



My Rewards International Limited
G02, 181 St Kilda Road,
St Kilda, VIC 3182, Australia

ABN 47 095 009 742

1300 362 251

info@myrewards.com.au
myrewardsinternational.com

18 April 2024

Sandra Wutete

Principal Adviser, Listings Compliance
ASX Compliance Pty Ltd

By Email: ListingsCompliancePerth@asx.com.au

Dear Sandra,

My Rewards International Limited (MRI): Response to ASX General – Aware Query

We refer to your letter dated 11th April 2024 (**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.

1. Please explain the basis upon which MRI's directors determined that the Agreements do not constitute a significant change to the scale of MRI's activities. In answering this question, please address the benchmark revenue, assets, and equity interest figures used by the MRI directors in making their assessment given MRI's 30 June 2023 financial statements were the subject of a disclaimed audit opinion and MRI's 31 December 2023 half year financial statements have not been lodged with ASX?

MRI followed ASX's benchmark of 25% as a threshold to determine that the agreements do not constitute a significant change to the scale of MRI's activities:

Calculations for 30th June 2023

iGODirect Transaction		30/06/2023		
A	B	C	D	E
Particulars	Before transaction	Increase/ Decrease due to transaction	After transaction	Percentage change due to transaction
Method of Calculation	From latest audited figures	Actual Increase/ Decrease due to transaction	B +/- C	C/B
Total Consolidated Assets	\$ 4,723,094	-\$ 636,932	\$ 4,086,162	-13%
Total Equity Interests	-\$ 1,025,989	-\$ 138,068	-\$ 1,164,057	13%
Total Securities on Issue	\$ 350,499,867	\$ -	\$ 350,499,867	0%
Consolidated Annual Profit before Tax	-\$ 5,216,006	\$ 736,134	-\$ 4,479,873	11%

Consolidated Annual Revenue	\$ 22,591,887	-\$ 3,749,454	\$ 18,842,433	-17%
Consolidated EBITDA	-\$ 4,865,972	\$ 736,134	-\$ 4,129,839	12%

Calculations for 31st December 2023

iGoDirect Transaction				
31/12/2023				
A	B	C	D	E
Particulars	Before transaction	Increase/ Decrease due to transaction	After transaction	Percentage change due to transaction
Method of Calculation	From latest unaudited figures	Actual Increase/ Decrease due to transaction	B +/- C	C/B
Total Consolidated Assets	\$ 4,724,321	-\$ 636,932	\$ 4,087,389	-13%
Total Equity Interests	-\$ 1,165,276	-\$ 138,068	-\$ 1,303,344	-12%
Total Securities on Issue	\$ 455,340,806	\$ -	\$ 455,340,806	0%
Consolidated Annual Profit before Tax	-\$ 1,742,566	\$ 146,912	-\$ 1,595,654	8%
Consolidated Annual Revenue	\$ 4,437,126	-\$ 920,198	\$ 3,516,929	-21%
Consolidated EBITDA	-\$ 1,546,252	\$ 146,912	-\$ 1,399,340	10%

2. Immediately prior to entering into the Agreements with iGoDirect, how many key client / member benefit agreements did MRI have? In answering this question, please specify the number of agreements.

Immediately prior to entering into the Agreements with iGoDirect, MRI had 62 client / member benefit agreements.

3. Please provide a dollar value of the annual aggregate revenue MRI derives from all of its 'client employee / member benefits agreements' which existed prior to MRI entering into the Asset Sale Agreement with iGoDirect.

For the financial year ended 30th June 2023, MRI had a total revenue of \$22,591,887, which included \$160,289 of revenue from Frankly Digital Agency marketing services, leaving a total revenue of \$22,431,598 from its 'client employee / member benefits agreements'.

For the half year ended 31st December 2023 (unaudited financial report), MRI had a total revenue of \$4,437,126, which included \$ 855,744 of revenue from Frankly Digital Agency marketing services, leaving a total revenue of \$3,581,382 from its 'client employee / member benefits agreements'.

4. In respect of the '20 select key client / employee member agreements' MRI has agreed to dispose of to iGoDirect, please provide the annual aggregate revenue MRI generates from these 20 agreements. Please provide a dollar value in answering this question.

In respect of the '20 select key client / employee member agreements' MRI has agreed to dispose of to iGoDirect, the annual aggregate revenue MRI generated from these 20 agreements for financial year ended 30th June 2023 was approximately \$3.75 million.

5. Commenting specifically on the Non-compete Clause and having regard to the comment in the Announcement that 'iGoDirect gains access to a new market and the ability to enhance the "My Rewards" benefits with iGoDirect specific rewards', please explain what MRI's business will be following completion of the Agreements?

