



My Rewards International Ltd

Suite G02, 181 St Kilda Road

St Kilda Vic 3182, Australia

ABN 47 095 009 742

myrewardsinternational.com

info@myrewards.com.au

T: 1300 362 251

28 February 2022

ASX Limited
ASX Market Announcements Office
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir / Madam,

My Rewards International Limited FY22 Half Year Financial Results

The following announcements to the market are provided:

- 1. Appendix 4D and Half Year Financial Report**
2. H1 FY2022 Results Announcement

Yours faithfully

A handwritten signature in blue ink that reads 'Neill Whitehead'.

Neill Whitehead

Chief Financial Officer & Company Secretary

(Authorising Officer)

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My Rewards International Limited

Appendix 4D and Report

Interim Report

31 December 2021

Appendix 4D – Half year report

Company details

Name of entity	My Rewards International Limited
Reporting period	For the half-year ended 31 December 2021
Previous period	For the half-year ended 31 December 2020

Results for announcement to the market

Key information	31 Dec 2021	31 Dec 2020	Up/Down	Change %
Revenue from ordinary activities	9,524,818	6,091,278	+3,433,540	+56.4%
Loss after tax from ordinary activities attributable to members	2,959,443	846,460	+2,112,983	+250%
Loss after tax attributable to members	2,959,443	846,460	+2,112,983	+250%

Dividends

No dividends were declared or paid for the half year ended 31 December 2021 (31 December 2020: \$Nil).

Net tangible assets

	31 Dec 2021 Cents	31 Dec 2020 Cents
Net tangible asset backing per ordinary share	(3.24)	(2.62)

Other disclosures and financial information

This Appendix 4D disclosure is based on the consolidated financial statements for the half-year ended 31 December 2021 attached and has been reviewed by RSM Australia Partners. It should be read in conjunction with the Annual Report of My Rewards International Limited as at 30 June 2021, its prospectus, and any other public announcements made by My Rewards International Limited and its controlled entities during the half year ended 31 December 2021 in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

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My Rewards International Limited & Controlled Entities

ABN 47 095 009 742

Interim Report - 31 December 2021

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My Rewards International Limited & Controlled Entities
Directors' report
31 December 2021

The Directors present this report, together with the financial statements, on the consolidated entity consisting of My Rewards International Limited and the entities it controlled (referred to hereafter as the 'Company', 'Group' or 'My Rewards') at the end of, or during, the half-year ended 31 December 2021.

Directors

The following persons were directors of My Rewards during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr. David Vinson
Ms. Maitreyee Khire
Mr. Daniel Goldman

Principal activities

The principal activities of the Group during the half-year were providing membership services and loyalty programs for corporate and retail clients.

Operating results

The Group had revenue from services of \$9,524,818 for the financial half-year ending 31 December 2021 (31 December 2020: \$6,091,278), an increase of 56.4%. The loss for the Group for the half-year after providing for income tax amounted to \$2,959,443 (31 December 2020: loss \$846,460). This loss included once off expenses related to the IPO of \$983,182, as well as employee share option costs of \$290,804.

Review of operations

My Rewards achieved several important milestones during the half-year ended 31 December 2021. These included the following:

- **In principle advice for admission to the official list of ASX**

The Company received in principle advice on 16 July 2021 as to suitability of My Rewards for admission to the official list of ASX Limited. On 11 February 2022 My Rewards was listed on the Australian Stock Exchange.

- **Progress of Marketplace implementation**

My Rewards continued to work towards the launch of a consumer-based marketplace that incorporates a QR-code based digital wallet. This will provide the Group with the ability to rollout services to consumers in parallel to its well-established corporate loyalty programs. The Marketplace will incorporate artificial intelligence ('AI') and provide users with a higher level of personalised service.

- **Roll out of Ria Rewards**

The Company started the roll out of the Ria Rewards program across an initial six countries, with gradual expansion into all of Ria's markets covering over 30 million customers. This will see My Rewards expand its overseas services over the next 12 months.

