

ASX Announcement

27 February 2023

My Rewards enters \$15 million equity placement agreement with LDA Capital

My Rewards International Ltd (ASX: MRI, “My Rewards”, the “Company”) has established an equity funding agreement (‘Agreement’) with global investor, LDA Capital Limited (‘LDA Capital’ or LDA), which will support the Company’s growth plans for the medium term.

The Agreement provides for up to A\$15 million in ordinary share placements over a 36-month period.

Each placement requested by the Company under the Agreement is subject to and conditional upon, amongst other conditions in the Agreement, the Company having available placement capacity to issue the relevant shares under LR7.1 and LR 7.1A, or prior shareholder approval.

The terms of Agreement allow the Company to maintain flexibility and enables My Rewards to carry out capital raisings external to the Agreement. Drawdowns under the facility are entirely at My Rewards’ discretion (subject to the terms of the Agreement) and My Rewards is under no obligation to use the facility. Importantly, the Agreement does not restrict the Company’s ability to enter into strategic partnerships or licensing agreements. The key terms of the Agreement are set out in further detail below.

My Rewards’ Executive Chairman David Vinson said: “We are delighted to have the support of a leading fund manager like LDA Capital. This gives us confidence to pursue our growth plans for the foreseeable future.”

Key Details of the Agreement	
Parties	My Rewards Limited LDA Capital Limited
Summary of Agreement capacity	The Agreement comprises up to A\$15 million in ordinary share placements over the three-year term of the Agreement. The equity will be issued from the Company’s available LR 7.1 or 7.1a capacity or as approved by Shareholders from time to time.
Term	36 months from date of agreement plus option of a one year extension by written agreement of both parties.

Key Details of the Agreement

Equity Placement Facility - Mechanism	<p>Under the Agreement, My Rewards has the ability to issue to LDA Capital notice requesting a placement. Details of limits on the size of placements that can be requested are set out in the announcement.</p> <p>Subject to all conditions being met, My Rewards issues a 'capital call notice' to LDA Capital for LDA Capital to subscribe in shares. Within three business days of the notice, My Rewards issues unlisted 'collateral shares' to LDA.</p> <p>LDA will subscribe for the collateral shares by the business day after the 30th trading day after the capital call notice was issued (the 'pricing period'), subject to any adjustments, at which time the collateral shares will convert to ordinary fully paid shares.</p> <p>Adjustments to the number of collateral shares LDA subscribes to include:</p> <ul style="list-style-type: none">• VWAP of shares during the pricing period is less than 90% of the minim acceptable price• Trading in MRI shares on ASX is suspended or halted• The number of shares trade on ASX on any trading day is less than 25% of the 15 day trading volume prior to the capital call notice• An event which has, or in which LDA's reasonable opinion is likely to have, a material adverse effect on My Rewards.
Limits	<p>The number of shares issued under an individual capital call will not exceed 1,000% of the 15 day trading volume immediately prior to a capital call notice.</p>
Share Issue Price	<p>Shares under the Agreement will be issued at the higher of 90% of the VWAP on the trading day immediately preceding the capital call notice, and the minimum acceptable price (nominated by My Rewards).</p>
Fees	<p>The Company will pay LDA Capital a commitment fee of A\$300,000, to be paid A\$75,000 on each of the first four placements completed, with at least \$150,000 to be paid by 18 months from the date of the Agreement, and the whole amount to be paid by 2 years from the date of the Agreement (irrespective of whether any placements have been made).</p> <p>The Company is also responsible for legal fees relating to the Agreement, up to a maximum of US\$25,000.</p>
Agreement Options	<p>Within 60 days of the Agreement, the Company will issue to LDA Capital 13,899,341 unlisted options with an exercise price of \$0.0351 with an expiry date on the third anniversary of their grant date.</p> <p>At 6, 12 and 18 months after signing the Agreement, the Company will issue additional options equal to 6% of the number of new shares issued in that 6 month period divided by the fully diluted shares outstanding at the end</p>

