

27 October 2023

Mr Ben Dawson  
Adviser, Listings Compliance (Perth)  
ASX Compliance Pty Ltd

By email: ListingsCompliancePerth@asx.com.au.

Dear Ben

### **My Rewards International Limited ('MRI'): Response to ASX Financial Condition Query**

We refer to your letter dated 16 October 2023 (**Letter**). Capitalised terms used in this letter have the meaning given in your Letter unless otherwise defined. Set out below is the response of My Rewards International Limited (ABN 47 095 009 742) (**MRI** or the **Company**) to each of the questions in the Letter.

#### **The AMRAM Line of Credit Facility**

1. Has MRI drawn down any funds under the AMRAM LOC Facility since September 2022? If so, please provide details.

The AMRAM LOC facility was first announced on 5 May 2022, and the balance drawn and balance available have been reported in subsequent quarterly reports. At 30 June 2023, \$604,000 was drawn under the facility.

Since 30 June 2023, MRI has drawn an additional \$138,000 on the AMRAM LOC facility in September and October 2023.

2. Is MRI presently able to draw down further funds under the AMRAM LOC Facility?

At the date of this letter, MRI is able to draw down funds under the AMRAM LOC facility.

#### **The Frankly Acquisition and the Dispute**

3. Given the Frankly Agreement as disclosed by MRI on 4 May 2023 required MRI to pay \$250,000 cash on completion, had MRI fulfilled its disclosed completion obligations at the time it released the Frankly Completion Announcement?

Following the original Frankly Agreement (itself dated 4 May 2023), the parties entered a variation to the original agreement dated 26 May 2023 and a further variation dated 23 June 2023, with the outcome being that the total payable by 30 June 2023 would be \$100,000, with the balance payable in instalments to 30 November 2023 (i.e. for the same total value of \$750,000 and concluding in the same calendar month as anticipated in the original agreement and announcement). As there was no material change to the quantum or timing, the variations were not announced separately.



4. Did MRI pay the vendor of Frankly the required \$250,000 payment upon completion?

Refer to the response to question 3 above.

5. If the answer to question 4 is “no”, what was MRI’s basis for the Frankly Completion Announcement which stated:

*“My Rewards International Ltd (ASX: MRI, “My Rewards”, the “Company”) advises that it has today completed the acquisition under the asset purchase agreement (“Agreement”) with Frankly Agency Pty Ltd (“Frankly”) announced on 4 May 2023.”*

With reference to the variations to the Frankly Agreement noted in the responses to question 3 above, all completion items had been completed at the time of the Frankly Completion Announcement.

6. Has MRI paid any cash to the vendor of Frankly? If so, please specify the amount(s) paid and the date(s) on which the amount(s) were paid.

- The Company has paid the following instalments to the vendor of Frankly:

- \$1 paid on 31 May 2023;
- \$100,000 paid on 29 June 2023;
- no instalments paid since 29 June 2023.

7. If all of the Monthly Cash Instalments payable to date as set out in Frankly Agreement have not been paid, please explain why any Monthly Cash Instalments owing were not paid to the Vendor of Frankly.

The original instalment schedule was varied per the two variation agreements set out in the response to question 3.

Two payments were made as set out in the response to question 6 above.

Further payments were withheld due to an ongoing disagreement with the vendors.

8. Please provide details regarding the ‘Promissory Note’ of \$649,999 referred to in the Note 12(a) of the Annual Report. In providing this information please comment specifically on:

- 8.1 the purpose of the Promissory Note;
- 8.2 the applicable interest rate;
- 8.3 due date(s) for payment;
- 8.4 any security;
- 8.5 penalty fees; and
- 8.6 any other material terms concerning the promissory note.

The \$649,999 liability to Frankly labelled as a promissory note in the balance sheet comprises the cash instalments currently in dispute, and is more accurately described as Other Payables. There is no agreement or documentation to suggest a Promissory Note. The item was re-classified as a Promissory Note after discussion with the auditor.

9. Other than on pages 13 and 54 of the Annual Report, please indicate where the Dispute is described more fully in the Directors Report and financial statements. If there is no other disclosure relating to the Dispute set out in the Annual Report, please provide a detailed summary of the nature of the Dispute.

The Frankly Dispute is noted on pages 13 and 54 of the Annual Report.



