My Rewards International Limited

ABN 47 095 009 742

Annual Report

for the period ended 30 June 2023

myrewards

My Rewards International Limited

ABN 47 095 009 742

Annual Report - 30 June 2023

Directors	Mr David Vinson *Chairman and Executive Director* Ms Maitreyee Khire *Managing Director* Mr Daniel Goldman *Non-Executive Director*
Secretary	Mr Phillip Hains
Registered office	Suite 1 Level 3, 62 Lygon Street Carlton South VIC 3053 Australia Telephone: +61 (0)3 9824 5254
Principal place of business	Suite G02, 181-185 St. Kilda Road St. Kilda VIC 3182 Telephone: 1300 362 251
Share register	Boardroom Pty Ltd Level 8, 210 George Street Sydney NSW 2000 +61 (0)2 9290 9600
Auditor	RSM Australia Partners F21/55 Collins St Melbourne VIC 3000 Telephone: +61 (0)3 9286 8000
Solicitors	Steinepreis Paganin Level 6, 99 William Street Melbourne VIC 3000 Telephone: +61 (0)3 9111 9400
Stock exchange listings	My Rewards International Limited shares are listed on the Australian Securities Exchange (ASX: MRI)
Website	www.myrewardsinternational.com

Dear Shareholders,

On behalf of the Board of Directors of My Rewards International Limited, it is my pleasure to present the 2023 Annual Report. Over the past financial year we have progressed the execution of our three-pillar strategy. This approach focuses on the growth of our B2B membership base, diversifying our product portfolio to enhance margins, and strategically acquiring complementary businesses.

We have made positive progress our journey towards profitability. Our annual revenues have grown by 38%, while our loss for the period reduced by 15%.

One key point to note is the 48% decrease in net cash outflow from operating activities, a clear demonstration of our efficient resource management. This figure has reduced from $4.0 million in FY 2022 to $2.1 million in FY 2023.

In line with our commitment to diversifying our product offerings, we have successfully onboarded over 1800 products on T-mall Global and are now moving to ramp up the marketing activities to activate sales.

Furthermore, our B2B segment has witnessed substantial growth, resulting in a 30% increase in higher margin membership revenues. This result not only underscores our strategic direction but also exemplifies the dedication and hard work of our team.

I would like to take this opportunity to extend my appreciation to our executive leadership team, as well as every member of our organization who contributed significantly to our successes over the past year. We also extend our gratitude to our valued partners for their ongoing support.

To our respected shareholders and funding providers, your continued support has been instrumental in our journey. The past year has laid the foundation for continued growth in all aspects of the business.

Finally, I would like to express my gratitude to my colleagues on the Board for their invaluable contributions and wise counsel. Together, we look forward to an even brighter future for My Rewards International Limited.

Sincerely,

David Vinson

Executive Chairman

My Rewards International Limited

Review of Operations and Activities

Dear Shareholders,

I am delighted to share with you the achievements and operational successes of My Rewards International Limited (ASX: MRI) for the financial year ending 30 June 2023.

Over the past year, we have remained committed to creating tailored solutions that cater to both Businesses and Retailers. Our overarching objective has been to elevate customer and staff engagement, while cultivating loyalty through the infusion of innovative, technology-driven initiatives. This unwavering commitment has not only strengthened our relationships with corporate partners and suppliers but has also translated into tangible benefits for our members. The privileges of substantial discounts on everyday essentials, ranging from groceries to fuel, underscore the meaningful impact we've made on their day-to-day lives.

Financial Successes:

Revenue Growth:
I am pleased to report a 38.3% growth in our total revenue, marking a leap from $15,936,168 in the previous year to $22,040,199 in 2023. This growth owes itself to a 29.7% surge in high-margin membership subscription revenues and 38.6% growth in item sales.

Strategic Overhead Reduction:
Through focused and purposeful efforts, we've achieved a 15.1% reduction in loss for the period, down from $6,143,255 in 2022 to $5,216,012 in 2023. This, in part, was due to a 26.8% reduction in employee benefits expenses.

Streamlined Cost Efficiency:
Our endeavours to streamline operations have been successful, resulting in a 47.6% reduction in net cash used in operating activities, down from $4,021,945 to a more efficient $2,106,144.

Diversification and Expansion:

Frankly Digital Agency: Enhancing Engagement and Marketing Solutions

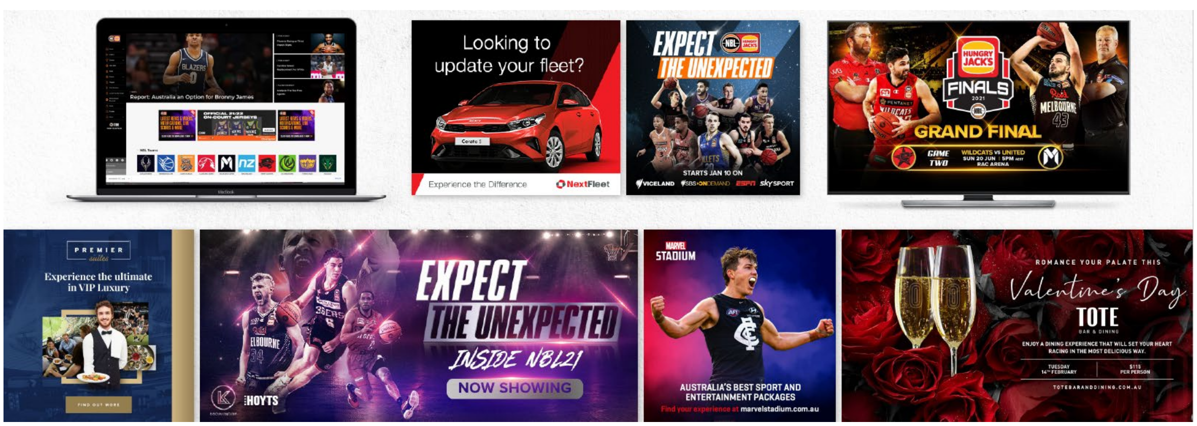
The acquisition of Frankly Digital Agency Business stands as a key moment in My Rewards International Limited's journey. This strategic move has not only broadened our service portfolio but has also positioned us as a dynamic player in the ever-evolving landscape of rewards, recognition, and engagement.

1. **Comprehensive Performance Marketing:**
   Frankly Digital Agency brings to the table a wealth of expertise in performance marketing, a critical component in today's competitive digital landscape. Their seasoned professionals employ cutting-edge strategies to amplify brand visibility, drive customer acquisition, and enhance conversion rates. By leveraging data-driven insights and optimizing digital campaigns, they ensure that marketing efforts translate into tangible, bottom-line results.

2. **Creative Design Excellence:**
   Creativity is at the heart of effective engagement, and Frankly Digital Agency excels in this arena. Their team of skilled designers and creatives are adept at crafting visually compelling

content that resonates with target audiences. From eye-catching visuals to intuitive user experiences, they breathe life into brand narratives, ensuring a seamless and memorable customer journey.

3. **Innovative Solutions for Tomorrow:**
   In a rapidly evolving digital landscape, staying ahead of the curve is paramount. Frankly Digital Agency's commitment to innovation aligns seamlessly with our mission at My Rewards International Limited. They continuously explore emerging technologies and trends to deliver forward-thinking solutions. From interactive experiences to immersive campaigns, their innovative approach ensures that our offerings remain relevant and impactful.
4. **Synergies and Competitive Advantage:**
   The integration of Frankly Digital Agency into our ecosystem provides us with a strategic advantage over competitors. We are now equipped to offer a comprehensive suite of services that encompass performance marketing, creative design, and innovative solutions. This end-to-end approach not only streamlines operations for our clients but also positions us as a one-stop destination for all their engagement and marketing needs.
5. **Client-Centric Approach:**
   Frankly Digital Agency shares our commitment to delivering exceptional value to clients. Their client-centric ethos, characterized by attentive listening, clear communication, and tailored solutions, aligns seamlessly with our own principles. This ensures that every engagement is a collaborative journey, where client objectives and vision take center stage.



