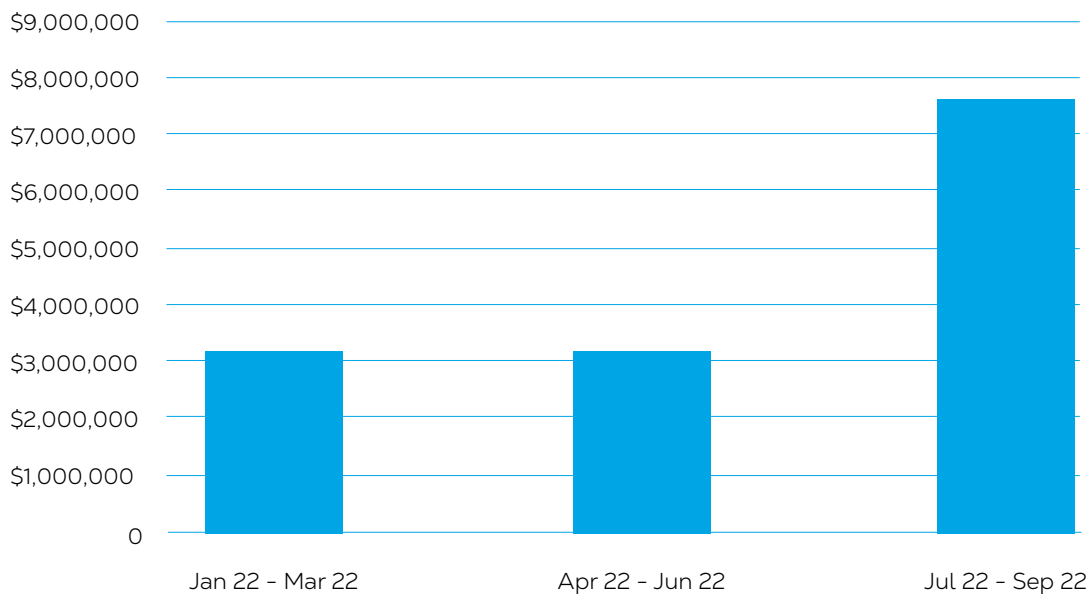
The Company welcomed ~63,000 new members between July and September 2022, as compared to ~48,000 new members during the period April 2022 to June 2022.

New Members



The Company continued to grow its revenue with the July – September quarter recording \$7.7 million in Receipts from Customers, as compared to \$3.2 million during the April to June 2022 quarter.

Receipts from Customers

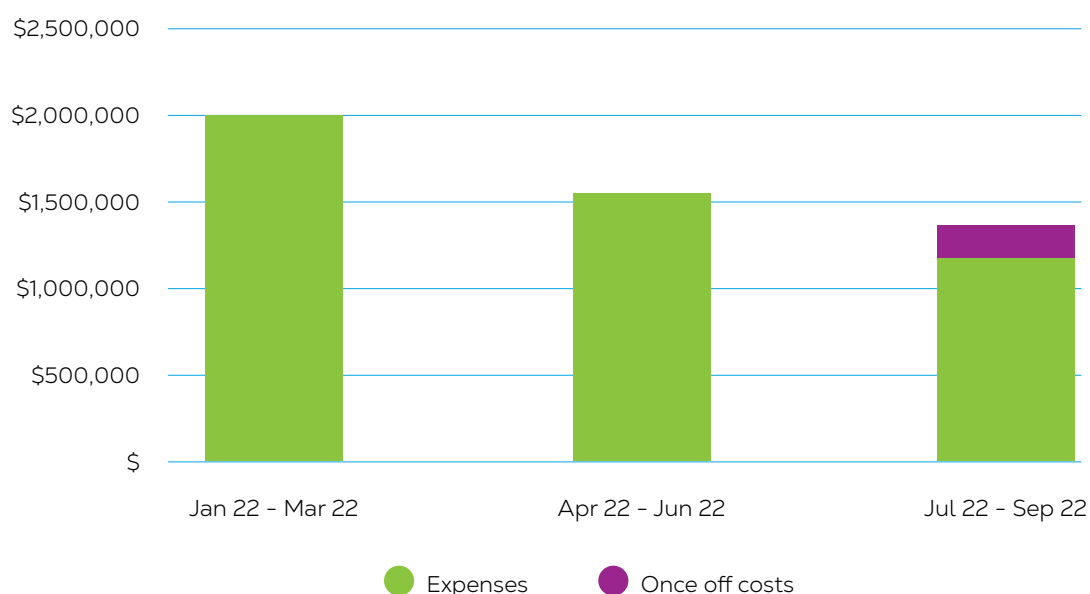


QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2022 CONT'D

Cost Saving Strategy

The Company is continuing to implement its cost saving strategy. For the quarter ended 30th September 2022, the company recorded cash outflows (excluding product costs) of \$1.23 million as compared to \$1.53 million for the quarter ending 31st March 2022.30 June 2022.

Cash Outflows



New initiatives and partnerships

As the Company focuses on its growth strategies and building a diverse range of products and offers, it is delighted to welcome a large Australian-based, multi-national retailer of furniture, bedding, computers, communications and consumer electrical products to be part of the My Rewards' supplier eco-system.