The Dispute with Frankly centres on the underlying information on which the consideration is determined. The Company has engaged lawyers to defend a writ filed on behalf of Frankly Agency Pty Ltd and the matter is currently in discovery phase. The writ seeks payment of amounts outstanding under the original agreement (plus damages, costs and interest).

10. What date did MRI first become aware of the Dispute?

MRI first identified what it considered to be potential discrepancies with the purchase documentation on 19 July 2023, followed by a meeting with the vendor which MRI subsequently confirmed in writing, also in July 2023.

11. Commenting specifically on the Dispute disclosure contained in the Annual Report, does MRI consider that its disclosure regarding the Dispute is adequate having regard to MRI's obligations under the ASX Listing Rules and the Corporations Act 2001 (Cth)? If so, please explain why.

MRI considers that its disclosure in the Annual Report regarding the Dispute is adequate having regard to:

- (a) the whole balance owing under the original agreement and variation agreements appears in the balance sheet as 'Promissory Note \$649,999' (refer response to question 8) and materially reflects the maximum consideration anticipated by the Company under the Agreement and variations;
- (b) the Dispute with Frankly centres on the underlying information on which the consideration is determined. The Company has engaged lawyers to defend the writ filed on behalf of Frankly Agency Pty Ltd and the matter is currently in discovery phase;
- (c) the Company anticipates to satisfactorily resolve the matter; and
- (d) the information concerns an incomplete negotiation.

12. If the answer to question 11 is "no", what steps does MRI intend on taking to ensure it makes adequate disclosure of the Dispute and when does MRI expect to release additional disclosure regarding the Dispute?

Not applicable.

13. Have any legal proceedings been commenced by Frankly in relation to the Dispute? If so, what date did MRI become aware of legal proceedings?

MRI received a writ on 15 September 2023. The writ seeks payment of amounts outstanding under the original agreement.

#### **The Subscription Agreement**

14. What date did MRI enter into the Subscription Agreement?

11 August 2023.

15. What are the material terms of the Subscription Agreement?

The Subscription Agreement is titled 'Heads of Agreement' and contains the following material terms:

1. Investment
  - a. Subject to sufficient placement capacity in the Company, Investor guarantees to invest a minimum of AUD \$1.9 mil in the Company (Tranche 1)



- b. The Investor, at their discretion may choose to further invest up to \$2.5 million in the Company (Tranche 2)
2. Investment Schedule:
  - a. The investor will invest a minimum of \$100,000 per week starting 11 August 2023.
3. Price:
  - a. Shares in MRI issued to the Investor for Tranches 1 & 2, will be calculated at a 5 day VWAP.
4. Closing Conditions.

The investment in each tranche is subject to the following conditions:

- a. Company shall have provided Investor with all information requested by Investor in connection with the investment;
- b. Investor shall have received and approved all necessary legal documentation in connection with the investment;
- c. Company shall have obtained all necessary approvals, consents, and authorizations required for the investment; and
- d. Company shall have complied with all applicable laws and regulations in connection with the investment.

At the time of preparing this letter, the maximum additional shares that can be issued to this investor within the 20% relevant interest threshold is 62,106,201 shares which, at the closing price on 29 September 2023 of \$0.009 ea., represents an amount of \$558,956. A resolution seeking shareholder approval for these shares has been included in the draft Notice of 2023 Annual General Meeting.

### **The Annual Report**

16. Please explain why MRI's auditors were not able to obtain sufficient audit evidence to provide a basis for an audit opinion on the Annual Report.

Upon enquiry of the auditor, the Directors understand that the auditor's inability to form an audit opinion on the Annual Report was primarily related to insufficient source documentation to adequately substantiate within the available time the following ten items:

- One payment of \$50,000 on 7 July 2023
- Shares issued for services rendered as follows:

Date	Shares issued	Price per Share	Amount \$
5/08/2022	1,977,182	\$0.070	\$ 138,403
1/11/2022	4,488,000	\$0.050	\$ 224,400
14/10/2022	1,787,500	\$0.052	\$ 92,950
1/06/2023	9,615,385	\$0.026	\$ 250,000
16/06/2023	2,444,444	\$0.018	\$ 44,000

(three of the above items were satisfactorily resolved following a meeting with the auditor)

- Documentation to support four prepayments at 30 June 2023.