In essence, the integration of Frankly Digital Agency Business has empowered us to offer a holistic and dynamic range of services. From performance-driven marketing to captivating design, we now stand poised to navigate the intricate landscape of rewards, recognition, and engagement with unparalleled expertise and ingenuity. Together, we are poised to redefine the future of customer engagement.

Empowering Australian Brands with Tmall Global:

Cultivating Growth Through Authorized Partnership with Tmall Global: Elevating Higher Margin Sales

Our status as an authorized partner with Tmall Global stands as a pivotal milestone in our journey towards sustainable growth and profitability. This strategic alliance opens up a realm of opportunities, particularly in our efforts to grow higher margin sales.

Tmall Global, as a premier platform for cross-border e-commerce, has set unparalleled standards for quality and authenticity. By being recognized as an authorized partner, we align ourselves with these exacting standards, reaffirming our commitment to delivering only the finest products to the discerning Chinese consumer base.

This partnership is akin to gaining access to a curated marketplace where quality is paramount. This resonates profoundly with the growing middle-class segment in China, characterized by a distinct preference for premium, imported goods. Through Tmall Global, we not only enter this lucrative market but do so with a distinct advantage.

The benefits extend beyond mere market access. Tmall Global's suite of services, spanning marketing, logistics, and secure payment solutions, empowers us to not only reach the Chinese consumer but to do so with unparalleled efficiency and trust. This, in turn, sets the stage for higher margin sales.

The Tmall Global affiliation simplifies the otherwise intricate process of market entry, allowing us to focus on what truly matters – providing top-tier products and services. This streamlined approach translates into reduced operational complexities and, ultimately, higher profitability.

In essence, our authorized partnership with Tmall Global isn't just about access; it's about creating a pathway to success characterized by higher margin sales. This is a testament to our unwavering commitment to quality, growth, and delivering exceptional value to our shareholders and partners.

B2B Client Growth and Strategy Execution:

We have diligently cultivated a robust pipeline of prospective B2B clients, with a strategic emphasis on high gross margin membership fees. This focus aligns seamlessly with our three-pronged growth strategy, reflecting our unwavering commitment to sustainable growth and profitability. We anticipate new partnerships to generate significant annualized, higher-margin membership revenue, underscoring our dedication to forging fruitful relationships.

Our achievements in 2023 are a demonstration of our dedication to delivering innovative, technology-driven solutions that elevate engagement and foster loyalty.

I would like to take this opportunity to convey my heartfelt gratitude to our dedicated team and every member of our organisation, whose substantial contributions paved the way for our successes in the past year. To our valued shareholders and stakeholders, your support has played a pivotal role in our journey. Your trust in our vision and strategy has propelled us forward.

Lastly, I want to extend my deepest thanks to my fellow Board members for their invaluable contributions and astute guidance.

Together, we eagerly anticipate an even more promising future for My Rewards International Limited.

Maitreyee Khire

Managing Director

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Material Business Risks

The future performance of the Company may be influenced by a range of factors, many of which are largely beyond the control of the Company.

The material business risks faced by the Company that may have an impact on the operating and financial prospects of the Company as at the date of this report are set out below.: This section is not intended to provide an exhaustive list of the risk factors to which the Company or the industry is exposed.

Risk Category	Risk
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 Group incurred a loss after income tax of $5,216,012, a net liability position of $1,025,989, a deficit in working capital (current liabilities exceed current assets) of $3,460,576 and had net cash outflows from operating activities of $1,711,142 respectively for the year ended 30 June 2023. These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors: • The Group has an unused finance facility of $2,896,000 at its disposal (refer to note 5 for further details); • Subsequent to year-end, a shareholder has committed to acquire shares valued at $1,900,000 until 31 December 2024, pending approval by shareholders. To date, $300,000 has already been received as of the report signing date; and • The directors are confident the Group has the ability to raise further capital from existing shareholders and new investors if required.

Risk Category	Risk
	Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report. The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.
Additional requirements for capital	The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its operations as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.
Privacy and data collection risk	Use of the My Rewards Platform (via website or mobile APP) involves the storage, transmission, and processing of data from Members and Suppliers, including certain personal or individually identifying information. Personal privacy, information security, and data protection are significant issues. The regulatory framework governing the collection, processing, storage, and use of business information, particularly information that includes personal data, is rapidly evolving and any failure or perceived failure to comply with applicable privacy, security, or data protection laws, regulations or contractual obligations may adversely affect the My Rewards' business.
Protection of intellectual property rights	The commercial value of the Company's intellectual property assets is dependent on any relevant legal protections. These legal mechanisms, however, do not guarantee that the intellectual property will be protected or that the Company's competitive position will be maintained. No assurance can be given that employees or third parties will not breach confidentiality agreements, infringe or misappropriate the Company's intellectual property or commercially sensitive information, or that competitors will not be able to produce non-infringing competitive products. Competition in retaining and sustaining protection of technologies and the complex

Risk Category	Risk
	nature of technologies can lead to expensive and lengthy disputes for which there can be no guaranteed outcome. There can be no assurance that any intellectual property which the Company (or entities it deals with) may have an interest in now or in the future will afford the Company commercially significant protection of technologies, or that any of the projects that may arise from technologies will have commercial applications. It is possible that third parties may assert intellectual property infringement, unfair competition or like claims against the Company under copyright, trade secret, patent, or other laws. While the Company is not aware of any claims of this nature in relation to any of the intellectual property rights in which it has or will acquire an interest, such claims, if made, may harm, directly or indirectly, the Company's business. If the Company is forced to defend claims of intellectual property infringement, whether they are with or without merit or are determined in the Company's favour, the costs of such litigation may be potentially significant and may divert management's attention from normal commercial operations.
Rapid growth risk	The Company aims to experience rapid growth in the scope of its operating activities which may expand operations in new jurisdictions and markets. This growth is anticipated to result in an increased level of operations which, if unable to be managed, will result in the Company not being able to take advantage of market opportunities and execute its business plan or respond to competitive pressure.
Competition	The loyalty and rewards industry in which the Company operates is subject to competition. Current or future competitors may come up with new, better or cheaper products and solutions. The Company's competitors include both small and medium enterprises and large, established corporations or multinationals. Those may decide to enter the Company's target markets and be able to fund aggressive marketing strategies. They may also have stronger financial capabilities than the Company which may negatively affect the operating and financial performance of the business.
Reliance on key personnel	The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment. The Company may not be able to replace its senior management or key personnel with persons of equivalent

Risk Category	Risk
	expertise and experience within a reasonable period of time or at all and the Company may incur additional expenses to recruit, train and retain personnel. Loss of such personnel may also have an adverse effect on the performance of the Company.
Security	The Company is reliant on the security of its products and associated technologies. Breaches of security could impact user satisfaction and confidence in its products, and some breaches, including cyber-attacks, could render the services and related products unavailable through a disrupted denial of service or other disruption. Unavailability of the Company's services could impact the Company's financial performance. Further, it could hinder the Company's ability to retain existing customers. The Company has publicly reported data breaches on 23 February 2023.
Data loss, theft or corruption	The Company stores data in its own systems and networks and with a variety of third-party service providers. Exploitation or hacking of any of the Company's systems or networks could lead to corruption, theft or loss of the data which could have a material adverse effect on the Company's business, financial condition and results. Further, if the Company's systems, networks or technology are subject to any type of 'cyber' crime, its technology may be perceived as unsecure which may lead to a decrease in the number of customers. It is possible that the Company may experience negative publicity if their systems are able to be hacked at some point in the future.
Technology Risk	The Company's market involves rapidly evolving products and technological change. The Company cannot guarantee that it will be able to engage in research and development at the requisite levels. The Company cannot assure investors that it will successfully identify new technological opportunities and continue to have the needed financial resources to develop new products in a timely or cost-effective manner. At the same time, products, services and technologies developed by others may render the Company's products and services obsolete or non-competitive.
Delivery Risk	The Company is dependent on the effective performance, reliability and availability of its technology platforms, software, third party data centres and communication systems. Therefore, there is a risk that the infrastructure and technology solutions supplied by the Company may not be functional, faulty, or not meet customers' expectations. This may lead to requirements for the Company to repair or improve its products after sale and or installation, which may diminish operating margins or lead to losses. For those systems which the Company