Key Details of the Agreement	
	<p>of the six month period. The 6, 12 and 18 month options have an expiry date on the third anniversary of their grant date, and will be priced as follows:</p> <p>if the Market Price (defined using the average VWAP during the 30 days prior to six, twelve and eighteen-month anniversaries of the signing date of the Agreement) of the Share is less than 80% of \$0.0351, then the Exercise Price of the additional Options to be issued shall be a 115% premium to the previous 30-day VWAP.</p>
Other terms	<p>The Company retains complete discretion as to the timing of any placements and is under no obligation to undertake placements under the Agreement during the Commitment Period.</p> <p>The Agreement contains representations, warranties, indemnities, share issue requirements and termination and dispute resolution provisions that are standard for an agreement of this nature.</p>

This announcement was authorised for release by the Chairman.

Enquiries:

David Vinson

Chairman

shareholders@myrewards.com.au

Tim Allerton

Media Relations

City PR

tallerton@citypublicrelations.com.au

+61 412 715 707

About My Rewards International Limited (ASX:MRI)

My Rewards is a fast-growing global provider of customised subscription-based marketplaces for corporates and consumers. 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.

SUMMARY OF OPTION TERMS

Eligibility	New Options issued to LDA Capital Limited under equity funding agreement
Grant of New Options	<p>The New Options will be issued within 60 days of the agreement being signed.</p> <p>At 6, 12 and 18 months after signing the Agreement, the Company will issue additional New Options equal to 6% of the number of new shares issued in that 6 month period divided by the fully diluted shares outstanding at the end of the six month period.</p>
Vesting and Exercise of New Options	<p>The New Options will vest and are exercisable immediately on issue. The New Options may be exercised at any time before their expiry date, wholly or in part, by delivering a duly completed form of notice of exercise together with transfer of funds for the exercise price. My Rewards will issue one Share for each New Option exercised.</p> <p>The exercise of each New Option is subject to compliance with the Corporations Act (in particular, the requirements of Chapter 6 of the Corporations Act).</p>
Terms of Shares issued	Any Shares issued as a result of exercising a New Option will be issued on the same terms and rank in all respects on equal terms, with existing Shares.
Quotation of Shares issued	Application for official quotation of Shares allotted and issued as a result of the exercise of the New Options will be made within five Business Days from the date of issue of the Shares.
Expiration of New Options	Each New Option will expire on the third anniversary after grant.
Issue price of New Options	No issue price is payable for the New Options.
Exercise price of New Options	<p>\$0.0351 for New Options to be issued within 60 days of the agreement being signed.</p> <p>The 6, 12 and 18 month options will be priced as follows:</p> <p>if the Market Price (defined using the average VWAP during the 30 days prior to six, twelve and eighteen-month anniversaries of the signing date of the Agreement) of the Share is less than 80% of \$0.0351, then the Exercise Price of the additional Options to be issued shall be a 115% premium to the previous 30-day VWAP.</p>
Option register	New Options will be registered in the name of the Shareholder in an option register maintained by the share registry. The share registry will issue holding statements that evidence the number of New Options held by the Shareholder. No option certificates will be issued.
Reconstruction of capital	If there is a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of My Rewards, the option terms will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
Adjustment for pro rata issue of Shares	If there is a pro rata issue of Shares, the exercise price of New Options will be adjusted according to ASX Listing Rule 6.22.2.

Adjustment for bonus shares or stock dividends	If there is a bonus or cash issue of Shares, the number of Shares issued upon exercise of the New Options will be adjusted as specified in Listing Rule 6.22.3.
New issues of Shares	The New Options do not confer a right to participate in new issues of Shares unless the New Options have been exercised on or before the record date for determining entitlements to the issue.
Notice of adjustments	My Rewards will give written notice to the New Option holder of any adjustment of the exercise price of the New Options and any increase or decrease in the number of New Options.
Dividend rights	While they remain unexercised, the New Options will not give a holder an entitlement to receive any dividends declared and paid by My Rewards for Shares.
Applicable law	Each New Option is issued subject to: <ul style="list-style-type: none"> (a) the Corporations Act; (b) the Listing Rules; and (c) the Company's constitution.