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ASX Announcement
4 May 2023

My Rewards to acquire Frankly

My Rewards International Ltd (ASX: MRI, "**My Rewards**", the "**Company**") has entered into a binding asset purchase agreement ("**Agreement"**) with Frankly Agency Pty Ltd ("**Frankly"**), pursuant to which My Rewards has agreed to acquire Frankly's business and assets ("**Proposed Transaction**").

Frankly is a digital marketing agency based in Melbourne, which offers a range of services including lead generation, search engine marketing (SEM), web development, creative design and campaign reporting. Frankly operates under the domain name www.frankly.com.au, which will be included as part of the assets to be acquired. Frankly has provided services to prestigious clients including the National Basketball League (NBL).

The Proposed Transaction is consistent with My Rewards' strategy of investing in technology and assets to drive growth of its loyalty rewards business.

The Proposed Transaction is subject to certain conditions, including approval by My Rewards shareholders of the shares to be issued as consideration under the Agreement. It is proposed that such approval be sought by an additional resolution to be considered at the Extraordinary General Meeting ("**EGM"**) of the Company scheduled to be held on 26 May 2023, with further details to be issued in due course.

The consideration payable by My Rewards under the Proposed Transaction is $1.8 million, to be paid as follows:

- $750,000 in cash in monthly instalments over a period of six months; and
- $1,050,000 in My Rewards shares to be issued at the lower of the five-day volume weighted average price on the day prior to the EGM (subject to a minimum share price of $0.018 per share) and $0.026 per share.

The material terms of the Asset Sale Agreement in respect of the Proposed Transaction are summarised in Annexure A to this announcement. The business to be acquired under the Proposed Transaction has reported nominal increasing operating profits in CY 2023, and it is anticipated to continue to operate on a similar basis and be self-funding following the Proposed Transaction. The Company is investigating ways to improve the profitability of the business following completion of the Proposed Transaction. There will be no change to MRI's Board of Directors as a result of the Proposed Transaction.

Shareholder approval

My Rewards will seek shareholder approval of the shares to be issued as consideration under the Proposed Transaction for the purposes of ASX Listing Rule 7.1 by way of an additional resolution to be considered at the EGM scheduled to be held on 26 May 2023. An addendum to the Notice of Meeting and Explanatory Memorandum issued on 27 April 2023 ("**Addendum**"), containing additional information in respect of the Proposed Transaction, will be sent to shareholders and released to the ASX in due course.

My Rewards' Executive Chairman David Vinson said, "*We are excited to incorporate the Frankly business into our existing operations as My Rewards continues to build a complete solution for businesses to attract, engage and retain employees and customers. Having an established in-house digital agency, supported by a well-disciplined team, enables My Rewards to efficiently increase the services offered to existing and prospective clients. This acquisition allows My Rewards to cultivate additional revenue streams and add to the profitability of the Company*."

Timetable - Proposed Transaction	
Announcement of Proposed Transaction	4 May 2023
Dispatch of Addendum to Notice of Meeting to My Rewards shareholders	15 May 2023
Extraordinary General Meeting of shareholders to approve the issue of Shares as consideration	26 May 2023
Completion of Proposed Transaction	Early June 2023

The above dates are subject to change and any change will be advised accordingly.

This announcement was authorised for release by the Chairman.

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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.

Annexure A - Material terms of the Asset Purchase Agreement

<table>
<tr><td>Parties</td><td>Frankly Agency Pty Ltd ACN 614 877 995 as Trustee for Frankly Agency Discretionary Trust ABN 81 991 794 294