Risk Category	Risk
	retains in ownership and operates on behalf of the customer under long term agreements, or which the Company maintains under long term maintenance agreements, the Company may be made responsible as well if such systems are not functional or faulty. The Company may also face claims from customers if the product does not meet standards contractually agreed upon.
Regulatory Risk	The Company is subject to continuing regulation. The Company has policies and procedures in place which are designed to ensure continuing compliance with applicable regulations for its existing products in the jurisdictions in which it operates. There can be no guarantee that the regulatory environment in which the Company operates may not change in the future which may impact on the Company's existing approvals and products. As announced in its Prospectus dated 9 February 2022, the Company intends to expand the application of its products in target jurisdictions (including the US). Further regulatory approvals may be required to expand into these jurisdictions including but not limited to intellectual property protection, marking requirements and other product quality and safety standards specific to the applicable target jurisdiction. The Company may not be able to obtain the necessary approvals and clearances in a timely fashion or may not be able to obtain the necessary approvals and clearances at all.
Reliance of third-party IT systems	The Company uses and relies on integration with third party IT-systems and platforms, such as AWS and PayPal. Any changes to the use and regulation of these platforms would require the Company to change its current technology processes, which may disrupt the provision of services and adversely affect the Company's business, operations and financial performance.
Product liability	As with all products, there is no assurance that unforeseen adverse events or defects will not arise in the Company's products. Adverse events could expose the Company to product liability claims or litigation, resulting in the removal of regulatory approval for the relevant products and/or monetary damages being awarded against the Company. In such event, the Company's liability may exceed the Company's insurance coverage, if any.
Disputes	The activities of the Company may result in disputes with third parties, including, without limitation, the Company's investors, competitors, regulators, partners, distributors, customers, directors, officers and employees, and service providers. The Company may incur substantial costs in

Risk Category	Risk
	connection with such disputes. Further, a change in strategy may involve material and as yet unanticipated risks, as well as a high degree of risk, including a higher degree of risk than the Company's strategy in place as of the date of this Prospectus.
Loss of customers	The Company has established important relationships through development of its business to date. The loss of one or more customers through termination or expiry of contracts may adversely affect the operating results of the Company.
Foreign exchange	The Company will be operating in a variety of jurisdictions, including Australia, New Zealand, Malaysia and USA, and as such, expects to generate revenue and incur costs and expenses in Australian Dollar, New Zealand Dollar, Malaysian Ringgit and US Dollar. Consequently, movements in currency exchange rates may adversely or beneficially affect the Company's results or operations and cash flows. For example, the appreciation or depreciation of the US dollar relative to the Australian dollar would result in a foreign currency loss or gain. Any depreciation of currencies in foreign jurisdictions in which the Company operates may result in lower than anticipated revenue, profit and earnings of the Company.

Your directors present their report on the consolidated entity consisting of My Rewards International Limited (My Rewards, Company) and the entities it controlled at the end of, or during, the period ended 30 June 2023. Throughout the report, the consolidated entity is referred to as the 'Group'.

Directors and company secretary

The following persons held office as directors of My Rewards International Limited during the financial period:

Mr David Vinson, Chairman and Executive Director
Ms Maitreyee Khire, Managing Director
Mr Daniel Goldman, Non-Executive Director

The following person held office as company secretary of My Rewards International Limited during the whole of the financial period and up to the date of this report.

Mr Phillip Hains

Principal activities

My Rewards International Limited's principal activities during the financial year were providing membership services and loyalty programs for corporate and retail clients.

Dividends - My Rewards International Limited

No dividends were declared or paid to members for the period ended 30 June 2023. The directors do not recommend that a dividend be paid in respect of the financial period.

Review of operations

The Group had revenue of $22,040,199 for the financial year ended 30 June 2023 (2022: $15,936,168). The loss for the group for the year amounted to $5,216,012 (2022: $6,143,255), with net (liability)/assets of -$1,025,989 (2022: $93,938), including cash and cash equivalents of $0 (2022: $349,046).

Significant changes in the state of affairs

During the period ended 30 June 2023, the following significant affairs occurred:

Capital and debt raising

Entitlement issue

In October 2022, the Company announced a pro-rata non- renounceable entitlement offer to raise approximately $1.3 million. The Company received new subscriptions for $570,075 under this offer leaving a shortfall of $752,505. The Company is in mediation with the underwriter Still Capital Pty Ltd to resolve this matter.

LDA Capital

In February 2023, the Company entered into a $15 million equity placement agreement with LDA capital. This agreement provides for up to $15 million in ordinary share placements over a 36 month period.

AMRAM Corp Pty Ltd

In March 2023, the company entered a $5 million capital raising facility and extended its $3.5 million line of credit with AMRAM Corp Pty Ltd to further accelerate its growth strategy.

Research & Development Tax Incentive

In addition, the group has received a refund of $479,728 from the Australian Taxation Office under the Research & Development Tax Incentive for the financial year 2022.

Significant changes in the state of affairs (continued)

Acquisition of Frankly Digital Agency ('Frankly')

On 31 May 2023, My Rewards completed the Acquisition of 100% of the assets of the Frankly for $1,800,000 being $750,000 paid through cash instalments plus a $1,050,000 in shares at $0.018 per share. Frankly is a digital marketing agency based in Melbourne, which offers a range of services including lead generation, search engine marketing (SEM), web development, creative design and campaign reporting. Frankly operates under the domain name www.frankly.com.au, which will be included as part of the assets to be acquired. Frankly has provided services to prestigious clients including the Marvel Stadium, Australian Unity and AFL.

Events since the end of the financial period

The Company is in dispute with Frankly over certain aspects of the acquisition, which is described more fully in the Directors Report and financial statements. The Company anticipates to satisfactorily resolve the matter.

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.
On 4 September 2023, 7,142,857 ordinary shares were issued at $0.014 each.
On 4 September 2023, 3,142,857 ordinary shares were issued to an external consultant at $0.014 each.

No further matters or circumstances has arisen since 30 June 2023 that has significantly affected the group's operations, results or state of affairs, or may do so in future years.

Likely developments and expected results of operations

Other than the information disclosed in the review of operations above, there are no likely developments or details on the expected results of operations that the Group has not disclosed.

Environmental regulation

The group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

The following information is current as at the date of this report.

