



My Rewards International Limited
Appendix 4E
Period ended 30 June 2023

myrewards



My Rewards International Limited

Appendix 4E

Period ended 30 June 2023

Name of entity:
ABN:
Period ended:
Previous period:

My Rewards International Limited
47 095 009 742
30 June 2023
30 June 2022

Results for announcement to the market

					\$
Revenue from ordinary activities	Up	38.3%	to	22,040,199	
Loss from ordinary activities after tax attributable to members	Down	(15.1)%	to	(5,216,012)	
Net loss for the period attributable to members	Down	(15.1)%	to	(5,216,012)	

Distributions

No dividends have been paid or declared by the group for the current financial period. No dividends were paid for the previous financial period.

Explanation of results

Please refer to the review of operations and activities on pages 1 to 3 for explanation of the results.

Net tangible assets per security

	2023 Cents	2022 Cents
Net tangible asset backing (per security)	(1.22)	0.20

Changes in controlled entities

In September 2022, My Rewards International Limited set up a wholly-owned subsidiary, My Rewards eComm Pty Ltd, and subsequently in November 2022, My Rewards International Limited sold 40% of the shares to an Australian private company specialising in e-commerce in Asia. For more information, please refer to Note 5.

There have been no other changes in controlled entities during the period ended 30 June 2023.

Other information required by Listing Rule 4.3A

a. Details of individual and total dividends or distributions and dividend or distribution payments:	N/A
b. Details of any dividend or distribution reinvestment plans:	N/A
c. Details of associates and joint venture entities:	N/A
d. Other information	N/A

Audit Status

The preliminary report is based on financial statements that are in the process of being audited.

My Rewards International Limited
ABN 47 095 009 742

**Preliminary Final Report
for the period ended 30 June 2023**

myrewards

My Rewards International Limited (ASX: MRI) is pleased to report the key operational activities and successes for the year ended 30 June 2023.

Throughout this period, the Group has been dedicated to providing a holistic solutions tailored for both Corporates and Retailers. Their primary objective has been to enhance customer and staff engagement, along with fostering loyalty, through the implementation of their innovative technology-driven initiatives. The persistence they've displayed in collaborating with their corporate clientele and supplier associates has proven advantageous for their members. This collaboration has granted their members the privilege of accessing substantial discounts, leading to noteworthy savings on their day-to-day expenses, encompassing necessities such as groceries and fuel.

Highlights

- 38.3% increase in total revenue
- Decrease in loss before income tax by 15.1%
- Decrease in employee benefits expense by 26.8%

As the Group focuses on its pathway to profitability, they are excited to report a year on year revenue increase by 38.3% and 15.1% decrease in loss before income tax.

• Revenue

The Group reported an overall growth in its revenues of 38.3% growing from \$15,936,168 for the period ended 30 June 2022 to \$22,040,199 for the period ended 30 June 2023. This included growth of higher margin membership subscription revenues of 29.7% and a 38.6% increase in item sales.

• Overhead reduction

The strategic initiatives to reduce overheads has resulted in a 26.8% decrease in employee expenses, the main reason for the 15.1% decrease in loss before income tax from \$6,143,255 for the period ended 30 June 2022 to \$5,216,012 for the period ended 30 June 2023.

About My Rewards

My Rewards International Limited (MRI), is a subscription-based technology company. MRI specialises in delivering customised employee and consumer rewards, recognition, engagement, and loyalty programs. Through its partnerships with over 200 major business clients, including industry leaders such as Telstra, AIG, MLC, Wyndham Destinations Asia Pacific, Ramsay Health Care, and many more, MRI provides bespoke membership services that benefit both employees and consumers.

Through its purchase of the Frankly Digital Agency Business, MRI has expanded its core offering to now include performance marketing, creative and, design services. Our expansion into performance marketing, creative design, and innovative solutions provides MRI a strategic advantage against our competitors, ready to navigate the ever-evolving landscape of rewards, recognition, and engagement with confidence and ingenuity.