Significant changes in the state of affairs

During the 6 months ended 31 December 2021, the following significant affairs occurred:

- **Capital raising**

My Rewards worked with advisors as part of a pre-IPO capital raise. \$2,818,880 was raised via the issue of fully paid ordinary shares. Funds were raised to support the business, engage in marketing activities, and fund IPO costs.

- **Acquisition of Perx Rewards Pty Ltd ('Perx')**

On 29 October 2021, My Rewards signed a Share Purchase Agreement to acquire 100% of the shares in Perx (trading as Infinite Rewards) for \$1 million plus a performance bonus of \$200,000 worth of My Rewards' shares at the planned IPO share price. Perx has been in business for over 15 years and provides branded rewards programs to employees and customers of corporates. Perx had revenue of \$14,277,943 (unaudited) during the half-year ended 31 December 2021 (31 December 2020: \$3,937,587).

- **Preparation for growth**

In preparation for the IPO and contracted growth, My Rewards strengthened its executive management, customer experience and product development teams.

Dividends

No dividends were paid or provided for during the half-year ended 31 December 2021 (31 December 2020: \$nil).

Events after the reporting period

- **Listing on ASX**

On 9 February 2022, My Rewards was admitted to the official list of the ASX following a successful fund raise of \$5 million from investors. On 11 February 2022, the Company's shares commenced official quotation on the ASX under the ticker symbol "MRI".

- **Acquisition of Perx Rewards Pty Ltd**

On 7 February 2022, My Rewards purchased 100% of the issued capital of this company for \$1.2 million, pursuant to a share purchase agreement dated 29 October 2021. The consideration for the purchase was a \$100,000 deposit (made prior to 31 December 2021) plus a further \$900,000 cash payment and a performance bonus of \$200,000 (paid via issue of 1,000,000 fully paid ordinary shares at \$0.20 each, both of which occurred after 31 December 2021). As this occurred recently, it is not feasible to disclose details of this acquisition on the business combination note. Perx Rewards Pty Ltd is a complimentary business with growing revenues and clients such as Australian Catholic University, Australia Post, Diabetes Australia, and Australian Institute of Management.

- **Conversion of Convertible Notes**

As part of the listing process, convertible notes issued prior to 31 December 2021 were converted to fully paid ordinary shares at rates specified in each conversion notice. In total, notes were converted to

My Rewards International Limited & Controlled Entities
Directors' report
31 December 2021

22,437,473 shares in February 2022, significantly improving the reported net asset figure shown in the 31 December 2021 balance sheet of the consolidated group.

- **Settlement of cybersecurity claim**

As flagged in My Rewards' June 2021 Annual Report dated 19 October 2021 and its Prospectus dated 2 November 2021, there was a cybersecurity event in the six-month period ended 31 December 2021 and a claim was made for the breach. In February 2022, the claim was settled.

- **Effects of COVID-19**

The impacts of the Coronavirus (COVID-19) pandemic are ongoing and it is not practical to estimate the potential impact, positive or negative, after the reporting date. The situation is continually developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine travel restrictions and any economic stimulus that may be provided.

No other items, transactions or events have arisen since 31 December 2021 that have significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the state of affairs in future financial periods.

Rounding of amounts

Amounts in this report have not been rounded off in accordance with Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)a of the Corporations Act 2001.

On behalf of directors:



David Vinson

Chairman and Executive Director
28 February 2022

RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000
F +61 (0) 3 9286 8199

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of My Rewards International Limited & controlled entities for the half year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



R B MIANO
Partner

Melbourne, Victoria
Dated: 28 February 2022

My Rewards International Limited & Controlled Entities
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021