Mr David Vinson *Chairman and Executive Director*	
Experience and expertise	David Vinson has been a director and actively involved in the My Rewards business for over 15 years, with a particular focus on sales, operations and customer experience. David has over 30 years' experience in the marketing services industry with a focus on establishing and commercialising new concepts. David was the founder and Managing Director of CUC Australasia Limited (CUC), a company that introduced membership and loyalty strategies to Australia in the early 1990's. David is one of Australia's most experienced practitioners of membership and loyalty marketing strategy and has had extensive exposure to value added marketing throughout the USA, UK and Europe. David holds a Bachelor of Science, and a Chemical Engineering degree from Purdue University (1978). The Board considers that Mr Vinson is not an independent Director.
Date of appointment	24 April 2005
Other current directorships	None
Former directorships in last 3 years	David was formerly an executive director of Plentex Ltd (which was listed on ASX:PRM).
Special responsibilities	None

Information on directors (continued)

Ms Maitreyee Khire *Managing Director*	
Experience and expertise	Maitreyee Khire has a Master's degree in Business Administration (MBA) from RMIT University (Melbourne) and has worked for My Rewards for over 10 years. During this time, Maitreyee has been responsible for managing of all aspects of the business including sales, key account management, finance, IT, operations, and customer experience. Maitreyee has led the digital and technology transformation of the Company and has been instrumental in securing and delivering accounts. In addition to the general operations of the business, Maitreyee has worked with the Board of Directors with corporate governance, compliance and developing implementing new business strategies. The Board considers that Ms Khire is not an independent director.
Date of appointment	1 December 2017
Other current directorships	None
Former directorships in last 3 years	None
Special responsibilities	None

Mr Daniel Goldman *Non-Executive Director*	
Experience and expertise	Daniel Goldman is currently the Managing Director of Xerion Limited, a specialty pharmaceutical business. Daniel has considerable ASX listed company experience. Previously, Danny was the General Manager of Electrical, Furniture & General Merchandise at Myer Stores Ltd, then a division of Coles Myer Limited (now Myer Holdings Limited, listed on ASX:MYR). Danny was the Chief Financial Officer and Company Secretary of Country Road Limited, an apparel retailer and wholesaler (formerly listed in ASX:CTY). He has also held various operational, financial and accounting roles in South Africa within Woolworths Holdings Limited and Ernst & Young Chartered Accountants. Danny was also formerly the managing director of Plentex Ltd (which was listed on ASX:PRM). Danny is a Chartered Accountant, with a Bachelor of Commerce (Honours) in Accounting Science from the University of South Africa and a Bachelor of Commerce from the University of Cape Town. The Board considers that Mr Goldman is an independent Director.
Date of appointment	1 December 2017
Other current directorships	None
Former directorships in last 3 years	None
Special responsibilities	None

Information on directors (continued)

Company secretary

The group secretary is Mr Phillip Hains, appointed to the position on 6 April 2022. Mr Hains is a Chartered Accountant operating a specialist public practice, 'The CFO Solution'. The CFO Solution focuses on providing back office support, financial reporting and compliance systems for listed public companies. A specialist in the public company environment, Mr Hains has served the needs of a number of company boards and their related committees. He has over 30 years' experience in providing businesses with accounting, administration, compliance and general management services. He holds a Master of Business Administration from RMIT University and a Public Practice Certificate from the Chartered Accountants Australia and New Zealand.

Meetings of directors

The numbers of meetings of the group's board of directors and of each board committee held during the period ended 30 June 2023, and the numbers of meetings attended by each director were:

	Full meetings of directors		Meetings of committees			
			Audit		Remuneration	
	A	B	A	B	A	B
Mr David Vinson	6	6	3	3	1	1
Ms Maitreyee Khire	6	6	3	3	1	1
Mr Daniel Goldman	6	6	3	3	1	1

A= Number of meetings attended
B= Number of meetings held during the time the director held office.

Remuneration report (audited)

The directors present the My Rewards International Limited 2023 remuneration report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this period.

The report is structured as follows:

(a) Key management personnel (KMP) covered in this report
(b) Remuneration policy and link to performance
(c) Elements of remuneration
(d) Link between remuneration and performance
(e) Remuneration expenses for KMP
(f) Contractual arrangements with executive KMPs
(g) Non-executive director arrangements
(h) Additional statutory information

(a) Key management personnel (KMP) covered in this report

Mr David Vinson, Chairman and Executive Director
Ms Maitreyee Khire, Managing Director
Mr Daniel Goldman, Non-Executive Director

(b) Remuneration policy and link to performance

Our remuneration and nomination committee is made up of independent non-executive directors, executive directors and company secretary. The committee reviews and determines our remuneration policy and structure annually to ensure it remains aligned to business needs, and meets our remuneration principles. In particular, the board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the group to attract and retain key talent
- aligned to the group's strategic and business objectives and the creation of shareholder value
- transparent and easily understood, and
- acceptable to shareholders.

Remuneration report (audited) (continued)

(b) Remuneration policy and link to performance (continued)

Element	Purpose	Performance metrics	Potential value
Fixed remuneration (FR)	Provide competitive market salary including superannuation and non-monetary benefits	Nil	Positioned at the market rate
STI	Reward for in-year performance and retention	Company and individual performance goals	The STI can be paid either by cash, or a combination of cash and equity, as determined by the Board.
LTI	Alignment to long-term shareholder value	Share price, capital raised, company and individual performance goals	The Board at its discretion determines the total number of options granted to each executive.

Assessing performance

The Board is responsible for assessing performance against KPIs and determining the STI and LTI to be paid.

Performance is monitored on an informal basis throughout the period and a formal evaluation is performed annually.

Securities trading policy

My Rewards International Limited's securities trading policy applies to all directors and executives, see www.myrewardsinternation.com. It only permits the purchase or sale of group securities during certain periods.

(c) Elements of remuneration

Fixed annual remuneration (FR)

Key management personnel may receive their fixed remuneration as cash, or cash with non-monetary benefits such as health insurance and car allowances. FR is reviewed annually, or on promotion. It is benchmarked against market data for comparable roles in companies in a similar industry and with similar market capitalisation. The committee aims to position executives at or near the median, with flexibility to take into account capability, experience, value to the organisation and performance of the individual.

(i) Short-term incentives

All executives are entitled to participate in a short-term incentive scheme which provides for executive employees to receive a combination of short-term incentive (STI) as part of their total remuneration if they achieve certain performance indicators as set by the board. The STI can be paid either by cash, or a combination of cash and the issue of equity in the group, at the determination of the remuneration and nomination committee and board.

(ii) Long-term incentives

Executives may also be provided with longer-term incentives through the group's 'Equity Incentive Plan' (EIP), that was approved by the Board in 2021. The aim of the EIP is to allow executives to participate in, and benefit from, the growth of the group as a result of their efforts and to assist in motivating and retaining those key employees over the long-term. Continued service is the condition attached to the vesting of the options. The board at its discretion determines the total number of options granted to each executive.

Remuneration report (audited) (continued)

(d) Link between remuneration and performance

Statutory performance indicators

We aim to align our executive remuneration to our strategic and business objectives and the creation of shareholder wealth. The table below shows measures of the Group's financial performance over the last three periods as required by the *Corporations Act 2001*. However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to KMPs. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

	2023	**2022**	**2021**	**2020**
Loss for the year attributable to owners ($)	5,216,012	6,143,255	3,342,452	1,218,674
Basic earnings per share (cents)	2.25	3.94	3.13	1.16
Share price at period end (cents)	1.50	4.80	0.00	0.00

The group's earnings have remained negative since inception due to the nature of the business. Shareholder wealth reflects this speculative and volatile market sector. No dividends have ever been declared by My Rewards International Limited.

(e) Remuneration expenses for executive KMP

The following table shows details of remuneration expenses of each director or other key management personnel recognised for the period ended 30 June 2023 in accordance of the requirements of the accounting standards.

2023	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
	Cash salary and fees $	Cash bonus $	Termination benefit $	Super-annuation $	Long service leave $	Shares $	Options $	Total $
Non-executive directors								
Mr Daniel Goldman	40,909	-	-	4,295	-	-	-	45,204
Executive directors								
Mr David Vinson	137,423	-	-	14,429	-	-	-	151,852
Ms Maitreyee Khire	270,576	-	-	28,330	3,145	-	-	302,051
Other KMP								
Mr Patrick Hamilton[1]	82,662	60,000	-	13,655	-	-	-	156,317
Total KMP compensation	**531,570**	**60,000**	**-**	**60,709**	**3,145**	**-**	**-**	**655,424**

1. Mr Patrick Hamilton resigned as CTO on the 16 September 2022.

Remuneration report (audited) (continued)

(e) Remuneration expenses for executive KMP (continued)

The following table shows details of remuneration expenses of each director or other key management personnel recognised for the period ended 30 June 2022.