Pathway to profitability

Growing high margin revenue

My Rewards International Limited's strategic emphasis has been on cultivating higher-margin revenues to enhance our gross profit margins and, consequently, drive the Company towards sustained profitability. It's worth noting that their diverse revenue streams are associated with varying levels of gross margins. To ensure an optimised approach, they've directed their marketing strategies and operational support toward prioritising the key areas to contribute towards profitability.

Revenue Sources:

Ongoing Membership Fees: Fees paid by the Corporate to provide access to its employees, members, or customers. These are either paid as per user per month OR management fee per month.

Advertising Fees: Fees paid by retailers to My Rewards for facilitating transactions, advertisement placement or referrals.

Design & Setup Fees: Fees paid by the Corporate to My Rewards to set up a website/app and any additional customisation.

Transactional Income: Sale of merchandise, services, digital goods, tickets, and points redemption that is facilitated via My Rewards eCommerce Platform. These items may be discounted or have cashback associated with it.

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

Tmall Global & MRI - "Connecting Australian brands with Chinese consumers".

Introduced in 2014, Tmall Global serves as a platform for international brands to directly tap into the Chinese market. In November 2022, My Rewards established a strategic partnership with Tmall Global, facilitating a seamless pathway for Australian brands to connect with China's expanding middle class. This collaboration addresses the surging demand for premium imported goods within this demographic.

Through the alliance between Tmall Global and MRI, a comprehensive suite of services is provided, encompassing international logistics, supply chain management, translation services, and regulatory compliance. This holistic approach guarantees that the process of supplying products to China's largest ecommerce platform is as straightforward as serving local markets in Australia, be it in Bankstown, Bundoora, or Beijing.

With the successful integration of Tmall Global, My Rewards has successfully onboarded over 1,000 Australian products. This accomplishment has been achieved through a streamlined, cost-effective, and efficient process, enabling these products to gain access to a vast audience of Chinese consumers eagerly seeking high-quality offerings.

Reducing overheads

My Rewards has implemented, and is on track to deliver, its cost reduction strategy to reduce overheads by at least \$1 million per annum.

The Group reduced its net cash used in operating activities by 47.6% from \$4,021,945 for the period ended 30 June 2022 to \$2,106,144 for the period ended 30 June 2023.

Client and Customer growth

B2B: My Rewards has a solid pipeline of prospective B2B clients that deliver high gross margin membership fees 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 Group is continuing to expand its Rewards and Loyalty business to business (B2B) programs by partnering with new clients during the year that will generate over \$350,000 in annualised, higher-margin membership revenue reflecting the Company's commitment to driving sustainable growth and profitability through its three-pronged strategy.

My Rewards International Limited
Consolidated statement of profit or loss and other comprehensive income
For the period ended 30 June 2023

	Notes	30 June 2023 \$	30 June 2022 \$
Revenue from contracts with customers	2	22,040,199	15,936,168
Other income	3(a)	551,688	183,698
Cost of sales		(21,514,339)	(16,018,974)
Employee Benefits expense	3(b)	(1,584,719)	(2,163,841)
Share-based payment		(86,341)	(307,964)
Depreciation and amortisation expense	3(b)	(350,034)	(276,635)
Goodwill impairment expense		(586,592)	-
Advertising and marketing expense		(868,355)	(894,278)
Legal, professional and consultancy	3(b)	(1,483,017)	(1,329,536)
Other expense		(930,800)	(992,708)
Finance cost	3(b)	(403,702)	(279,185)
Loss before income tax		(5,216,012)	(6,143,255)
Income tax expense		-	-
Loss for the period		(5,216,012)	(6,143,255)
Other comprehensive income for the year, net of tax			
<i>Items that may be reclassified to profit or loss:</i>			
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period		(5,216,012)	(6,143,255)
		Cents	Cents
Loss per share for loss attributable to the ordinary equity holders of the group:			
Basic and diluted loss per share	7	(2.25)	(3.94)