		Consolidated	
		31 Dec 2021	31 Dec 2020
	Note	\$	\$
Revenue from rendering of services	2	9,524,818	6,091,278
Other Income		63,912	364,916
Cost of sales		(9,531,100)	(6,225,370)
Employee benefits expense		(1,243,811)	(269,344)
Depreciation and amortisation		(133,571)	(82,346)
Other expenses		(499,723)	(252,503)
Finance costs		(156,786)	(473,091)
Listing, fund raising and related costs		(983,182)	-
Loss before income tax	3	(2,959,443)	(846,460)
Income tax expense		-	-
Loss after income tax for the half-year		(2,959,443)	(846,460)
Other comprehensive income			
Other comprehensive income, net of tax		-	-
Total comprehensive loss for the half-year		(2,959,443)	(846,460)
Basic loss per share (cents)	12	(2.35c)	(0.80c)
Diluted loss per share (cents)	12	(2.35c)	(0.80c)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

My Rewards International Limited & Controlled Entities
Statement of financial position
As at 31 December 2021

		Consolidated	
	Note	31 Dec 2021	30 Jun 2021
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		114,064	304,358
Trade and other receivables	4	237,020	202,147
Inventory		25,695	7,073
Other assets		-	90,901
TOTAL CURRENT ASSETS		376,779	604,479
NON-CURRENT ASSETS			
Plant and equipment	5	11,201	7,832
Right-of-use assets	6	232,266	274,085
Intangibles	7	433,799	383,641
Other receivables	8	100,649	649
TOTAL NON-CURRENT ASSETS		777,915	666,207
TOTAL ASSETS		1,154,694	1,270,686
CURRENT LIABILITIES			
Trade and other payables		1,262,119	742,079
Borrowings	9	315,137	784,490
Lease liabilities		99,016	94,131
Convertible notes		2,017,137	1,594,914
Employee benefits		340,268	228,615
Deferred revenue		764,148	835,970
Derivative financial instruments		135,032	-
TOTAL CURRENT LIABILITIES		4,932,857	4,280,199
NON-CURRENT LIABILITIES			
Borrowings	9	64,222	243,796
Lease liabilities		148,549	192,808
Convertible notes		-	426,119
Employee benefits		75,353	34,772
Derivative financial instruments		-	135,032
TOTAL NON-CURRENT LIABILITIES		288,124	1,032,527
TOTAL LIABILITIES		5,220,981	5,312,726
NET ASSETS		(4,066,287)	(4,042,040)
EQUITY			
Issued capital	10	8,086,113	5,544,005
Reserves		430,608	37,520
Accumulated losses	11	(12,583,008)	(9,623,565)
TOTAL EQUITY		(4,066,287)	(4,042,040)

The above statement of financial position should be read in conjunction with the accompanying notes

My Rewards International Limited & Controlled Entities
Statement of changes in equity
For the half-year ended 31 December 2021

Consolidated	Issued capital \$	Reserves \$	Accumulated Losses \$	Total equity \$
Balance at 1 July 2020	5,196,535	-	(6,281,114)	(1,084,579)
Loss after income tax expense for the half-year	-	-	(846,460)	(846,460)
Other comprehensive income for the half year, net of tax	-	-	-	-
Total comprehensive loss for half-year	-	-	(846,460)	(846,460)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	122,500	-	-	122,500
Balance at 31 December 2020	5,319,035	-	(7,127,574)	(1,808,539)

Consolidated	Issued capital \$	Reserves \$	Accumulated Losses \$	Total equity \$
Balance at 1 July 2021	5,544,005	37,520	(9,623,565)	(4,042,040)
Loss after income tax expense for the half-year	-	-	(2,959,443)	(2,959,443)
Other comprehensive income for the half year, net of tax	-	-	-	-
Total comprehensive loss for half-year	-	-	(2,959,443)	(2,959,443)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity	2,818,880	-	-	2,818,880
Share issue expenses	(276,772)	-	-	(276,772)
Total	2,542,108	-	-	2,542,108
Equity component from convertible notes	-	(12,459)	-	(12,459)
Share based payments	-	405,547	-	405,547
Total	-	393,088	-	393,088
Balance at 31 December 2021	8,086,113	430,608	(12,583,008)	(4,066,287)

The above statement of changes in equity should be read in conjunction with the accompanying notes

My Rewards International Limited & Controlled Entities
Statement of cash flows
For the half-year ended 31 December 2021