2022	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
	Cash salary and fees $	Cash bonus $	Termination benefit $	Super-annuation $	Long-service leave $	Shares $	Options $	Total $
Non-executive directors								
Mr Daniel Goldman	29,455	-	-	2,945	-	15,000	-	47,400
Executive directors								
Mr David Vinson	138,000	-	-	13,800	-	-	-	151,800
Ms Maitreyee Khire	232,500	-	-	23,230	24,992	-	-	280,722
Other KMP								
Mr Neill Whitehead[1]	156,231	113,636	163,722	53,484	-	100,000	95,891	682,964
Mr Patrick Hamilton	241,538	60,000	-	24,154	-	-	137,769	463,461
Total KMP compensation	**797,724**	**173,636**	**163,722**	**117,613**	**24,992**	**115,000**	**233,660**	**1,626,347**

1. Mr Neill Whitehead resigned as Chief Financial & Commercial Officer on 6 April 2022.

Notes:
• Upon successful listing Mr Neil Whitehead and Mr Patrick Hamilton received $125,000 and $60,000, respectively (including statutory superannuation).
• No other bonuses were paid in the financial year.

(f) Contractual arrangements with executive KMPs

Name:	David Vinson
Position:	Chairman and Executive Director
Contract duration:	Unspecified
Notice period:	12 weeks written notice by either party
Fixed remuneration:	$135,000 per annum, plus statutory superannuation

Name:	Maitreyee Khire
Position:	Managing Director
Contract duration:	Unspecified
Notice period:	12 weeks written notice by either party
Fixed remuneration:	$262,500 per annum, plus statutory superannuation

(g) Non-executive director arrangements

Non-executive directors receive a board fee of $40,909 per annum plus statutory superannuation, inclusive of chairing or participating on board committees. They do not receive performance-based pay or retirement allowances.

Fees are reviewed annually by the board taking into account comparable roles and market data provided by the board's independent remuneration adviser. The current base fees were reviewed at incorporation.

Remuneration report (audited) (continued)

(g) Non-executive director arrangements (continued)

The maximum annual aggregate non-executive directors' fee pool limit is $400,000 and was approved by shareholders via circular resolution on 12 January 2022.

(h) Additional statutory information

(i) Relative proportions of fixed vs variable remuneration expense

The following table shows the relative proportions of remuneration that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expense on page above:

Name	Fixed remuneration 2023 %	Fixed remuneration 2022 %	At risk - STI 2023 %	At risk - STI 2022 %	At risk - LTI 2023 %	At risk - LTI 2022 %
Executive directors						
Mr David Vinson	**100**	100	**-**	-	**-**	-
Ms Maitreyee Khire	**100**	100	**-**	-	**-**	-
Non-executive director						
Mr Daniel Goldman	**100**	68	**-**	-	**-**	32
Other KMP						
Mr Neill Whitehead (1)	**100**	31	**-**	16	**-**	53
Mr Patrick Hamilton (2)	**100**	57	**-**	13	**-**	30

1. Mr Neill Whitehead resigned 6 April 2022.
2. Mr Patrick Hamilton resigned 16 September 2022.

(ii) Reconciliation of options, deferred shares and ordinary shares held by KMP

Option holdings

2023	Balance at start of the period	Granted as remuneration	Exercised	Other changes	Balance at end of the period	Vested and exercisable
Options						
Mr David Vinson	-	-	-	-	-	-
Ms Maitreyee Khire	-	-	-	300,000	300,000	-
Mr Daniel Goldman	-	-	-	-	-	-
	-	**-**	**-**	**300,000**	**300,000**	**-**

Notes

[1] Balance may include shares held prior to individuals becoming KMP. For individuals who became KMP during the period, the balance is as at the date they became KMP.

[2] Other changes incorporates changes resulting from the acquisition, disposal and lapse/forfeiture of options.

[3] For former KMP, the balance is as at the date they cease being KMP.

Remuneration report (audited) (continued)

(h) Additional statutory information (continued)

(i) Reconciliation of options, deferred shares and ordinary shares held by KMP (continued)

Share holdings

2023	Balance at the start of the period[1]	Granted as remuneration	Received on exercise of options	Other changes[2]	Balance at the end of the period[3]
Ordinary shares					
Mr David Vinson	3,081,300	-	-	-	3,081,300
Ms Maitreyee Khire	20,244,134	-	-	507,109	20,751,243
Mr Daniel Goldman	1,187,500	-	-	-	1,187,500
	24,512,934	**-**	**-**	**507,109**	**25,020,043**

Notes

[1.] Balance may include shares held prior to individuals becoming KMP. For individuals who became KMP during the period, the balance is as at the date they became KMP.

[2.] Other changes incorporates changes resulting from the acquisition and disposal of shares.

[3.] For former KMP, the balance is as at the date they cease being KMP.

[This concludes the remuneration report, which has been audited]

Shares under option

(a) Unissued ordinary shares

Unissued ordinary shares of My Rewards International Limited under option at 30 June 2023 are as follows:

Date options granted	Expiry date	Exercise price	Number under option
12/07/2021	12/07/2026	$0.10	3,250,000
12/07/2021	12/07/2026	$0.24	4,368,750
12/07/2021	12/07/2026	$0.28	1,050,000
26/10/2021	26/10/2024	$0.30	4,500,000
17/11/2022	17/11/2025	$0.63	11,401,504
20/03/2023	20/03/2026	$0.04	13,899,341
01/06/2023	20/03/2026	$0.04	4,864,769
01/06/2023	31/05/2026	$0.03	9,000,000
01/06/2023	31/05/2026	$0.01	7,000,000
			59,334,364

(b) Shares issued on the exercise of options

No ordinary shares of My Rewards International Limited were issued during the period ended 30 June 2023 on the exercise of options granted.

Insurance of officers and indemnities

(a) Insurance of officers

During the financial period, My Rewards International Limited paid a premium to insure the directors and secretaries of the group and its Australian-based controlled entities, and the general managers of each of the divisions of the group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the group. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

(b) Indemnity of auditors

My Rewards International Limited has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial period, My Rewards International Limited has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the group, or to intervene in any proceedings to which the group is a party, for the purpose of taking responsibility on behalf of the group for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the group with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit services

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

Details of the amounts paid or payable to the auditor (RSM Australia Partners) for audit and non-audit services provided during the period are set out below.

The board of directors has considered the position and, in accordance with advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants.*

During the period the following fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2023 **$**	2022 $
RSM Australia Partners Australian firm:		
Tax compliance services	**13,550**	17,100
Total remuneration for taxation services	**13,550**	17,100
Other services		
RSM Australia Partners Australian firm:		
Corporate finance services	**-**	67,250
Total remuneration for other services	**-**	67,250
Total remuneration for non-audit services	**13,550**	84,350

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 on page .

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

Auditor

RSM Australia Partners continues in office in accordance with section 327 of the *Corporations Act 2001*.

Rounding of amounts

The group is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest dollar.

This report is made in accordance with a resolution of directors.

Mr David Vinson
Chairman and Executive Director

Melbourne
29 September 2023

Corporate governance statement

My Rewards International Limited and the board are committed to achieving and demonstrating the highest standards of corporate governance. My Rewards International Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The 2023 corporate governance statement is dated as at 30 June 2023 and reflects the corporate governance practices in place throughout the 2023 financial period. The 2023 corporate governance statement was approved by the board on 29 September 2023. A description of the Group's current corporate governance practices is set out in the Group's corporate governance statement which can be viewed at https://www.myrewardsinternational.com/investors/.

My Rewards International Limited

ABN 47 095 009 742

Annual report - 30 June 2023

This financial statements is consolidated financial statements for the Group consisting of My Rewards International Limited and its subsidiaries. A list of major subsidiaries is included in note 13(a).