The Non-Compete clause specifies restraint of trade which specifically relates to “any business that is same as or substantially similar to the business carried out by the Purchaser **before** Completion” and in “Restraint Area” – which is Australia.

Following completion of the iGoDirect agreements, My Rewards will continue to focus on its existing operating business including:

- Continue to own and operate the rewards program platform
- Continue to customise and grow new reward programs
- Continue to explore rewards and benefits opportunities internationally
- Continue to grow its e-commerce business
- Expand the Frankly Digital Agency – a full service digital agency

6. In respect of the Licence Agreement, are any fees payable to MRI by iGoDirect?

The Licence fee payable is \$1 per each five-year term.

7. Does MRI consider the Further Loan to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

No

8. If the answer to question 7 is ‘no’, please advise the basis for that view, commenting specifically on the value of the Further Loan and MRI’s cash on hand at 31 December 2023 of \$88,000.

The amount of the further loan was viewed by the directors as a working capital facility for gift cards and was included in point 3.5 – Proceeds from borrowings in the 31 December 2023 Appendix 4C as published on 31 Jan 2024.

9. If the answer to question 7 is ‘yes’, and MRI first became aware of the Further Loan before the relevant date, did MRI make an announcement prior to the relevant date which disclosed details of the Further Loan? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe MRI was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps MRI took to ensure that the information was released promptly and without delay.

N/A

10. Please explain why MRI did not disclose details regarding the Further Loan in its December 2023 Appendix 4C?

As the Further Loan amount was included in the December 2023 Appendix 4C, the directors did not believe it required further details.

11. Please provide an update on the status of MRI’s 31 December 2023 Half Year Financial Statements which were due for lodgement with ASX on 29 February 2024.

Further to the announcement on 12th March 2024, MRI is updating the FY 2023 accounts with post balance sheet activities including the iGoDirect Agreements and will be sending to the auditors within five business days.

Although the company is not able to provide a definitive date for the lodgement of this report, the steps involved to achieve this are as follows:

- Provide additional information to the auditors for FY2023 Annual accounts as requested.
- Auditors to review information and work with the company to finalise a revised set of FY2023 Annual accounts.

- Company lodges the revised set of FY2023 Annual accounts with ASX and ASIC
- Work with auditors to finalise the interim financial report for the half-year 31 December 2023

12. 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

13. 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



11 April 2024

Reference: 92238

Mr Daniel Goldman
Company Secretary & Director
My Rewards International Limited

By email:

Dear Mr Goldman

My Rewards International Limited ('MRI'): General – Aware Query

ASX refers to the following:

- A. MRI's Appendix 4C cash flow report for the quarter ended 31 December 2023 lodged on the ASX Market Announcements Platform ('MAP') and released on 31 January 2024 ('December 2023 Appendix 4C') which disclosed MRI had cash on hand at 31 December 2023 of \$88,000.
- B. MRI's announcement entitled "My Rewards offsets \$725k of loans from iGoDirect" lodged on MAP and released on 11 April 2024 (the 'Announcement'), disclosing the following:
- (i) MRI has entered into a *'suite of agreements ('Agreements') with iGoDirect Group Pty Ltd and/or its nominee ('iGoDirect') which will see MRI reduce its loan facility from iGoDirect by \$725,000'*;
 - (ii) The Agreements provide for iGoDirect to:
 - (1) Purchase 20 select key client employee / member benefit agreements from My Rewards under an Asset Sale Agreement from MRI entities;
 - (2) Licence the My Rewards IP and associated names to iGoDirect in order for it to service the purchased agreements under a Licence Agreement and Subcontractor Agreement ('Licence Agreement')
 - (iii) That iGoDirect provided a *'further loan of \$126,500 on 22 December 2023 for gift card fulfilment'* ('Further Loan')
 - (iv) That MRI's directors *'...have assessed the transaction and confirm that it does not result in a significant change, either directly or indirectly, to the nature or scale of the Company's activities (pursuant to Listing Rule 11.1).'*
 - (v) in respect of the Agreements:
 - (1) *'My Rewards is restrained from competing with iGoDirect's existing business at completion...'* ('Non-compete Clause'); and
 - (2) *'iGoDirect gains access to a new market and the ability to enhance the "My Rewards" benefits with iGoDirect specific rewards.'*
- C. ASX's guidelines on the contents of announcements under Listing Rule 3.1, which is detailed in section 4.15 of *Guidance Note 8: Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that ASX would generally expect an announcement about the signing of a market sensitive contract with a customer to include information about:
- *"the name of the customer;*