		Consolidated	
	Note	31 Dec 2021	31 Dec 2020
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		9,499,890	5,692,978
Payments to suppliers and employees (inclusive of GST)		(11,425,126)	(6,676,327)
Interest and other revenue received		63,912	364,916
Interest and other finance costs paid		(109,301)	(475,391)
Net cash used in operating activities	15	(1,970,625)	(1,093,824)
Cash flows from investing activities			
Payments for investments		(100,000)	-
Payments for plant & equipment and intangibles		(145,282)	(138,431)
Net cash used in investing activities		(245,282)	(138,431)
Cash flows from financing activities			
Proceeds from issue of shares		2,818,880	122,500
Proceeds from borrowings		47,286	1,376,329
Share issue transaction costs		(162,029)	-
Repayment of borrowings		(639,152)	(119,489)
Repayment of lease liabilities		(39,372)	-
Net cash from financing activities		2,025,613	1,379,340
Net (decrease)/increase in cash and cash equivalents		(190,294)	147,085
Cash and cash equivalents at the beginning of the financial period		304,358	(1,397)
Cash and cash equivalents at the end of the financial half-year		114,064	145,688

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

General information

The financial statements cover My Rewards International Limited as a consolidated entity consisting of My Rewards International Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is My Rewards International Limited's functional and presentation currency.

My Rewards International Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is: Suite G02, 181-185 St Kilda Road St Kilda, Victoria 3182.

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of the Directors, on 28 February 2022. The Directors have the power to amend and reissue the financial statements.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the financial periods presented, unless otherwise stated.

(a) New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

My Rewards International Limited & Controlled Entities
Notes to the financial statements
31 December 2021

(b) Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of \$2,959,443 and had net cash outflows from operating activities of \$1,970,625 for the half-year ended 31 December 2021. As at that date, the consolidated entity had net current liabilities of \$4,556,078.

The directors believe that it is reasonably foreseeable that the company will continue as a going concern, and that it is appropriate to adopt the going concern basis of preparation. In February 2022, My Rewards was admitted to the Board of the ASX following a successful fund raise of \$5 million from investors. As part of the process, convertible notes with a face value of \$2,073,900 were converted to fully paid ordinary shares.

Note 2. Revenue

Revenue from contracts with customers

Revenue from loyalty programs

Consolidated	
31 Dec 2021	31 Dec 2020
\$	\$
9,524,818	6,091,278
<u>9,524,818</u>	<u>6,091,278</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

Major product lines

Item sales

Membership fees

Consolidated	
31 Dec 2021	31 Dec 2020
\$	\$
9,316,085	5,841,515
208,733	249,763
<u>9,524,818</u>	<u>6,091,278</u>

Timing of revenue recognition

Goods transferred at a point in time

Services transferred over time

9,316,085	5,841,515
208,733	249,763
<u>9,524,818</u>	<u>6,091,278</u>

My Rewards International Limited & Controlled Entities
Notes to the financial statements
31 December 2021

Note 3. Expenses

Loss before income tax includes the following specific expenses:

	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$	\$
Cost of sales	9,531,100	6,225,370
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	149,294	472,585
Interest on leases	7,492	506
Finance costs expensed	156,786	473,091
<i>Depreciation and amortisation</i>		
Property, plant and equipment	1,658	1,169
Intangibles	83,012	80,478
Right-of-use assets	48,901	699
	133,571	82,346
<i>Employee benefits include</i>		
Salaries and Directors fees	709,044	228,220
Superannuation	72,977	20,262
Employee share option costs	290,804	-
<i>Listing, fund raising and related costs</i>		
Legal and ASX fees	179,881	-
Broker fees	135,503	-
Marketing and other consultants	565,569	-
Accounting and share registry services	102,229	-
	983,182	-

Note 4. Current assets — trade and other receivables

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
Trade receivables	69,570	116,465
Less: Allowance for expected non-recovery	(28,166)	(28,166)
	41,404	88,299
Other receivables	195,616	113,848
	237,020	202,147