The financial statements is presented in the Australian currency, which is the functional and presentation currency.

My Rewards International Limited is a listed public group limited by shares, incorporated and domiciled in Australia.

Its registered office is:
Suite 1 Level 3, 62 Lygon Street
Carlton South VIC 3053

Its principal place of business is:
My Rewards International Limited
Suite G02, 181-185 St. Kilda Road
St. Kilda VIC 3182

The financial statements was authorised for issue by the directors on 29 September 2023. The directors have the power to amend and reissue the financial statements.

	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	7(b)	**(86,341)**	(307,964)
Depreciation and amortisation expense	3(b)	**(350,034)**	(276,635)
Goodwill impairment expense	6(b)	**(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	4	**-**	-
Loss for the period		**(5,216,012)**	(6,143,255)
Other comprehensive income for the year, net of tax			
Items that may be reclassified to profit or loss:			
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	20	**(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.

	Notes	2023 $	2022 $
ASSETS			
Current assets			
Cash and cash equivalents	5(a)	**-**	349,046
Trade and other receivables	5(b)	**479,363**	279,895
Inventories	5(e)	**3,802**	33,327
Other asset	5(c)	**979,887**	998,897
Total current assets		**1,463,052**	1,661,165
Non-current assets			
Property, plant and equipment	6(a)	**211,130**	194,059
Intangible assets	6(b)	**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	5(d)	**8,598**	-
Trade and other payables	5(f)	**2,536,960**	1,685,861
Borrowings	5(g)	**667,817**	183,006
Lease liabilities	6(d)	**103,222**	103,029
Employee benefits	6(c)	**506,325**	390,771
Deferred revenue	6(e)	**1,100,706**	829,352
Total current liabilities		**4,923,628**	3,192,019
Non-current liabilities			
Borrowings	5(g)	**633,827**	53,222
Lease liabilities	6(d)	**114,051**	96,015
Employee benefits	6(c)	**77,577**	77,028
Total non-current liabilities		**825,455**	226,265
Total liabilities		**5,749,083**	3,418,284
Net (liabilities)/assets		**(1,025,989)**	93,938
EQUITY			
Share capital	7(a)	**19,199,681**	15,438,052
Other reserves	7(b)	**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	Share capital $	Other reserves $	Accumulated losses $	Total equity $
		Attributable to owners of My Rewards International Limited			
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	7(a)	10,925,264	-	-	10,925,264
Share issue expenses	7(a)	(1,031,217)	-	-	(1,031,217)
Equity component from convertible notes	7(b)	-	(37,520)	-	(37,520)
Option-based payments expense	7(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	7(a)	4,466,420	-	-	4,466,420
Share issue expenses	7(a)	(804,791)	-	-	(804,791)
Shares to be issued	7(a)	100,000	-	-	100,000
Option-based payments expense	7(b)	-	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.

	Notes	30 June 2023 $	30 June 2022 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**21,954,404**	15,810,175
Payments to suppliers and employees (inclusive of GST)		**(23,961,040)**	(19,815,038)
Interest and other revenue received		**572**	584
Interest and other finance costs paid		**(416,483)**	(219,669)
Other income received		**231,677**	183,697
Income tax (paid)/received		**-**	18,306
R&D tax incentive and other grants received		**479,728**	-
Net cash (outflow) from operating activities	8(a)	**(1,711,142)**	(4,021,945)
Cash flows from investing activities			
Payments for plant and equipment	6(a)	**-**	(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		**(509,634)**	(1,249,494)
Cash flows from financing activities			
Proceeds from issues of shares	7(a)	**1,705,075**	6,588,344
Proceeds from borrowings		**1,902,943**	344,000
Share issue transaction costs		**(802,393)**	(774,994)
Repayment of borrowings		**(837,527)**	(694,872)
Repayment of lease liabilities		**(104,966)**	(102,888)
Related party borrowings repaid		**-**	(43,463)
Net cash inflow from financing activities		**1,863,132**	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	5(a)	**(8,598)**	349,046

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

Contents of the notes to the financial statements

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	**21,181,365**	15,445,169
Membership fees	**698,545**	490,999
Marketing fees	**160,289**	-
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

	Notes	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	6(b)	231,127	174,679
Depreciation	6(a)	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 Income tax expense

(a) Numerical reconciliation of income tax expense to prima facie tax payable

	30 June 2023 $	30 June 2022 $
Loss from continuing operations before income tax expense	**(5,216,012)**	(6,143,255)
Tax at the Australian tax rate of 25% (2022 - 25%)	**(1,304,003)**	(1,535,814)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Deferred tax asset not recognised	**1,304,003**	-
Non deductible expenses	**-**	1,597,246
Income tax expense	**-**	61,432

5 Financial assets and financial liabilities

(a) Cash and cash equivalents

	2023 $	2022 $
Cash at bank and in hand	**-**	349,046

(i) Reconciliation to cash flow statement

The above figures reconcile to the amount of cash shown in the consolidated statement of cash flows at the end of the financial period as follows:

	2023 $	2022 $
Balances as above	**-**	349,046
Balances per statement of cash flows	**-**	349,046

(b) Trade receivables

	Note	2023 $	2022 $
Trade receivables		**374,713**	155,973
Other receivables		**104,650**	123,922
		479,363	279,895

5 Financial assets and financial liabilities (continued)

(b) Trade receivables (continued)

(i) Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in note 10(b).

(ii) Fair value of trade and other receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

(iii) Expected credit losses

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables assets have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 60 months before 30 June 2023 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

On that basis, no loss allowance as at 30 June 2023 was determined as follows for trade receivables:

			Days past due			
	1-30	**31-60**	**61-90**	**91-120**	**121+**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	288,271	44,889	24,193	3,383	13,977	374,713
Loss allowance	-	-	-	-	-	-

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 121 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

5 Financial assets and financial liabilities (continued)

(c) Other asset

	2023 $	2022 $
Prepayments	**754,455**	831,312
Deferred costs	**225,432**	167,585
	979,887	998,897

(d) Bank Overdrafts

	2023 $	2022 $
Cash Overdraft	**8,598**	-
	8,598	-

(e) Inventories

	2023 $	2022 $
Sales merchandise inventory	**3,802**	33,327
	3,802	33,327

(f) Trade and other payables

	2023 $	2022 $
Trade payables	**1,687,371**	1,298,276
Credit card payables	**23,751**	191,530
Promissory note	**649,999**	-
Other payables	**130,755**	138,393
Payroll tax and other statutory liabilities	**45,084**	57,662
	2,536,960	1,685,861

Trade payables are unsecured and are usually paid within 30 days of recognition.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Deferred costs are cash paid amounts that represents costs already incurred but not yet consumed. Deferred costs are recorded as an asst until such time as the underlying goods or service is consumed. The period is for 12 months and are consumed monthly.

5 Financial assets and financial liabilities (continued)

(g) Borrowings

	Notes	2023 Current $	2023 Non-current $	2023 Total $	2022 Current $	2022 Non-current $	2022 Total $
Secured							
External loans		**667,817**	**29,827**	**697,644**	89,006	53,222	142,228
Total secured borrowings		**667,817**	**29,827**	**697,644**	89,006	53,222	142,228
Unsecured							
External Loans		**-**	**604,000**	**604,000**	94,000	-	94,000
Total unsecured borrowings		**-**	**604,000**	**604,000**	94,000	-	94,000
Total borrowings		**667,817**	**633,827**	**1,301,644**	183,006	53,222	236,228

Assets pledged as security
No assets are pledged as security, secured loans in the consolidated Group are guaranteed by the directors.