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

My Rewards International Limited
Consolidated statement of financial position
As at 30 June 2023

	Notes	2023 \$	2022 \$
ASSETS			
Current assets			
Cash and cash equivalents		-	349,046
Trade and other receivables		479,363	279,895
Inventories		3,802	33,327
Other asset		979,887	998,897
Total current assets		1,463,052	1,661,165
Non-current assets			
Property, plant and equipment		211,130	194,059
Intangible assets		3,048,912	1,656,998
Total non-current assets		3,260,042	1,851,057
Total assets		4,723,094	3,512,222
LIABILITIES			
Current liabilities			
Bank overdraft		8,598	-
Trade and other payables		2,536,960	1,685,861
Borrowings		1,271,817	183,006
Lease liabilities		103,222	103,029
Employee benefits		506,325	390,771
Deferred revenue		1,100,706	829,352
Total current liabilities		5,527,628	3,192,019
Non-current liabilities			
Borrowings		29,827	53,222
Lease liabilities		114,051	96,015
Employee benefits		77,577	77,028
Total non-current liabilities		221,455	226,265
Total liabilities		5,749,083	3,418,284
Net (liabilities)/assets		(1,025,989)	93,938
EQUITY			
Share capital	4(a)	19,199,681	15,438,052
Other reserves		757,163	422,707
Accumulated losses		(20,982,833)	(15,766,821)
Total equity		(1,025,989)	93,938

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

My Rewards International Limited
Consolidated statement of changes in equity
For the period ended 30 June 2023

Notes	Attributable to owners of My Rewards International Limited			
	Share capital	Other reserves	Accumulated losses	Total equity
	\$	\$	\$	\$
Balance at 1 July 2021	5,544,005	37,520	(9,623,566)	(4,042,041)
Loss for the period	-	-	(6,143,255)	(6,143,255)
Total comprehensive loss for the period	-	-	(6,143,255)	(6,143,255)
Transactions with owners in their capacity as owners:				
Contributions of equity net of transaction costs	4(a) 10,925,264	-	-	10,925,264
Share issue expenses	4(a) (1,031,217)	-	-	(1,031,217)
Equity component from convertible notes	-	(37,520)	-	(37,520)
Share-based payments expense	4(a) -	422,707	-	422,707
	9,894,047	385,187	-	10,279,234
Balance at 30 June 2022	15,438,052	422,707	(15,766,821)	93,938
Balance at 1 July 2022	15,438,052	422,707	(15,766,821)	93,938
Loss for the period	-	-	(5,216,012)	(5,216,012)
Total comprehensive loss for the period	-	-	(5,216,012)	(5,216,012)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs and tax	4(a) 4,466,420	-	-	4,466,420
Share issue expenses	4(a) (804,791)	-	-	(804,791)
Shares to be issued	4(a) 100,000	-	-	100,000
Share-based payments expense	-	334,456	-	334,456
	3,761,629	334,456	-	4,096,085
Balance at 30 June 2023	19,199,681	757,163	(20,982,833)	(1,025,989)

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

My Rewards International Limited
Consolidated statement of cash flows
For the period ended 30 June 2023

