



# QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 30 JUNE 2023

31 July 2023

**myrewards**

## Key Business Highlights

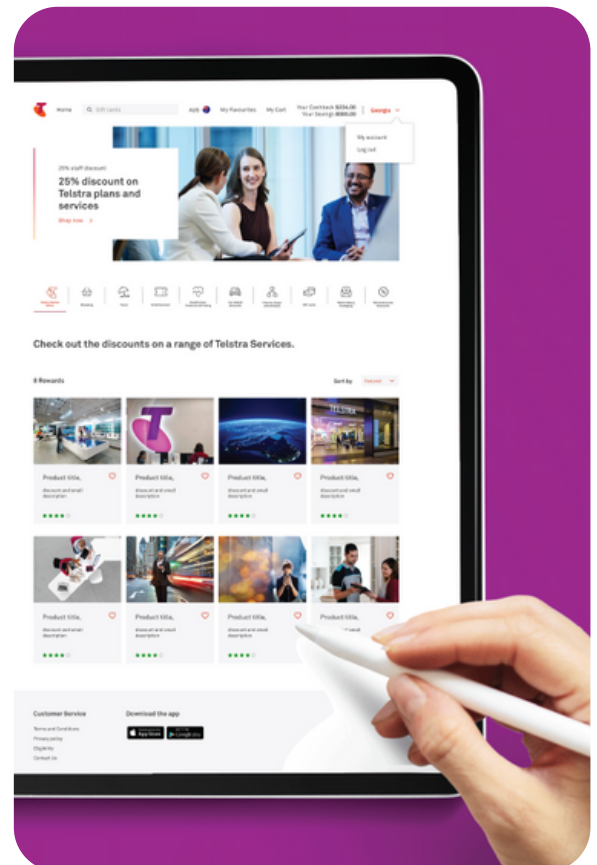
- Onboarded first 1000 products to Tmall Global
- Completed acquisition of Frankly Digital Agency
- Reduced operating cash usage by 40%

My Rewards International Limited (MRI, My Rewards, Company), a global provider of subscription-based Customer Engagement Technologies to attract, engage and retain customers and employees, is pleased to provide a summary of its activities for the quarter ending 30 June 2023.

## Ongoing focus on growing our business to business (B2B) Member Rewards and Loyalty Programs

The Company is continuing to expand its Rewards and Loyalty business to business (B2B) programs by partnering with new clients during the quarter that will generate over \$54,000 in annualised, higher-margin membership revenue reflecting the Company's commitment to driving sustainable growth and profitability through its three-pronged strategy.

As the Company continues its commitment to achieve sustainable growth and profitability, it continues to lean on its three key pillars of its growth strategy – growing B2B membership, diversifying product mix for increased margin and complementary business acquisitions.



# Frankly.

My Rewards is pleased to announce the completion of the acquisition of Frankly Digital Agency (Frankly), first announced on 4 May 2023. The addition of services provided by Frankly will help strengthen My Rewards' value proposition to its clients by providing additional services to attract, engage and retain its employees and customer.

## Core Frankly Services:

### Creative and Design :

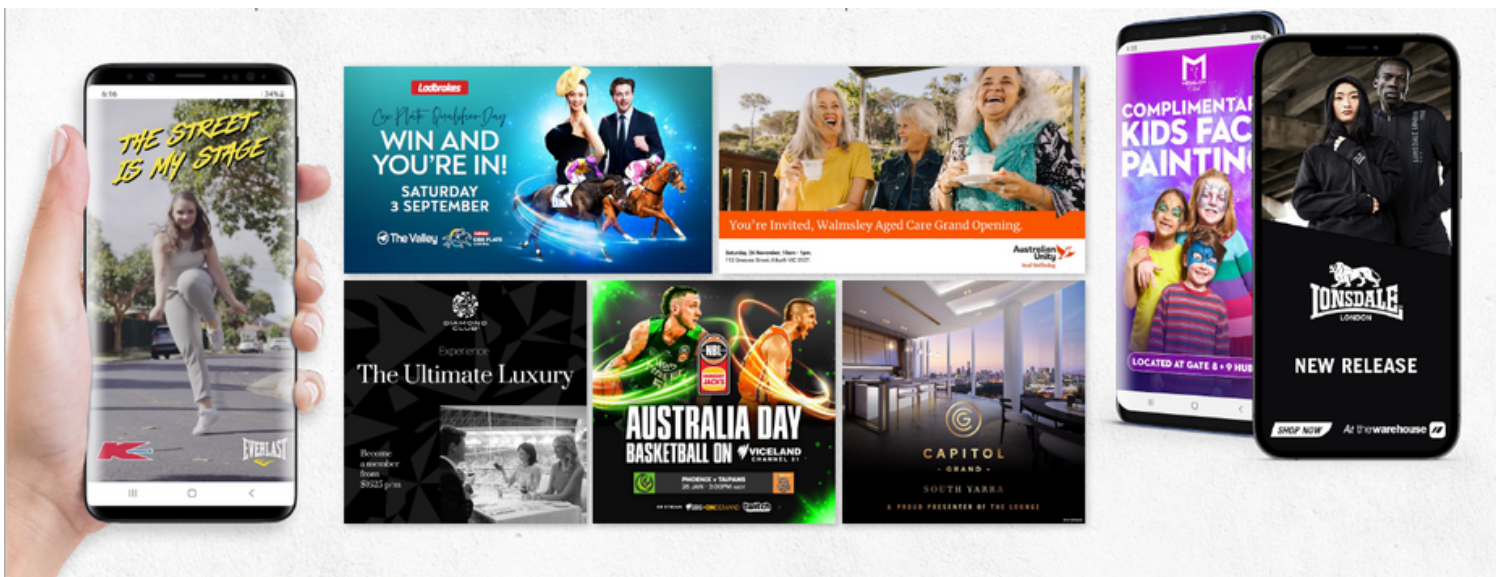
Advertising | Animation | Branding | Creative Strategy | EDM | Ideation | Presentations | Video | Website