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

	2023 $	2022 $
Total facilities		
Bank overdraft and credit cards	100,500	100,500
Bank and other external loans	4,485,000	3,769,343
	4,585,500	3,869,843
Used as the reporting date		
Bank overdraft and credit cards	81,165	21,393
Bank and other external loans	1,301,644	236,228
	1,382,809	257,621
Unused at the reporting date		
Bank overdraft and credit cards	19,335	79,107
Bank and other external loans	3,183,356	3,406,000
	2,915,335	3,485,107

6 Non-financial assets and liabilities

(a) Property, plant and equipment

Non-current	Plant and equipment $	Land and buildings - right of use $	Motor vehicles - right of use $	Office equipment - right of use $	Total $
Year ended 30 June 2022					
Opening net book amount	7,832	229,551	32,649	11,885	281,917
Additions	7,014	-	-	7,083	14,097
Depreciation charge	(3,916)	(83,473)	(10,589)	(3,977)	(101,955)
Closing net book amount	10,930	146,078	22,060	14,991	194,059
At 30 June 2022					
Cost or fair value	202,180	250,419	52,944	21,065	526,608
Accumulated depreciation	(191,250)	(104,341)	(30,884)	(6,074)	(332,549)
Net book amount	10,930	146,078	22,060	14,991	194,059
Year ended 30 June 2023					
Opening net book amount	10,930	146,078	22,060	14,991	194,059
Additions	-	-	155,391	-	155,391
Write off asset	-	-	(19,413)	-	(19,413)
Depreciation charge	(4,041)	(83,473)	(27,180)	(4,213)	(118,907)
Closing net book amount	6,889	62,605	130,858	10,778	211,130
At 30 June 2023					
Cost or fair value	202,180	250,419	155,390	21,065	629,054
Accumulated depreciation	(195,291)	(187,814)	(24,532)	(10,287)	(417,924)
Net book amount	6,889	62,605	130,858	10,778	211,130

(i) Depreciation methods and useful lives

Property, plant and equipment is recognised at historical cost less depreciation.

See note 22(n) for the other accounting policies relevant to property, plant and equipment.

(ii) Leased assets

Additions to the right-of-use assets during the year were $155,391.

The group 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 group also lease motor vehicles under agreements of between three to five years.

6 Non-financial assets and liabilities (continued)

(b) Intangible assets

	Goodwill $	Patents and trademarks $	Software $	Total $
At 1 July 2021				
Cost	-	265,600	1,107,203	1,372,803
Accumulated amortisation	-	(265,600)	(723,562)	(989,162)
Net book amount	-	-	383,641	383,641
Period ended 30 June 2022				
Opening net book amount	-	-	383,641	383,641
Additions	1,173,184	-	274,852	1,448,036
Amortisation charge	-	-	(174,679)	(174,679)
Closing net book amount	1,173,184	-	483,814	1,656,998
At 30 June 2022				
Cost	1,173,184	265,600	1,382,055	2,820,839
Accumulated amortisation	-	(265,600)	(898,241)	(1,163,841)
Net book amount	1,173,184	-	483,814	1,656,998
Period ended 30 June 2023				
Opening net book amount	1,173,184	-	483,814	1,656,998
Additions	1,800,000	-	409,633	2,209,633
Impairment charge	(586,592)	-	-	(586,592)
Amortisation charge	-	-	(231,127)	(231,127)
Closing net book amount	2,386,592	-	662,320	3,048,912
At 30 June 2023				
Cost	2,386,592	265,600	1,791,688	4,443,880
Accumulated amortisation	-	(265,600)	(1,129,368)	(1,394,968)
Net book amount	2,386,592	-	662,320	3,048,912

6 Non-financial assets and liabilities (continued)

(b) Intangible assets (continued)

(i) Impairment testing

Goodwill acquired through business combinations have been allocated to the following cash-generating units:

	Consolidated	
	2023	**2022**
Branded rewards program	2,386,592	1,173,184
	2,386,592	1,173,184

The recoverable amount of the consolidated entity's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a 2 year projection period approved by management and extrapolated for a further 3 years using a steady rate, together with a terminal value.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

The following key assumptions were used in the discounted cash flow model for the Branded rewards program:

- 18.2% pre-tax discount rate;
- 10% per annum projected revenue growth rate;
- 10% per annum increase in operating costs and overheads.

The discount rate of 18.2% pre-tax reflects management's estimate of the time value of money and the consolidated entity's weighted average cost of capital adjusted for the Branded rewards program:, the risk free rate and the volatility of the share price relative to market movements.

Management believes the projected 10% revenue growth rate is prudent and justified, based on the current rewards program market.

There were no other key assumptions for the Branded rewards programme.

Sensitivity

As disclosed in note 9, the directors have made judgements and estimates in respect of impairment testing of goodwill.

Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of goodwill is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

6 Non-financial assets and liabilities (continued)

(c) Employee benefit obligations

	2023 Current $	2023 Non-current $	2023 Total $	2022 Current $	2022 Non-current $	2022 Total $
Leave obligations (i)	**236,680**	**77,577**	**314,257**	171,319	77,028	248,347
Payroll Liability	**269,645**	**-**	**269,645**	219,452	-	219,452
Total employee benefit obligations	**506,325**	**77,577**	**583,902**	390,771	77,028	467,799

(i) Leave obligations

The leave obligations cover the Group's liabilities for annual leave which are classified as short-term benefits, as explained in note 22(x).

The current portion of this liability includes all of the accrued annual leave and pro-rata payments employees are entitled to in certain circumstances. The entire amount of the provision of $236,680 (2022: $171,319) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations.

(d) Leases

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	30 June 2023 $	30 June 2022 $
Right-of-use assets[1]		
Land and Building	**62,605**	146,078
Motor Vehicles	**130,858**	22,060
Office Equipment	**10,778**	14,991
	204,241	183,129

[1] Included in the line item 'property, plant and equipment' in the consolidated balance sheet.

	30 June 2023 $	30 June 2022 $
Lease liabilities		
Current	**103,222**	103,029
Non-current	**114,051**	96,015
	217,273	199,044

6 Non-financial assets and liabilities (continued)

(d) Leases (continued)

(ii) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	30 June 2023 $	30 June 2022 $
Depreciation charge of right-of-use assets		
Land and Building	**83,473**	83,473
Motor Vehicles	**27,180**	10,589
Office Equipment	**4,213**	3,977
Interest expense (included in finance cost)	**15,830**	13,925
	130,696	111,964

The total cash outflow for leases in 2023 was $115,681 (30 June 2022: $102,888).

(iii) The group's leasing activities and how these are accounted for

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

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date, less any lease incentives received
- any initial direct costs, and
- restoration costs.

6 Non-financial assets and liabilities (continued)

(d) Leases (continued)

(iii) The group's leasing activities and how these are accounted for (continued)

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

The incremental borrowing rate used for the calculation of leases and lease terms for the financial year was 6.9%

(e) Deferred revenue

	2023	2022
	$	$
Deferred revenue	1,100,706	829,352
	1,100,706	829,352

(i) Reconciliation

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

	2023	**2022**
	$	**$**
Opening balance	829,352	835,971
Payments received in advance	10,434,604	712,054
Transfer to revenue - included in the opening balance	(10,163,250)	(718,673)
Closing balance	1,100,706	829,352

7 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
	7(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**

7 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	-	(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.

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 18.

7 Equity (continued)

(a) Share capital (continued)

(iii) Capital risk management

The group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The group is pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2022 Annual Report.

(b) Other reserves

	Notes	Share- based payments $	Convertible notes $	Total other reserves $
At 1 July 2021		**-**	**37,520**	**37,520**
Transactions with owners in their capacity as owners				
Share-based payments expense	18	422,707	-	422,707
Convertible notes		-	(37,520)	(37,520)
At 30 June 2022		**422,707**	**-**	**422,707**
At 1 July 2022		**422,707**	**-**	**422,707**
Transactions with owners in their capacity as owners				
Share-based payments expense		334,456	-	334,456
At 30 June 2023		**757,163**	**-**	**757,163**

(i) Nature and purpose of other reserves

Share-based payments

The share-based payment reserve records items recognised as expenses on valuation of share options and warrants issued to key management personnel, other employees and and eligible contractors.

