

For personal use only



My Rewards International Limited

**Quarterly Activities & Cash Report and 4C
for the quarter ended
June 2022**

ASX ANNOUNCEMENT – 29 JULY 2022

QUARTERLY ACTIVITIES REPORT
FOR THE PERIOD ENDING 30 JUNE 2022

Key Business Highlights

- New signed contracts totaling annualised membership revenues of over \$300,000
- Institutional funding partnership with Advanced Monetary Reserve Asset Management

New B2B Rewards and Loyalty programs

My Rewards International Limited (My Rewards, Company) is pleased to announce several new B2B Rewards and Loyalty Contracts signed during the June quarter (and which have not been previously announced) in fintech, healthcare, housing, utilities and entertainment sector that will see the Company add over \$300,000 of annualised membership subscription revenue. The contracts are effective now and subject to design and development are anticipated to launch progressively over the coming six months for predominantly twelve (12) plus twelve (12) or twenty-four (24) month terms.

My Rewards has a solid pipeline of prospective B2B clients that deliver high gross profit margins and is pursuing the three key pillars of its growth strategy – growing B2B membership, diversifying product mix for increased margin and complementary business acquisitions.

The Company's business model is based on three key areas –

- **B2B membership fees:** Growth in recurring annual B2B membership subscription fee – which deliver high margin revenues
- **Sale of Products:** Sales of goods, services and gift cards - which drive engagement of our members with the platform
- **Advertising fees:** Received from participating suppliers – building our new stream of revenue

Member growth

The Company welcomed 45,000 new members between April and June 2022 which represents an increased new member growth of **25%** as compared to January – March 2022 quarter.

Cost Saving Strategy

As announced on 6th April 2022, the Company has implemented and is on track to deliver its cost saving strategy to reduce overheads by at least \$1 million per annum.

Funding Partner – AMRAM

As announced on 5 May 2022, My Rewards also welcomes Advanced Monetary Reserve Asset Management (AMRAM) as an institutional investment partner to assist with funding and the fast-tracking growth of the Company.

As part of the agreement AMRAM have committed to the following:

- AMRAM to provide My Rewards a A\$3. 5million working capital line of credit which is unsecured and non-converting.
- AMRAM to introduce My Rewards to its investor network.
- AMRAM to provide access to acquisitions in the fintech sector that complement the existing My Rewards services and platform.

Financials

As detailed in the attached ASX Appendix 4C, the Company had \$349k in cash and equivalents as at 30 June 2022, compared to \$1.1 million to 31 March 2022.

The net cash used in operating activities during the quarter was \$796k. The Company has \$3.7 million total available funding.

In accordance with Listing Rule 4.7C, payments made to related parties and their associates included in items 6.1 of the Appendix 4C includes sign on payment, payments for directors' fees and remuneration in the normal course of business at commercial rates, excluding reimbursements of out-of-pocket expenses.

Pursuant to Listing Rule 4.7C.2, the Company confirms that, in the period since listing on the ASX, it has incurred expenditure largely in line with the Use of Proceeds set out in its Prospectus, as detailed below.

Use of Funds under Prospectus	Funds allocated under Prospectus	Funds expended between admission and 30 June 2022	Variance	
Supplier Acquisitions	\$350,000	\$226,906	\$123,094	35%
Customer Acquisitions	\$400,000	\$226,906	\$173,094	43%
Debt Reduction	\$275,000	\$299,665	(\$24,665)	(9%)
Further Investment and development of technology	\$350,000	\$241,642	\$108,358	31%
Overseas expansion and promotion	\$600,000	\$30,000	\$570,000	95%
Payment to acquire Perx Rewards Pty Ltd	\$1,000,000	\$900,000	\$100,000	10%
Working Capital	\$296,016	\$320,896	(\$24,880)	(8%)
Expenses of the Offer	\$708,984	\$940,379	(\$231,395)	(33%)
Administration Costs	\$1,200,000	\$868,809	\$331,191	28%
Total	\$5,180,000	\$4,055,203	\$1,124,797	22%

Expenditure in the above table relates only to the \$5 million raised during the Initial Public Offering and does not include the expenditure of the funds raised during the Convertible Note raise.

About My Rewards International Limited (ASX:MRI)

My Rewards is a fast-growing global provider of subscription-based Customer Engagement Technologies that includes loyalty and rewards programs for corporates and consumers, custom marketplaces and live streaming eCommerce solutions. My Rewards' core solutions include Loyalty tech, Rewards, and Customer Experience. Since its incorporation in 2000, My Rewards has steadily grown to connect over 5.8 million members with more than 4,500 global, national and local suppliers. My Rewards provides more than 120 corporates with Employee Engagement and Customer Loyalty Programs to help them retain, engage, and attract employees or customers. My Rewards' clients include some of the biggest household brands in retail, financial services, and telecommunications, including Telstra, Ramsay Health, MLC and AIG.

This announcement has been authorised for release by the board of directors of My Rewards International Limited.

For enquiries:

Maitreyee Khire

Managing Director

My Rewards International

shareholders@myrewards.com.au

Tim Allerton

Media Relations

City PR

tallerton@citypublicrelations.com.au

+61 412 715 707

Donna Warner

Investor Relations

Barclay Pearce Capital

donna@barclaypearce.com.au

+61 433 362 389

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

My Rewards International Limited (ASX: MRI)

ABN

47 095 009 742

Quarter ended ("current quarter")

30 June 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,243	15,966
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(2,737)	(15,651)
(c) advertising and marketing	(152)	(632)
(d) leased assets	(23)	(100)
(e) staff costs	(524)	(1,684)
(f) administration and corporate costs	(828)	(3,173)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	(8)	(173)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	110	158
1.8 Other (provide details if material)	123	286
1.9 Net cash from / (used in) operating activities	(796)	(5,002)

1.2b (product manufacturing and operating costs) payments for the year to date incorporates a reclassification of \$521k of product costs expenditure that was previously coded to 1.2f (administration and corporate costs). The Company recognises this reclassification as appropriate to provide more relevant information to stakeholders. The reclassification did not have an impact on net cash from/ (used in) operating activities.

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	(1,000)
(b) businesses	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(c) property, plant and equipment	-	(169)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(1,169)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	7,819
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(35)	(1,186)
3.5	Proceeds from borrowings	94	391
3.6	Repayment of borrowings	(35)	(808)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	24	6,216

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,121	304
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(796)	(5,002)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(1,169)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	24	6,216
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	349	349

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	349	1,121
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	349	1,121

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	123
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Item 6.1 Reflects amounts paid to directors including director's fees, salaries, superannuation, bonuses and consulting fees (excluding reimbursements).

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	3,500	94
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	3,500	94
7.5	Unused financing facilities available at quarter end		3,406
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. On 29 April 2022, the Company entered into a line of credit facility with AMRAM Corp Pty Ltd for an amount of \$3,500k. The facility is unsecured with interest payable monthly in arrears at 12% per annum. The nominal term of the facility is 12 months, or as otherwise agreed by the parties. The purpose of the facility is to provide additional working capital.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(796)
8.2	Cash and cash equivalents at quarter end (item 4.6)	349
8.3	Unused finance facilities available at quarter end (item 7.5)	3,406
8.4	Total available funding (item 8.2 + item 8.3)	3,755
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	4.7
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 July 2022

Authorised by: The Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.