The Directors understand the auditor's concern and have amended internal processes to ensure all transactions are substantiated by appropriate documentation and are appropriately authorised.

17. Is MRI able to confirm that in the Director's Opinion, the Annual Report:

- 17.1 Complies with the Accounting Standards and interpretations issued by the Australian Accounting Standards Board (AASB) ('Accounting Standards'); and
- 17.2 Gives a true and fair view MRI's financial position as at 30 June 2023 and of its performance for the year ended on that date.

The Directors confirm that in the Director's Opinion, the Annual Report:

- Complies with the Accounting Standards and interpretations issued by the Australian Accounting Standards Board (AASB) ('Accounting Standards'); and
- Gives a true and fair view MRI's financial position as at 30 June 2023 and of its performance for the year ended on that date.

18. Is MRI able to confirm that in the Director's Opinion, there are reasonable grounds to believe that MRI will be able to pay its debts as and when they become due and payable?

In the Director's Opinion, there are reasonable grounds to believe that MRI will be able to pay its debts as and when they become due and payable.

The Directors are cognisant that while MRI's shares are suspended, its ability to raise capital or obtain external financing is severely restricted.

Indications of support from existing and prospective shareholders endorse the Directors' opinion that the business is viable, and they have expressed support in participating in a capital raising once the trading suspension is lifted.

19. If the answer to question 18 is "yes", please describe the factors which lead the directors to conclude there are reasonable grounds to believe MRI will be able to pay its debts as and when they become due and payable?

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 had an unused finance facility of \$2,896,000 at its disposal at 30 June 2023 (refer to note 5 in the 2023 Annual Report for further details); Since 30 June 2023, MRI has drawn an additional \$138,000 on the AMRAM LOC facility in September and October 2023;
- Per response to questions 14 and 15 above, on 11 August 2023, a shareholder committed to acquire shares valued at \$1,900,000 until 31 December 2024, pending approval by shareholders. This shareholder has subscribed to \$300,000 in total of shares since 1 July 2023 under the placement announced on 26 May 2023 (refer response to question 15 for further details);
- The Company has negotiated an in principle (but not yet final or binding) Convertible Notes Agreement with a financier for up to \$3.8 million worth of convertible notes, however, if the Agreement is executed, the issue of notes under this Agreement would be subject to MRI being re-quoted on the ASX and subject to shareholder approval at a later General Meeting. The initial tranche



under the Agreement was to be for \$720,000. It has been confirmed that the Agreement will not proceed whilst the Company is suspended from trading.

- The Directors are confident the Group has the ability to raise further capital from existing shareholders and new investors if required.

20. Commenting specifically on the matters referred to above at sub-paragraphs H(i) and (iii) (extract below), please explain how the directors satisfied themselves that the Annual Report adheres to the Australian Accounting Standards. In providing an explanation, please comment on:

Edited extract:

H. The Annual Report, which discloses that:

(i) At 30 June 2023, MRI had:

- (1) cash and cash equivalents of nil;
- (2) a bank overdraft of \$8,598;
- (3) total current liabilities of \$4,923,628;
- (4) a working capital deficit of \$3,460,576; and
- (5) cash outflows from operations amounting to \$(1,711,142) for the year ended 30 June 2023.

H.(ii) The Directors Declaration on page 74 that the financial statements:

- (a) Are in accordance with the Corporations Act
  - (i) Comply with Accounting Standards
  - (ii) Give a true and fair view of the entity's financial position
- (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.

H.(iii) The Disclaimer of Opinion in the Independent Auditor's Report

20.1 the underlying assumptions used by the directors of MRI in coming to this conclusion (*i.e. how the directors satisfied themselves that the Annual Report adheres to the Australian Accounting Standards*);

The Directors discussed the financial statements at length with management and the auditor.

20.2 the matters included by MRI's auditors in the 'Basis of Disclaimer of Opinion' section of the Auditor's Report; and

The Directors understand that the primary reason for the auditor's Disclaimer of Opinion related to the ten items set out in response to Question 16 above. Whilst the Directors acknowledge that the Company's record keeping needs to be improved, the Directors are satisfied with the representation of these items in the financial statements.