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- *the term of the contract;*
 - *the nature of the products or services to be supplied to the customer;*
 - *the significance of the contract to the entity;*
 - *any material conditions that need to be satisfied before the customer becomes legally bound to proceed with the contract; and*
 - *any other material information relevant to assessing the impact of the contract on the price or value of the entity's securities."*
- D. 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.
- E. 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."*
- F. 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."*
- G. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:
- "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."*
- H. ASX Guidance Note 12 'Significant Changes to Activities' which states at section 2.5:

“ASX considers that the following transactions involve a significant change to the nature or scale of an entity’s activities and therefore ought to be notified to ASX under Listing Rule 11.1:

- *an entity is proposing to embark on a transaction,¹ or a series of transactions,² that will result in a change to the nature of its main undertaking;*
- *an entity is proposing to dispose of, or to embark on a series of disposals that together will result in a disposal of, its main undertaking;*
- *an entity is proposing:*
 - *to acquire a business and the acquisition is likely to result in an increase of 25% or more in; or*
 - *to dispose of or abandon an existing business, if the business in question accounts for 25% or more³ of,*

any of the following measures:

 - *consolidated total assets;*
 - *consolidated total equity interests;*
 - *consolidated annual revenue or, in the case of a mining exploration entity, oil and gas exploration entity or other entity that is not earning material revenue from operations, consolidated annual expenditure;*
 - *consolidated EBITDA; or*

consolidated annual profit before tax.

These notification guidelines apply regardless of:

- *the level at which the transaction is proposed to take place (that is, whether the transaction involves the listed entity itself or a child entity);*
- *the form the transaction is proposed to take (for example, whether it involves a direct acquisition or disposal of the business assets concerned or the acquisition or disposal of ownership interests in an entity that directly or indirectly owns the business assets concerned);*
- *the legal mechanism through which the transaction will be effected (for example, whether it is happening as part of a negotiated sale and purchase, takeover offer, scheme of arrangement or other legal mechanism); and*

the consideration received for the transaction.’

¹ This applies whether the transaction involves an acquisition or a disposal.

² This applies whether the series of transactions involve acquisitions, disposals or a mixture of acquisitions and disposals and regardless of the size of each individual transaction in the series.

³ An entity should generally use its most recent published accounts as the reference point for these particular measures to determine whether any of the specified 25% thresholds will be exceeded.

Request for information

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

1. Please explain the basis upon which MRI's directors determined that the Agreements do not constitute a significant change to the scale of MRI's activities. In answering this question, please address the benchmark revenue, assets, and equity interest figures used by the MRI directors in making their assessment given MRI's 30 June 2023 financial statements were the subject of a disclaimed audit opinion and MRI's 31 December 2023 half year financial statements have not been lodged with ASX?
2. Immediately prior to entering into the Agreements with iGoDirect, how many key client / member benefit agreements did MRI have? In answering this question, please specify the number of agreements.
3. Please provide a dollar value of the annual aggregate revenue MRI derives from all of its 'client employee / member benefits agreements' which existed prior to MRI entering into the Asset Sale Agreement with iGoDirect.
4. In respect of the '20 select key client / employee member agreements' MRI has agreed to dispose of to iGoDirect, please provide the annual aggregate revenue MRI generates from these 20 agreements. Please provide a dollar value in answering this question.
5. Commenting specifically on the Non-compete Clause and having regard to the comment in the Announcement that '*iGoDirect gains access to a new market and the ability to enhance the "My Rewards" benefits with iGoDirect specific rewards*', please explain what MRI's business will be following completion of the Agreements?
6. In respect of the Licence Agreement, are any fees payable to MRI by iGoDirect?
7. Does MRI consider the Further Loan to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
8. If the answer to question 7 is 'no', please advise the basis for that view, commenting specifically on the value of the Further Loan and MRI's cash on hand at 31 December 2023 of \$88,000.
9. If the answer to question 7 is 'yes', and MRI first became aware of the Further Loan before the relevant date, did MRI make an announcement prior to the relevant date which disclosed details of the Further Loan? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe MRI was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps MRI took to ensure that the information was released promptly and without delay.
10. Please explain why MRI did not disclose details regarding the Further Loan in its December 2023 Appendix 4C?
11. Please provide an update on the status of MRI's 31 December 2023 Half Year Financial Statements which were due for lodgement with ASX on 29 February 2024.
12. Please confirm that MRI is complying with the Listing Rules and, in particular, Listing Rule 3.1.
13. 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 **10:00 AM AWST Tuesday, 16 April 2024**. 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'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require MRI to request a trading halt 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.

Yours sincerely

ASX Compliance