	30 June 2023	30 June 2022
Notes	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	21,892,847	15,810,175
Payments to suppliers and employees (inclusive of GST)	(24,075,589)	(19,815,038)
Interest and other revenue received	572	584
Interest and other finance costs paid	(403,702)	(219,669)
Other income received	-	183,697
Income tax (paid)/received	-	18,306
R&D tax incentive and other grants received	479,728	-
Net cash (outflow) from operating activities	(2,106,144)	(4,021,945)
Cash flows from investing activities		
Payments for plant and equipment	(155,391)	(7,014)
Payment to acquire entity, net of cash acquired	(100,001)	(967,628)
Payments for intangible assets	(409,633)	(274,852)
Net cash (outflow) from investing activities	(665,025)	(1,249,494)
Cash flows from financing activities		
Proceeds from issues of shares	4(a) 1,865,075	6,588,344
Proceeds from borrowings	1,574,000	344,000
Share issue transaction costs	(556,676)	(774,994)
Repayment of borrowings	(508,584)	(694,872)
Repayment of lease liabilities	39,710	(102,888)
Related party borrowings repaid	-	(43,463)
Net cash inflow from financing activities	2,413,525	5,316,127
Net (decrease) increase in cash and cash equivalents	(357,644)	44,688
Cash and cash equivalents at the beginning of the financial year	349,046	304,358
Cash and cash equivalents at end of period	(8,598)	349,046

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

1 Segment information

Management has determined, based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions, that the Group has one reportable segment that specialises in delivering customised employee and consumer rewards, recognition, engagement, and loyalty programs. The segment details are therefore fully reflected in the body of the financial report.

2 Revenue from contract with customers

The Group derives the following types of revenue:

	30 June 2023 \$	30 June 2022 \$
Revenue from loyalty programs	22,040,199	15,936,168
Total revenue from contracts with customers	22,040,199	15,936,168

(a) Disaggregation of revenue from contracts with customers

The Group derives revenue from contracts with customers and at a point in time in the following major product lines:

	2023 \$	2022 \$
Item sales	21,403,484	15,445,169
Membership fees	636,715	490,999
Total major product lines	22,040,199	15,936,168
Goods transferred at a point in time	21,403,484	15,445,169
Services transferred over time	636,715	490,999
Total timing of revenue recognition	22,040,199	15,936,168

Revenue from contract with customers are all from Australia.

Revenue from the item sales is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

3 Other income and expense items

(a) Other income

	30 June 2023 \$	30 June 2022 \$
Jobkeeper government financial support	-	48,400
Research and development tax incentive	479,728	89,637
Other income	71,960	45,661
	551,688	183,698

(b) Expenses

	30 June 2023 \$	30 June 2022 \$
Employee benefits expense		
Wages and Salaries	1,246,772	1,788,577
Directors Fees	36,189	50,455
Superannuation and Payroll Tax	235,847	185,439
Leave obligations	65,911	139,370
	1,584,719	2,163,841
Depreciation and amortisation expense		
Amortisation	231,127	174,679
Depreciation	118,907	101,956
	350,034	276,635
Legal, professional and consultancy		
Accounting and audit	333,936	170,754
Consulting fees	1,067,899	811,902
Legal fees	81,182	346,880
	1,483,017	1,329,536
Finance costs		
Interest and finance charges paid/payable on borrowings	387,872	265,260
Interest on leases	15,830	13,925
	403,702	279,185

4 Equity

(a) Share capital

	Notes	2023 Shares	2022 Shares	2023 \$	2022 \$
Ordinary shares					
Fully paid		350,499,867	194,019,716	19,199,681	15,438,052
4(a)(i)		350,499,867	194,019,716	19,199,681	15,438,052

(i) Movements in ordinary shares:

Details	Number of shares	Total \$
Balance at 1 July 2021	112,882,543	5,544,005
Conversion of convertible notes to Ordinary Shares at \$0.05 (04/08/2021)	100,000	5,000
Issue of Shares at \$0.10 (04/08/2021)	760,000	76,000
Issue of Shares in lieu of payment for services at \$0.10 (04/08/2021)	55,000	5,500
Issue of Shares at \$0.10 (17/08/2021)	750,000	75,000
Issue of Shares at \$0.14 (17/08/2021)	2,489,290	348,502
Issue of Shares at \$0.10 (01/09/2021)	4,700,000	470,000
Issue of Shares at \$0.10 (03/09/2021)	1,350,000	135,000
Issue of Shares at \$0.14 (03/09/2021)	1,430,000	200,200
Issue of Shares at \$0.10 (23/09/2021)	5,900,000	590,000
Issue of Shares at \$0.14 (23/09/2021)	628,857	88,040
Issue of Shares in lieu of payment for services at \$0.08 (23/09/2021)	1,437,500	115,000
Issue of Shares in lieu of payment for services at \$0.10 (23/09/2021)	110,000	11,000
Issue of Shares in lieu of payment for services at \$0.14 (23/09/2021)	114,715	16,060
Issue of Shares at \$0.10 (05/10/2021)	1,050,000	105,000
Issue of Shares at \$0.14 (05/10/2021)	185,000	25,900
Issue of Shares in lieu of payment for services at \$0.10 (05/10/2021)	2,508,742	250,874
Issue of Shares in lieu of payment for services at \$0.14 (05/10/2021)	147,335	20,627
Issue of Shares at \$0.10 (08/10/2021)	900,000	90,000
Conversion of loan to Ordinary Shares at \$0.14 (08/10/2021)	744,134	104,179
Issue of Shares at \$0.10 (26/10/2021)	270,000	27,000
Issue of Shares at \$0.14 (26/10/2021)	357,143	50,000
Issue of Shares in lieu of payment for services at \$0.14 (26/10/2021)	71,429	10,000
Conversion of convertible notes to Ordinary Shares at \$0.05 (21/01/2022)	9,200,000	460,000
Conversion of convertible notes to Ordinary Shares at \$0.13 (21/01/2022)	13,237,473	1,773,822
Issue of Shares in lieu of payment for services at \$0.10 (11/02/2022)	2,021,451	202,145
Issue of shares on initial public offering at \$0.20 (11/02/2022)	25,000,000	5,000,000
Issue of Shares in lieu of payment for services at \$0.20 (11/02/2022)	750,000	150,000
Issue of Shares in lieu of payment for services at \$0.10 (11/02/2022)	3,869,104	386,910
Issue of Shares on acquisition of Perx Rewards at \$0.20 (07/02/2022)	1,000,000	200,000
Less: Transaction costs arising on share issues	-	(1,097,712)
Balance at 30 June 2022	194,019,716	15,438,052

4 Equity (continued)

(a) Share capital (continued)

(i) Movements in ordinary shares: (continued)

Balance at 1 July 2022	194,019,716	15,438,052
Adjustment of number of shares	4	-
Issue of Shares in lieu of payment for services at \$0.10 (27/07/2022)	1,580,181	158,018
Issue of Shares in lieu of payment for services at \$0.07 (05/08/2022)	1,977,182	138,403
Issue of Shares in lieu of payment for services at \$0.06 (05/09/2022)	3,034,483	176,000
Issue of Shares at \$0.05 (05/09/2022)	11,000,000	550,000
Issue of Shares in lieu of payment for services at \$0.05 (14/10/2022)	1,872,116	97,350
Issue of Shares in lieu of payment for services at \$0.05 (01/11/2022)	4,488,000	224,400
Issue of Shares entitlement offer at \$0.05 (17/11/2022)	11,401,504	570,075
Issue of Shares in lieu of payment for services at \$0.04 (20/12/2022)	2,282,500	91,300
Issue of shares in lieu of payment for services at \$0.03 (03/02/2023)	1,533,334	50,600
Issue of shares as part of capital raising and line of credit facility (20/03/2023)	6,818,182	150,000
Issue of shares at \$0.03 (18/04/2023)	3,571,429	100,000
Issue of shares at \$0.02 (11/05/2023)	3,640,776	75,000
Issue of shares in lieu of payment for services at \$0.02 (11/05/2023)	485,437	10,000
Issue of shares at \$0.02 (19/05/2023)	2,083,333	50,000
Consideration for acquisition of business and assets of Frankly Agency Pty Ltd (31/05/2023)	55,263,158	1,050,000
Issue of shares in lieu of payment for services at \$0.03 (01/06/2023)	13,153,847	342,000
Issue of shares at \$0.02 (07/06/2023)	4,500,000	90,000
Issue of shares in lieu of payment for services at \$0.02 (07/06/2023)	6,100,000	122,000
Issue of shares at \$0.02 (15/06/2023)	5,555,555	100,000
Issue of shares in lieu of payment for services at \$0.02 (15/06/2023)	2,444,444	44,000
Issue of shares in lieu of payment for services at \$0.02 (23/06/2023)	2,626,311	47,274
Issue of shares at \$0.02 (23/06/2023)	1,666,666	30,000
Issue of shares at \$0.02 (26/06/2023)	5,555,555	100,000
Issue of shares at \$0.03 (26/06/2023)	3,846,154	100,000
Shares to be issued ¹	-	100,000
Less: Transaction costs arising on share issues ²	-	(804,791)
Balance 30 June 2023	350,499,867	19,199,681