20.3 the enquiries made by MRI's board of management.

The Directors discussed the financial statements at length with management.

21. Is MRI of the view that it has an appropriate system of risk management and internal control that is operating effectively? If so, please provide the basis for that view in light of the fact that MRI received a disclaimed audit opinion.



Yes, Directors consider that the Company's risk management and internal control system is sound and that it is operating effectively, other than for the ten items set out in the response to question 16 above.

22. What steps has MRI taken since the release of the Annual Report, and what steps does MRI intend to take, to obtain an unmodified audit opinion concerning its future financial statements?

MRI met with the Auditor on Thursday 19 October 2023 to discuss the 30 June 2023 audit report and seek to resolve the issues resulting in the Disclaimer of Opinion.

The Directors understand the auditor's concern and have amended internal processes to ensure all transactions are substantiated by appropriate documentation and are appropriately authorised.

### **Financial Condition**

23. Commenting specifically on the matters referred to at sub-paragraphs H(i)(1) to (5) (reproduced below), on what basis do the directors of MRI consider that MRI is a going concern?

H. The Annual Report, which discloses that:

- (i) At 30 June 2023, MRI had:
- (1) cash and cash equivalents of nil;
  - (2) a bank overdraft of \$8,598;
  - (3) total current liabilities of \$4,923,628;
  - (4) a working capital deficit of \$3,460,576; and
  - (5) cash outflows from operations amounting to \$(1,711,142) for the year ended 30 June 2023.

Refer to response to question 19 above.

24. Does MRI consider that its financial condition is sufficient to warrant continued listing on ASX as required under Listing Rule 12.2? In answering this question, please explain the basis for that view.

MRI notes that Listing Rule 12.2 does not set out specific metrics to be met for ASX to form an opinion on a Company's financial condition.

Prior to suspension, the Company was trading approx.. 0.5% of issued shares daily.

In FY2023, the Company reported a significantly improved trading result, including:

- annual revenue up 38% to \$22 million (FY22:\$16 million)
- loss for the period down 15% to \$5.2 million (FY22: \$6.1 million)
- cash outflow from operating activities down 57% to \$1.7 million (FY22: 4.0 million).

Despite the current suspension from quotation, the Company intends to seek shareholder approval at the 2023 Annual General Meeting to raise further capital to assist with liquidity.

25. If the answer to question 23 is "no", please explain what steps MRI has taken, or proposes to take, to warrant continued listing on ASX under the requirements of Listing Rules 12.2

Not applicable.



26. Please confirm that MRI is complying with the Listing Rules and, in particular, Listing Rule 3.1.

[MRI confirms that it is complying with the Listing Rules and, in particular, Listing Rule 3.1.](#)

27. Please confirm that MRI's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of MRI with delegated authority from the board to respond to ASX on disclosure matters.

[MRI confirms that this response has been authorised and approved by the Board.](#)

Yours sincerely

•

David Vinson  
Executive Chairman

•





16 October 2023

Reference: 81771

Mr Rowan Cole  
Company Secretary  
My Rewards International Limited

By email: [rcole@thecfo.com.au](mailto:rcole@thecfo.com.au)

Dear Mr Cole

### **My Rewards International Limited ('MRI'): Financial Condition Query**

ASX refers to the following:

#### The AMRAM Line of Credit Facility

- A. MRI's announcement entitled 'Amended Appendix 4C and Line of Credit Facility' marked price sensitive and released on MAP on 5 May 2023 disclosing, among other things, that:

*"As reported in the 31 March 2022 Quarterly Activities Report released on 29 April 2022, the Company has entered a line of credit facility agreement with AMRAM Corp Pty Ltd ('AMRAM') for an amount of AU\$3,500,000. The key terms of the facility are set out below:*

*Date Effective: 29 April 2022.*

*Amount: A line of credit of AU\$3,500,000.*

*Repayment: Nominal term of the facility is 12 months, or as otherwise agreed by the parties.*

*Interest: Payable monthly in arrears at 12% per annum.*

*Fees: There are no establishment fees, draw down fees and unused facility fees for this facility.*

*Security: The facility is unsecured.*

*Purpose: The purpose of the facility is to provide additional working capital."*