Note 5. Non-current assets — Plant and equipment

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
Plant and equipment at cost	200,192	195,166
Less: Accumulated depreciation	(188,991)	(187,334)
	<u>11,201</u>	<u>7,832</u>

Reconciliation

Reconciliation of the written down values at the beginning and end of the current and previous financial period are set out below:

Balance as at 31 Dec 2020		5,725
Additions		3,423
Depreciation expense		(1,316)
Balance as at 30 Jun 2021		<u>7,832</u>
Balance as at 30 Jun 2021	7,832	
Additions	5,027	
Depreciation expense	(1,658)	
Balance as at 31 Dec 2021	<u>11,201</u>	

Note 6. Non-current assets — Right-of-use assets

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
Land and buildings — right-of-use	250,419	250,419
Less: Accumulated depreciation	(62,603)	(20,868)
	<u>187,816</u>	<u>229,551</u>
Motor vehicles — right-of-use	52,944	52,944
Less: Accumulated depreciation	(25,590)	(20,295)
	<u>27,354</u>	<u>32,649</u>
Office equipment — right-of-use	21,064	13,982
Less: Accumulated depreciation	(3,968)	(2,097)
	<u>17,096</u>	<u>11,885</u>
	<u>232,266</u>	<u>274,085</u>

Additions to the right-of-use assets during the past six months was \$7,082.

The consolidated entity leases buildings for its offices under agreements of three years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The consolidated entity also leases motor vehicles under agreements of between three to five years.

Note 7. Non-current assets — Intangibles

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
Development — at cost	907,441	774,271
Less: Accumulated amortisation	(535,995)	(467,179)
	<u>371,446</u>	<u>307,092</u>
Software — at cost	332,930	332,930
Less: Accumulated amortisation	(270,577)	(256,381)
	<u>62,353</u>	<u>76,549</u>
	<u>433,799</u>	<u>383,641</u>

Reconciliations

Reconciliations of the written down values at the beginning of this half-year and end of the previous financial year are set out below:

Consolidated	Development	Software	Total
	\$	\$	\$
Balance at 30 Jun 2021	307,092	76,549	383,641
Development cost	133,170	-	133,170
Amortisation expense	(68,816)	(14,196)	(83,012)
Balance at 31 Dec 2021	<u>371,446</u>	<u>62,353</u>	<u>433,799</u>

Note 8. Non-current assets – Other receivables

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
Perx Rewards Pty Ltd – acquisition deposit	100,000	-
My Rewards USA Inc formation costs	649	649
	<u>100,649</u>	<u>649</u>

Note 9. Borrowings

Current

External loans
 Related party loan

Non-current

External loans
 Related party loan

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
	315,137	741,027
	-	43,463
	<u>315,137</u>	<u>784,490</u>
	64,222	141,735
	-	102,061
	<u>64,222</u>	<u>243,796</u>

Assets pledged as security

All loans in the consolidated group are unsecured.

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

Total facilities
 Bank overdraft
 Bank and other external loans

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
	100,500	155,820
	311,495	808,876
	<u>411,995</u>	<u>964,696</u>

Used at the reporting date
 Bank overdraft
 Bank and other external loans

	24,507	34,448
	311,495	808,876
	<u>336,002</u>	<u>843,324</u>

Unused at the reporting date
 Bank overdraft
 Bank and other external loans

	75,993	121,372
	-	-
	<u>75,993</u>	<u>121,372</u>

My Rewards International Limited & Controlled Entities
Notes to the financial statements
31 December 2021

Note 10. Equity — Issued capital

	Consolidated			
	31 Dec 2021	30 Jun 2021	31 Dec 2021	30 Jun 2021
	Shares	Shares	\$	\$
Ordinary shares — fully paid	138,941,692	112,882,543	8,086,113	5,544,005
Issued capital				
Movements in ordinary share capital	Shares		\$	
Balance 01 Jul 2021	112,882,543		5,544,005	
Issue of shares:				
Between 15 Jul 2021 and 26 Oct 2021, My Rewards issued a total of 26,059,149 shares at issue prices ranging from 5c to 14c	26,059,149		2,818,880	
Share issue transaction costs			(267,772)	
Balance 31 Dec 2021	<u>138,941,692</u>		<u>8,086,113</u>	