Leveraging off its wide supplier network and decades of experience and relationships with companies in Australia, the Company has entered into advanced negotiations with a large Asian e-commerce platform to provide a range of Australian products to international markets.

The Company continues to focus to building engagement, customer experience and delivering an end-to-end rewards and loyalty platform. As part of this strategic priority, the Company is exploring a partnership with a digital gamification platform provider and has reached agreement with Energetiks (Video Streaming Platform) to extend its Option to purchase until 30th June 2023. (original terms of agreement can be found [here](#).)

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2022 CONT'D

Financials

An Appendix 4C is attached to this announcement.

As detailed in the attached ASX Appendix 4C, the Company had \$413k in cash and equivalents (and a further \$2.89 million of unused line of credit) as at 30 September 2022, compared to \$349k at 30 June 2022.

The net cash used in operating activities during the quarter was \$815k which includes \$151k of once off employee related expenses, compared to \$796k at 30 June 2022.

On the 2nd of September 2022, the Company announced a placement of \$550,000 through an issue of 11 million fully paid ordinary shares in the Company at an issue price of \$0.05 per share to institutional and sophisticated investors.

In accordance with Listing Rule 4.7C, payments made to related parties and their associates included in items 6.1 of the Appendix 4C includes sign on payment, payments for directors' fees and remuneration in the normal course of business at commercial rates, excluding reimbursements of out-of-pocket expenses.

Pursuant to Listing Rule 4.7C.2, the Company confirms that, in the period since listing on the ASX, it has incurred expenditure largely in line with the Use of Proceeds set out in its Prospectus, as detailed below.

Use of Funds under Prospectus	Funds allocated under Prospectus	Funds expended between admission and 30 September 2022		Variance
Supplier Acquisitions	\$350,000	\$232,906	\$117,094	33%
Customer Acquisitions	\$400,000	\$232,906	\$167,094	42%
Debt Reduction	\$275,000	\$342,730	-\$67,730	-25%
Further Investment and development of technology	\$350,000	\$356,359	-\$6,359	-2%
Overseas expansion and promotion	\$600,000	\$30,000	\$570,000	95%
Payment to acquire Perx Rewards Pty Ltd	\$1,000,000	\$900,000	\$100,000	10%
Working Capital	\$296,016	\$320,896	-\$24,880	-8%
Expenses of the Offer	\$708,984	\$940,379	-\$231,395	-33%
Administration Costs	\$1,200,000	\$1,367,320	-\$167,320	-14%
Total	\$5,180,000	\$4,723,496	\$456,504	9%

Expenditure in the above table relates only to the \$5 million raised during the Initial Public Offering and does not include the expenditure of the funds raised during the Convertible Note raise.

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2022 CONT'D

About My Rewards International Limited (ASX:MRI)

My Rewards is a fast-growing global provider of subscription-based Customer Engagement Technologies that includes loyalty and rewards programs for corporates and consumers, custom marketplaces and live streaming eCommerce solutions. My Rewards' core solutions include Loyalty tech, Rewards, and Customer Experience.

Since its incorporation in 2000, My Rewards has steadily grown to connect over 5.8 million members with more than 4,500 global, national and local suppliers. My Rewards provides more than 120 corporates with Employee Engagement and Customer Loyalty Programs to help them retain, engage, and attract employees or customers. My Rewards' clients include some of the biggest household brands in retail, financial services, and telecommunications, including Telstra, Ramsay Health, MLC and AIG.

This announcement has been authorised for release by the board of directors of My Rewards International Limited.

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For enquiries:

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Managing Director

My Rewards International

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

My Rewards International Limited (ASX: MRI)

ABN

47 095 009 742

Quarter ended ("current quarter")

30 September 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	7,752	7,752
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(7,405)	(7,405)
	(c) advertising and marketing	(168)	(168)
	(d) leased assets	(27)	(27)
	(e) staff costs	(452)	(452)
	(f) administration and corporate costs	(670)	(670)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(9)	(9)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	67	67
1.9	Net cash from / (used in) operating activities	(912)	(912)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(25)	(25)
	(d) investments	-	-
	(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(25)	(25)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	550	550
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(16)	(16)
3.5	Proceeds from borrowings	510	510
3.6	Repayment of borrowings	(43)	(43)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	1001	1001

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	349	349
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(912)	(912)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(25)	(25)

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1001	1001
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	413	413

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	413	349
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	413	349

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	92
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Item 6.1 Reflects amounts paid to directors including director's fees, salaries, superannuation, bonuses and consulting fees (excluding reimbursements).

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	3,500	604
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	3,500	604
7.5 Unused financing facilities available at quarter end		2,896
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
On 29 April 2022, the Company entered into a line of credit facility with AMRAM Corp Pty Ltd for an amount of \$3,500k. The facility is unsecured with interest payable monthly in arrears at 12% per annum. The nominal term of the facility is 12 months, or as otherwise agreed by the parties. The purpose of the facility is to provide additional working capital.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(912)
8.2 Cash and cash equivalents at quarter end (item 4.6)	413
8.3 Unused finance facilities available at quarter end (item 7.5)	2,896
8.4 Total available funding (item 8.2 + item 8.3)	3,309
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	3.6
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2022

Authorised by: The Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.