#### **(AMRAM LOC Facility)**

- B. Item 7 of MRI's Quarterly Activities and Appendix 4C Cash flow report for the period ended 30 September 2022 released on MAP on 31 October 2022, which disclosed that as MRI had drawn down \$604,000 from a total of \$3,500,000 the AMRAM LOC Facility at 30 September 2022 and had an undrawn amount of \$2,896,000.
- C. MRI's annual report to shareholders for the year ended 30 June 2023 (**Annual Report**) lodged on MAP and released on 29 September 2023 disclosing:
- (i) at pages 6 and 60, "[t]he Group has an unused finance facility of \$2,896,000 at its disposal (refer to note 5 for further details)"

#### **(AMRAM LOC Disclosure);**

#### The Frankly Acquisition and the Dispute

- D. MRI's announcement entitled 'My Rewards to acquire Frankly' marked as price sensitive and released on MAP on 4 May 2023 disclosing, among other things, that:

- 
- (i) MRI entered into a binding asset purchase agreement with Frankly Agency Pty Ltd (**Frankly**), pursuant to which MRI agreed to acquire Frankly's business and assets (**Frankly Agreement**);
  - (ii) The consideration payable by MRI under the Proposed Transaction is \$1.8 million, of which \$750,000 was to be paid in cash comprising:
    - (1) \$250,000 cash on completion; and
    - (2) \$100,000 cash at each of 30, 60, 90, 120 and 150 days following completion (**Monthly Cash Instalments**).

E. MRI's announcement entitled 'My Rewards completes Frankly acquisition' lodged on MAP and released on 31 May 2023 (**Frankly Completion Announcement**) disclosing, among other things, that:

*"My Rewards International Ltd (ASX: MRI, "My Rewards", the "Company") advises that it has today completed the acquisition under the asset purchase agreement ("Agreement") with Frankly Agency Pty Ltd ("Frankly") announced on 4 May 2023."*

F. The Annual Report, which discloses, among other things, that:

- (i) MRI is in dispute with Frankly over certain aspects of MRI's acquisition of Frankly's assets (**Dispute**). Pages 13 and 54 of the Annual Report state that the Dispute "...is described more fully in the Directors Report and financial statements. The Company anticipates to satisfactorily resolve the matter" (**Dispute Disclosure**);
- (ii) at Note 12(a) 'Summary of acquisition – Acquisition of Frankly Agency Ltd' disclosed cash paid and payable to the vendor of \$100,001 and a promissory note of \$649,999 (**Note 12(a) Disclosure**)

#### The Subscription Agreement

G. The Annual Report, which discloses at Note 22(a)(iii) that:

*"Subsequent to year-end, a shareholder has committed to subscribe shares valued at \$1,900,000 until 31 December 2024, pending approval by shareholders. To date \$300,000 has already been received as of the report signing date" (**Subscription Agreement**);*

#### The Annual Report

H. The Annual Report, which discloses that:

- (i) At 30 June 2023, MRI had:
  - (1) cash and cash equivalents of nil;
  - (2) a bank overdraft of \$8,598;
  - (3) total current liabilities of \$4,923,628;
  - (4) a working capital deficit of \$3,460,576; and
  - (5) cash outflows from operations amounting to \$(1,711,142) for the year ended 30 June 2023.
- (ii) The following declaration was signed by Mr David Vinson, Chairman and Executive Director (in accordance with a resolution of directors) of MRI at page 74:

*"In the directors' opinion:*

- (a) *the financial statements and notes set out on pages 27 to 71 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 2023 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 [sic] have been given the declaration required by section 295A of the Corporations Act 2001.*

*Signed in accordance with resolution [sic] of directors made pursuant to section 295(5)(a) of the Corporations Act"*

- (iii) the Independent Auditor's Report attached to the Annual Report ("Auditor's Report") contains a disclaimer of opinion, namely:

*"Disclaimer of Opinion*

*We do not express an opinion on the accompanying financial report of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on this financial report.*

*Basis for Disclaimer of Opinion*

*The Group's accounting and statutory records were not adequate to permit the application of necessary audit procedures, and we were unable to obtain all the information and explanations we required in order to form an opinion on the financial report. As a result, we have been unable to obtain sufficient appropriate audit evidence over the amounts stated in the financial report, and we were unable to determine whether any adjustments were necessary in respect of these items."*