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 11. Equity - Accumulated losses

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
Accumulated losses at the beginning of the financial half year	(9,623,565)	(6,281,114)
Loss after income tax	(2,959,443)	(3,342,451)
	<u>(12,583,008)</u>	<u>(9,623,565)</u>

Note 12. Loss Per Share

	31 Dec 2021	31 Dec 2020
Basic loss per share (cents)	<u>2.35</u>	<u>0.80</u>
Loss from continuing operations used in the calculation of the basic earnings per share (\$)	<u>2,959,443</u>	<u>846,460</u>
Weighted average number of ordinary shares for the purposes of calculation of basic earnings per share	<u>126,064,658</u>	<u>106,023,294</u>

Note 13. Related party transactions

The following transactions occurred with related parties:

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
Interest incurred on loan payable to Director - M Khire	2,117	8,400
Loan and interest repayment to former Director – B Langdon	43,363	24,465
	<hr/> 45,480	<hr/> 32,865
<i>Payable to related parties</i>		
The following balances are outstanding at the reporting date in relation to transactions with related parties:		
Trade payable to Director – M Khire	95,012	158,480
Trade (receivable) from Director – D Goldman	-	(1,200)
	<hr/> 95,012	<hr/> 157,280
Wages accrual – Director D Vinson	20,203	17,734
Wages accrual – Director M Khire	48,902	38,325
	<hr/> 69,105	<hr/> 56,059
Loan payable to related parties:		
Loan payable to Director – M Khire	-	102,061
Loan payable to former Director – B Langdon	-	43,463
	<hr/> -	<hr/> 145,524

On 7 October 2021, Ms Khire converted all loans and interest payable to her into fully paid ordinary shares at an issue price of \$0.14 per share.

My Rewards International Limited & Controlled Entities

Notes to the financial statements

31 December 2021

Note 14. Share-based payments

A share option plan has been established by My Rewards International Limited, whereby the consolidated entity may, at the discretion of the Board of Directors, grant options over ordinary shares in the company to certain personnel of My Rewards International Limited. Share options are issued at nil consideration.

In addition, options may also be issued to advisers of the company for example to assist with capital raising activities. On the 26th October 2021, 4,500,000 options were granted to Still Capital Pty Ltd in consideration for services in connection with pre-IPO capital raising.

On 12 July 2021, 13,000,000 options were granted to employees of the company at the following exercise prices:

Tranche 1 - Vesting on 19 Jul 2021 at \$0.10

Tranche 2-5 - Vesting between 30 Sep 2021 and 30 Jun 2022 at \$0.24

Tranche 6-9 - Vesting between 31 Dec 2022 and 30 Jun 2023 at \$0.28

Set out below are summaries of options granted:

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
12/07/2021	12/07/2026	\$0.10	-	3,250,000	-	-	3,250,000
12/07/2021	12/07/2026	\$0.24	-	4,875,000	-	-	4,875,000
12/07/2021	12/07/2026	\$0.28	-	4,875,000	-	-	4,875,000
26/10/2021	24/10/2024	\$0.30	-	4,500,000	-	-	4,500,000
			-	17,500,000	-	-	17,500,000
Weighted average exercise price			-	\$0.2406	-	-	\$0.2406

For the options granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
12/07/2021	12/07/2026	\$0.10	\$0.10	60%	-	0.64%	\$0.0456
12/07/2021	12/07/2026	\$0.10	\$0.24	60%	-	0.64%	\$0.0276
12/07/2021	12/07/2026	\$0.10	\$0.28	60%	-	0.64%	\$0.0246
26/10/2021	24/10/2024	\$0.14	\$0.30	60%	-	1.10%	\$0.0255

31 Dec 2021 31 Dec 2020

Share based payments expenses

Recognised in profit or loss and other comprehensive income

Employees' options expensed 290,804 -

Recognised in equity—

Advisor fees capital raise cost offset against share capital 114,743 -

Note 15. Reconciliation of cashflow from operating activities to net loss after tax