My Rewards International Limited ACN 095 009 742</td></tr>
<tr><td>Business and assets</td><td>The business and assets of Frankly to be acquired by My Rewards include:
All copyright and confidential information used to operate the Frankly business
The domain name www.frankly.com.au
‘Frankly’ trademarks
Goodwill
Other property, rights and assets used in the Frankly business</td></tr>
<tr><td>Conditions</td><td>Completion of the sale and purchase of the Frankly business and assets is conditional on:
My Rewards’ shareholders approving the issue of shares as consideration under the Proposed Transaction for the purposes of ASX Listing Rule 7.1; and
no ‘material adverse change’ occurring in relation to My Rewards until completion of the Proposed Transaction, which includes:
a reduction in the My Rewards share price of 20% or more compared to the share price on the last trading day immediately prior to the date of the Asset Purchase Agreement; or the 5-day volume weighted (moving) average share price of My Rewards falling below a floor price of $0.018; or
any material adverse change in the business, assets, liabilities, financial position, performance, profits, losses, operations, results or prospects of the My Rewards group, or there is an event which makes it reasonably likely that such material adverse change will occur.</td></tr>
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Annexure A - Material terms of the Asset Purchase Agreement

<table>
<tr><td>Consideration</td><td>
Total consideration payable is $1,800,000, comprising:

$750,000 cash, comprising:

$250,000 cash on completion
$100,000 cash at each of 30, 60, 90, 120 and 150 days following completion.

$1,050,000 in My Rewards shares to be issued at the lower of the 5-day volume weighted average price (“VWAP”) on the day prior of the proposed EGM (subject to a minimum share price (“floor”) of $0.018 per share) and $0.026 per share, such that the maximum number of shares to be issued is 58.3 million.

My Rewards will seek shareholder approval to issue up to 100,000,000 Shares (“Placement Shares”) under the first two placements of up to $1 million each under the capital raising facility entered into with AMRAM announced on 17 March 2023 (“Placement Facility”). $750,000 of the funds raised under these placements is intended to be used for the cash component of the Proposed Transaction. The Notice of Meeting to seek shareholder approval to issue the Placement Shares (“EGM”) was issued on 27 April 2023, with the EGM scheduled to be held on 26 May 2023.
Under the Placement Facility, Shares will be issued at the 5-day VWAP up to the close of trade on the day prior to each placement. At the date of this announcement, the 5-day VWAP is $0.026, which would require the issue of approximately 28.8 million shares to fund the $750,000 cash consideration. In total, up to 76.9 Million shares would be issued under the first two placements of up to $1 million each at the current VWAP.
If the Placement Shares are not approved by Shareholders, or the VWAP at the time of a proposed placement is not satisfactory to the Company, the Company would fund the cash consideration from the $2.9 million available to be drawn down under the AMRAM existing $3.5 million line of credit facility, as announced on 17 March 2023.
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<tr><td>Conditions precedent</td><td>
The Agreement will not proceed unless all of the following conditions are waived or satisfied:

Shareholder approval
Regulatory approvals
No material adverse change

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<tr><td>Termination</td><td>The Agreement can be terminated due to usual terminations provisions, including inability to obtain shareholder or regulatory approval, material adverse change prior to completion, insolvency, or removal from the ASX official list.</td></tr>
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Funding arrangements

Separate but pertinent to the Agreement, the $15 million equity placement agreement with LDA Capital announced on 27 February 2023 was not for a specific purpose, other than to secure an equity funding facility, to provide for the Company's potential future funding requirements (including ongoing working capital requirements) given the backdrop of challenging equity market conditions. At the date of this announcement, the facility is fully undrawn, with no current intent to draw on the facility.

As noted above, it is proposed that $750,000 of the funds raised under the AMRAM $5 million capital raising facility announced on 17 March 2023 will be applied to fund the cash consideration of the Frankly acquisition.

It is anticipated that the remainder of funds to be raised under the AMRAM capital raise facility will be applied to:

- **Marketing for B2B client growth**, including but not limited to digital and print marketing and advertising, content creation and publication;
- **Product development, technology and integration of platforms** including further development of the My Rewards technology platforms and AI capabilities, enhancement of products and solutions, and automation of processes for onboarding clients and suppliers; and
- **Working capital and administration**, including but not limited to corporate administration and overhead costs and other expenses such as legal, tax and audit fees, insurance and travel costs, share registry costs, Directors' fees, ASX fees and regulatory compliance costs and expenses.

In addition, the Company continues to evaluate certain private companies which operate in the same industry as itself for potential acquisition, such as the current proposed acquisition of Frankly. There are no specific targets currently under consideration for acquisition.