- I. MRI's Corporate Governance Statement for 2023 lodged with MAP and released on 29 September 2023 which states that:

*"Before approving the Group's financial statements, the Board receives from the CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively."*

The ASX Listing Rules

- J. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- K. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

*"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."*

- 
- L. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

*“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*

*3.1A.1 One or more of the following applies:*

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

*3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

*3.1A.3 A reasonable person would not expect the information to be disclosed.”*

- M. Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B* which sets out:

- (i) at section 4.1, a number of examples of the type of information that could be market sensitive, including:

*“the entry into, variation or termination of a material agreement”;* and

- (ii) at section 4.15, guidelines on the contents of announcements under Listing Rule 3.1, including:

*(1) “Wherever possible, an announcement under Listing Rule 3.1 should contain sufficient detail for investors or their professional advisers to understand its ramifications and to assess its impact on the price or value of the entity’s securities.”*

*(2) “An announcement under Listing Rule 3.1 must be accurate, complete and not misleading.”;* and

*(3) “...“Complete” in this context means not omitting material information”.*

- (iii) at section 5.8, ASX’s policy position on the concept of “confidentiality, namely:

*“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”;*

- N. Listing Rule 12.2 which states:

*“An entity’s financial condition (including operating results) must, in ASX’s opinion, be adequate to warrant the continued quotation of its securities and its continued listing.”*

- O. Listing Rule 19.11A which states:

*“If a listing rule requires an entity to give ASX accounts, the following rules apply.*

- 
- (a) If the entity controls an entity within the meaning of section 50AA of the Corporations Act or is the holding company of an entity, required by any law, regulation, rule or accounting standard, or if ASX requires, the accounts must be consolidated accounts.*
  - (b) If the entity controls an entity within the meaning of section 50AA of the Corporations Act or is the holding company of an entity, required by any law, regulation, rule or accounting standard, or if ASX requires, the accounts must be consolidated accounts.*
  - (c) The accounts must be prepared to Australian accounting standards. If the entity is a foreign entity the accounts may be prepared to other standards agreed by ASX.*
  - (d) If the listing rule requires audited accounts, the audit must be conducted in accordance with Australian auditing standards by a registered company auditor. If the entity is a foreign entity, the audit may be conducted in accordance with other standards agreed by ASX and may be conducted by an overseas equivalent of a registered company auditor.*
  - (e) If the listing rule requires accounts to be reviewed, the review must be conducted in accordance with Australian auditing standards. If the entity is a foreign entity, the review may be conducted in accordance with other standards agreed by ASX. Unless the listing rule says an independent accountant may conduct the review, it must be conducted by a registered company auditor (or, if the entity is a foreign entity, an overseas equivalent of a registered company auditor).*
  - (f) If there is a directors' declaration that relates to the accounts, the directors' declaration must be given to ASX with the accounts.*
  - (g) If there is a directors' report that relates to the period covered by the accounts, the directors' report must be given to ASX with the accounts."*

#### **Request for information**

Having regard to the above, ASX asks MRI to respond separately to each of the following questions and requests for information:

---

### The AMRAM Line of Credit Facility

1. Has MRI drawn down any funds under the AMRAM LOC Facility since September 2022? If so, please provide details.
2. Is MRI presently able to draw down further funds under the AMRAM LOC Facility?

### The Frankly Acquisition and the Dispute

3. Given the Frankly Agreement as disclosed by MRI on 4 May 2023 required MRI to pay \$250,000 cash on completion, had MRI fulfilled its disclosed completion obligations at the time it released the Frankly Completion Announcement?
4. Did MRI pay the vendor of Frankly the required \$250,000 payment upon completion?
5. If the answer to question 4 is “no”, what was MRI’s basis for the Frankly Completion Announcement which stated:

*“My Rewards International Ltd (ASX: MRI, “My Rewards”, the “Company”) advises that it has today completed the acquisition under the asset purchase agreement (“Agreement”) with Frankly Agency Pty Ltd (“Frankly”) announced on 4 May 2023.”*