	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$	\$
Reconciliation of cashflow from operating activities to net loss after tax		
Loss after income tax expense for the year	(2,959,443)	(846,460)
Depreciation and amortisation	133,571	82,346
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	56,028	(40,824)
Decrease/(increase) in inventories	(18,622)	18,549
Increase/(decrease) in trade and other payables	817,841	(307,434)
Net cash used in operating activities	<u>(1,970,625)</u>	<u>(1,093,823)</u>

Note 16. Events after the reporting period

Listing on ASX

On 9 February 2022, My Rewards was admitted to the official list of the ASX following a successful fund raise of \$5 million from investors. On 11 February 2022, the Company's shares commenced official quotation on the ASX under the ticker symbol "MRI".

Acquisition of Perx Rewards Pty Ltd

On 7 February 2022, My Rewards purchased 100% of the issued capital of this company for \$1.2 million, pursuant to a share purchase agreement dated 29 October 2021. The consideration for the purchase was a \$100,000 deposit (made prior to 31 December 2021) plus a further \$900,000 cash payment and a performance bonus of \$200,000 (paid via issue of 1,000,000 fully paid ordinary shares at \$0.20 each, both of which occurred after 31 December 2021). As this occurred recently, it is not feasible to disclose details of this acquisition on the business combination note.

Perx Rewards Pty Ltd is a complimentary business with good revenues and clients such as Australian Catholic University, Australia Post, Diabetes Australia, and Australian Institute of Management.

Conversion of Convertible Notes

As part of the listing process, convertible notes issued prior to 31 December 2021 were converted to fully paid ordinary shares at rates specified in each conversion notice. In total, notes were converted to 22,437,473 shares in February 2022, significantly improving the reported net asset figure shown in the 31 December 2021 balance sheet of the consolidated group.

My Rewards International Limited & Controlled Entities
Notes to the financial statements
31 December 2021

Settlement of cybersecurity claim

As flagged in My Rewards' June 2021 Annual Report dated 19 October 2021 and its Prospectus dated 2 November 2021, there was a cybersecurity event in the six-month period ended 31 December 2021 and a claim was made for the breach. In February 2022, the claim was settled.

Effects of COVID-19

The impacts of the Coronavirus (COVID-19) pandemic are ongoing, and it is not practical to estimate the potential impact, positive or negative, after the reporting date. The situation is continually developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine travel restrictions and any economic stimulus that may be provided.

No other items, transactions or events have arisen since 31 December 2021 that have significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the state of affairs in future financial periods.

My Rewards International Limited & Controlled Entities
Directors' declaration
31 December 2021

In the Directors' opinion:

- the attached consolidated financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



David Vinson
Chairman and Executive Director

Date: 28 February 2022
Melbourne

RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000
F +61 (0) 3 9286 8199

www.rsm.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT
To the Members of My Rewards International Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of My Rewards International Limited (the 'Company') and controlled entities (together the 'Consolidated entity'), which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Consolidated entity is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis of Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* ('ASRE 2410'). Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of My Rewards International Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Responsibility of the Directors' for the Financial Report

The directors of My Rewards International Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



RSM AUSTRALIA PARTNERS



R B MIANO
Partner

Dated: 28 February 2022
Melbourne, Victoria

Corporate directory

Directors	Mr. David Vinson (Chairman) Ms. Maitreyee Khire Mr. Daniel Goldman
Company Secretary	Mr Neill Whitehead
Registered Office	Suite G02, 181 St Kilda Road, St Kilda, Vic 3182, Australia
Principal Place of Business	Suite G02, 181 St Kilda Road, St Kilda, Vic 3182, Australia
Auditor	RSM Australia Partners Level 21, 55 Collins Street, Melbourne, Vic 3000, Australia
Share Registry	Boardroom Pty Ltd Level 12, 225 George Street, Sydney, NSW 2000, Australia
Stock Exchange Listing Code	ASX:MRI
Website	www.myrewardsinternational.com