1. Shares to be issued representing cash received from a shareholder, however ordinary shares still yet to be issued as of 30 June 2023 due to timing differences. The ordinary shares were subsequently issued on 5 July 2023.

2. Includes \$347,542 in transaction costs relating to the fair value amount of 34,764,110 unlisted options issued to external corporate advisors for capital raising, brokerage services and placement services rendered.

Ordinary shares entitled the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

(ii) Share-based payments

Information relating to share-based payments, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial period, is set out in notes .

5 Interests in other entities

(a) Material subsidiaries

The Group's principal subsidiaries at 30 June 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group	
		2023	2022
		%	%
My Rewards Pty Ltd	Melbourne, Australia	100	100
My Rewards (USA) Inc.	Delaware, USA	100	100
Perx Rewards Pty Ltd	Melbourne, Australia	100	100
My Rewards eComm Pty Ltd	Melbourne, Australia	60	-

6 Events occurring after the reporting period

The following occurred after the Balance Date:

- On 5 July 2023, 9,247,059 ordinary shares were issued to an external consultant at \$0.017 each.
- On 5 July 2023, 1,000,000 ordinary shares were issued to an external consultant at \$0.022 each.
- On 5 July 2023, 8,823,529 ordinary shares were issued at \$0.017 each.
- On 6 July 2023, 8,125,000 ordinary shares were issued at \$0.016 each.
- On 14 July 2023, 8,823,528 ordinary shares were issued at \$0.017 each.
- On 14 July 2023, 8,680,882 ordinary shares were issued to an external consultant at \$0.017 each.
- On 28 July 2023, 7,894,735 ordinary shares were issued at \$0.019 each.
- On 28 July 2023, 2,105,263 ordinary shares were issued to an external consultant at \$0.019 each.
- On 11 August 2023, 9,411,764 ordinary shares were issued at \$0.017 each.
- On 11 August 2023, 2,847,058 ordinary shares were issued to an external consultant at \$0.017 each.
- On 23 August 2023, 7,142,857 ordinary shares were issued at \$0.014 each.
- On 23 August 2023, 1,571,428 ordinary shares were issued to an external consultant at \$0.014 each.
- On 25 August 2023, 9,278,570 ordinary shares were issued at \$0.014 each.
- On 25 August 2023, 9,603,552 ordinary shares were issued to an external consultant at \$0.014 each.
- On 25 August 2023, 10,000,000 unlisted options were issued at various prices.

7 Loss per share

(a) Reconciliations of earnings used in calculating loss per share

	30 June 2023	30 June 2022
	\$	\$
<i>Basic and diluted loss per share</i>		
Loss attributable to the ordinary equity holders of the group used in calculating loss per share:		
From continuing operations	5,216,012	6,143,255

(b) Weighted average number of shares used as the denominator

	2023 Number	2022 Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	232,055,687	156,002,890