6. Has MRI paid any cash to the vendor of Frankly? If so, please specify the amount(s) paid and the date(s) on which the amount(s) were paid.
7. If all of the Monthly Cash Instalments payable to date as set out in Frankly Agreement have not been paid, please explain why any Monthly Cash Instalments owing were not paid to the Vendor of Frankly.
8. Please provide details regarding the ‘Promissory Note’ of \$649,999 referred to in the Note 12(a) of the Annual Report. In providing this information please comment specifically on:
  - 8.1 the purpose of the Promissory Note;
  - 8.2 the applicable interest rate;
  - 8.3 due date(s) for payment;
  - 8.4 any security;
  - 8.5 penalty fees; and
  - 8.6 any other material terms concerning the promissory note.
9. Other than on pages 13 and 54 of the Annual Report, please indicate where the Dispute is described more fully in the Directors Report and financial statements. If there is no other disclosure relating to the Dispute set out in the Annual Report, please provide a detailed summary of the nature of the Dispute.
10. What date did MRI first become aware of the Dispute?
11. Commenting specifically on the Dispute disclosure contained in the Annual Report, does MRI consider that its disclosure regarding the Dispute is adequate having regard to MRI’s obligations under the ASX Listing Rules and the *Corporations Act 2001* (Cth)? If so, please explain why.
12. If the answer to question 11 is “no”, what steps does MRI intend on taking to ensure it makes adequate disclosure of the Dispute and when does MRI expect to release additional disclosure regarding the Dispute?
13. Have any legal proceedings been commenced by Frankly in relation to the Dispute? If so, what date did MRI become aware of legal proceedings?

---

### The Subscription Agreement

14. What date did MRI enter into the Subscription Agreement?
15. What are the material terms of the Subscription Agreement?

### The Annual Report

16. Please explain why MRI's auditors were not able to obtain sufficient audit evidence to provide a basis for an audit opinion on the Annual Report.
17. Is MRI able to confirm that in the Director's Opinion, the Annual Report:
  - 17.1 Complies with the Accounting Standards and interpretations issued by the Australian Accounting Standards Board (AASB) ('Accounting Standards'); and
  - 17.2 Gives a true and fair view MRI's financial position as at 30 June 2023 and of its performance for the year ended on that date.
18. Is MRI able to confirm that in the Director's Opinion, there are reasonable grounds to believe that MRI will be able to pay its debts as and when they become due and payable?
19. If the answer to question 18 is "yes", please describe the factors which lead the directors to conclude there are reasonable grounds to believe MRI will be able to pay its debts as and when they become due and payable?
20. Commenting specifically on the matters referred to above at sub-paragraphs H(i) and (iii), please explain how the directors satisfied themselves that the Annual Report adheres to the Australian Accounting Standards. In providing an explanation, please comment on:
  - 20.1 the underlying assumptions used by the directors of MRI in coming to this conclusion;
  - 20.2 the matters included by MRI's auditors in the 'Basis of Disclaimer of Opinion' section of the Auditor's Report; and
  - 20.3 the enquiries made by MRI's board of management.
21. Is MRI of the view that it has an appropriate system of risk management and internal control that is operating effectively? If so, please provide the basis for that view in light of the fact that MRI received a disclaimed audit opinion.
22. What steps has MRI taken since the release of the Annual Report, and what steps does MRI intend to take, to obtain an unmodified audit opinion concerning its future financial statements?

### Financial Condition

23. Commenting specifically on the matters referred to at sub-paragraphs H(i)(1) to (5), on what basis do the directors of MRI consider that MRI is a going concern?
24. Does MRI consider that its financial condition is sufficient to warrant continued listing on ASX as required under Listing Rule 12.2? In answering this question, please explain the basis for that view.
25. If the answer to question 23 is "no", please explain what steps MRI has taken, or proposes to take, to warrant continued listing on ASX under the requirements of Listing Rules 12.2
26. Please confirm that MRI is complying with the Listing Rules and, in particular, Listing Rule 3.1.
27. Please confirm that MRI's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of MRI with delegated authority from the board to respond to ASX on disclosure matters.

---

### **When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **2.00 PM AWST Friday, 20 October 2023**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, MRI's obligation is to disclose the information 'immediately'.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to MRI's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that MRI's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### **Release of correspondence between ASX and entity**

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

### **Questions**

If you have any questions in relation to the above, please do not hesitate to contact me.

Kind regards

---

**Ben Dawson**  
Adviser, Listings Compliance