### Digital :

Competitions | Digital | Marketing Strategy | Search Engine Optimisation | Social Media Marketing | Search Engine Marketing

### Development :

Landing Pages | Technology | UX and UI | Website



# My Rewards and Frankly – A Strategic Fit

## Synergies

The acquisition of Frankly is anticipated to provide My Rewards with a range of synergies to enhance its core business. MRI intends to leverage Frankly's expertise in digital marketing to develop and execute targeted marketing campaigns aimed at increasing customer engagement and driving sales for My Rewards' clients. Frankly's capabilities can also complement My Rewards' existing loyalty and rewards solutions by providing additional tools for customer acquisition and retention.

## Diversification

The acquisition of Frankly diversifies My Rewards' revenue streams beyond its existing loyalty, rewards, & e-commerce solutions. By offering digital marketing services, My Rewards will expand its value proposition to clients, and generate additional revenue from a new business line.

## Competitive Advantage

The acquisition of Frankly provides My Rewards with a competitive advantage by differentiating it from other loyalty and rewards solutions providers. By offering digital marketing services in addition to its loyalty and rewards solutions, My Rewards will provide a comprehensive suite of services to help it win new clients and retain existing ones.

## Cross-selling Opportunities

The acquisition of Frankly creates cross-selling opportunities for My Rewards. Frankly's existing client base will be introduced to My Rewards' loyalty and rewards solutions, and My Rewards' existing clients will be offered Frankly's digital marketing services. Cross-selling will seek to increase the revenue per customer and deepen the relationship with clients.

## Talent Acquisition

The acquisition of Frankly provides My Rewards with access to a pool of talented professionals who have expertise in digital marketing, which will help My Rewards build its internal capabilities in digital marketing and drive innovation in its solutions

# Financials

An Appendix 4C is attached to this announcement.

The net cash used in operating activities during the 12 months till 30 June 2023 \$3.0 million , compared to \$5.0 million to 30 June 2022, a reduction of 40%.

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 payments, 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	Variance	
		30-Jun-23		
Supplier Acquisitions	\$350,000	\$252,906	\$97,094	28%
Customer Acquisitions	\$400,000	\$290,406	\$109,594	27%
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	\$200,000	\$400,000	67%
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%
<b>Total</b>	<b>\$5,180,000</b>	<b>\$4,970,996</b>	<b>\$209,004</b>	<b>4%</b>

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.

## 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 June 2023

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	3,011	22,322
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(2,863)	(21,284)
(c) advertising and marketing	(65)	(285)
(d) leased assets	(17)	(106)
(e) staff costs	(201)	(1,540)
(f) administration and corporate costs	(654)	(2,699)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(187)	(299)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	4	480
1.8 Other (provide details if material)	31	394
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(940)</b>	<b>(3,016)</b>

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

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 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)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>-</b>	<b>(25)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	745	1,865
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	(14)	(63)
3.5 Proceeds from borrowings	575	1,604
3.6 Repayment of borrowings	(416)	(723)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>890</b>	<b>2,683</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	41	349
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(940)	(3,016)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(25)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	890	2,683
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>(9)</b>	<b>(9)</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	(9)	41
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>(9)</b>	<b>41</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	48
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>		

<p>Item 6.1 Reflects amounts paid to directors including director's fees, salaries, superannuation, bonuses and consulting fees (excluding reimbursements).</p>
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7.	<b>Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	3,500	604
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	3,500	604
7.5	<b>Unused financing facilities available at quarter end</b>		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 credit facility has been extended to 31 December 2024 as announced on 17 March 2023. The purpose of the facility is to provide additional working capital.		

8.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(940)
8.2	Cash and cash equivalents at quarter end (item 4.6)	(9)
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)	2,887
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	3.07
	<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

*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.*

## 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 July 2023

Authorised by: The Board of Directors

## 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.