Convertible notes

The convertible notes reserve consists of the equity component from the convertible notes valuation.

7 Equity (continued)

(c) Free-attaching options

	Notes	2023
Free-attaching options for fully paid ordinary shares (1)		-
		-

1. On 17 November 2022 the Group issued a total of 11,401,504 free-attaching options with and exercise price of A$0.63, expiring 17 November 2025.

8 Cash flow information

(a) Reconciliation of loss after income tax to net cash outflow from operating activities

	Notes	2023 $	2022 $
Loss for the period		**(5,216,012)**	(6,143,255)
Adjustments for			
Depreciation and amortisation	3(b)	**350,034**	276,635
Impairment of goodwill		**586,592**	-
Lease finance cost		**5,255**	-
Finance income		**-**	12,253
Share-based payments		**83,776**	307,964
Non-cash interest converted to shares		**-**	47,354
Non cash payments to suppliers		**1,811,344**	1,710,413
Non cash interest		**-**	493
Assets acquired in business combination		**-**	(5,556)
Change in operating assets and liabilities:			
(Increase)/decrease in trade and other receivables		**(199,258)**	(966,385)
(Increase)/decrease in inventories		**30,523**	(26,254)
(Increase)/decrease in other current assets		**134,704**	(81,196)
Increase/(decrease) in trade and other payables		**314,443**	730,670
Increase/(decrease) in employee benefits		**116,103**	121,537
Increase/(decrease) in deferred revenue		**271,354**	(6,618)
Net cash outflow from operating activities		**(1,711,142)**	(4,021,945)

(b) Non-cash investing and financing activities

Non-cash investing and financing activities disclosed in other notes are:

- shares and options issued for no cash consideration.

9 Critical estimates, judgements and errors

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity or areas were assumptions and estimates are significant to the financial statements, are set out below;

(a) Significant estimates and judgements

The areas involving significant estimates or judgements are:

- Fair value measurement hierarchy - note 22(j)
- Goodwill and other indefinite life of intangible assets - note 22(q)(i)
- Impairment of non-financial assets other than goodwill and other indefinite life intangible assets - note 22(ab)
- Income tax - notes 4 and 22(g)
- Lease term - notes 6(d), 22(o) and 22(u)
- Incremental borrowing rate - 6(d), 22(p) and 22(u)
- Employee benefits provision - note 22(x)
- Share based payment - note 22(x)(iv)
- Business combination - note 12
- Expected credit loss - notes 10(b) and 22(k)
- Going concern - note 22(a)(iii)

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

10 Financial risk management

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance.

The Group's risk management is predominantly controlled by the board. The board monitors the Group's financial risk management policies and exposures and approves substantial financial transactions. It also reviews the effectiveness of internal controls relating to market risk, credit risk and liquidity risk.

(a) Market risk

(i) Price risk

Exposure

The Group is not exposed to any significant price risk.

(ii) Foreign exchange risk

The Group is not exposed to any significant foreign currency risk.

(iii) Interest rate risk

The Group is not exposed to any significant interest rate risk.

(b) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the group.

(i) Risk management

Credit risk is managed through the maintenance of procedures (such as the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring the financial stability of significant customers and counterparties), ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms are normally 30 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating.

(ii) Security

For some trade receivables the group may obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

(iii) Impairment of financial assets

The Group has one type of financial asset subject to the expected credit loss model:

- trade receivables for item sales

While cash and cash equivalents and deposits at call are subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

(c) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- maintaining adequate cash reserves and borrowing facilities;
- preparing forward looking cash flow analyses in relation to its operating, investing and financing activities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

10 Financial risk management (continued)

(c) Liquidity risk (continued)

(i) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

At 30 June 2023	Less than 6 months $	6 - 12 months $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Total contractual cash flows $	Carrying amount (assets)/ liabilities $
Non-derivatives							
Non-interest bearing							
Trade payables	**1,687,371**	-	-	-	-	**1,687,371**	**1,687,371**
Other Payables	**825,838**	-	-	-	-	**825,838**	**825,838**
Deferred Revenue	**1,100,706**	-	-	-	-	**1,100,706**	**1,100,706**
Total	**3,613,915**	-	-	-	-	**3,613,915**	**3,613,915**
Interest bearing							
Borrowings	**937,909**	**333,908**	**29,827**	-	-	**1,301,644**	**1,301,644**
Total	**937,909**	**333,908**	**29,827**	-	-	**1,301,644**	**1,301,644**
	4,551,824	**333,908**	**29,827**	-	-	**4,915,559**	**4,915,559**
At 30 June 2022							
Non-derivatives							
Non-interest bearing							
Trade payables	1,298,276	-	-	-	-	1,298,276	1,298,276
Other Payables	196,055	-	-	-	-	196,055	196,055
Deferred Revenue	829,352	-	-	-	-	829,352	829,352
Total	2,323,683	-	-	-	-	2,323,683	2,323,683
Interest bearing							
Borrowings	77,514	105,492	23,395	29,827	-	236,228	236,228
Total	77,514	105,492	23,395	29,827	-	236,228	236,228
	2,401,197	105,492	23,395	29,827	-	2,559,911	2,559,911

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

(b) Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments.

11 Fair value measurement

Fair value hierarchy

The Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or

Level 3: Unobservable inputs for the asset or liability

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

12 Business combination

(a) Summary of acquisition - Acquisition of Frankly Agency Ltd

On 31 May 2023, the Group acquired business and assets of Frankly Agency Ltd for the total consideration transferred of $1,800,000. They are a digital marketing agency based in Melbourne, which offers a range of services including lead generation, search engine marketing (SEM), web development, creative design and campaign reporting.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	$
Purchase consideration (refer to () below):	
Cash paid and payable to vendor	**100,001**
Promissory note	**649,999**
My Rewards International Limited shares issued to vendor	**1,050,000**
Total purchase consideration	**1,800,000**

12 Business combination (continued)

(a) Summary of acquisition - Acquisition of Frankly Agency Ltd (continued)

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value $
Provisional goodwill	1,800,000

As the acquisition has only recently occurred the numbers presented for are provisional amounts pending the completion of the fair valuation of assets acquired.

The purchase consideration for the acquisition are as follow:

	30 June 2023 $
Consideration for the acquisition of Frankly has been satisfied as follows:	
Cash paid to date	100,001
Promissory not	649,999
Shares issued by Company as part of consideration	1,050,000
Total consideration	1,800,000

(b) Summary of acquisition - Acquisition of Perx Rewards Pty

On 7 February 2022, the Group acquired 100% of the ordinary shares of Perx Rewards Pty Limited for the total consideration transferred of $1,200,000. This is a branded rewards program business providing rewards to employees, customers, and corporates. It was acquired to boost member numbers and accelerate the growth of the Group. $1,173,484, either gain on bargain or goodwill, represents the expected synergies from expanding the Group's member numbers and increasing transactional revenue.

As of 30 June 2023, the Group has finalised the purchase price allocation of Perx Rewards Pty Limited as below.

	Fair value $
Cash and cash equivalents	32,372
Trade receivables	15,697
Prepayments	12,928
Trade payables	(14,324)
Tax liabilities	(20,157)
Net identifiable assets acquired	26,516
Add: Goodwill	1,173,484
Net assets acquired	1,200,000

13 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.

13 Interests in other entities (continued)

(a) Material subsidiaries (continued)

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**	-

* 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.

14 Contingent liabilities and contingent assets

(a) Contingent assets

The group had no contingent assets at 30 June 2023 (2022: nil).

(b) Contingent liabilities

The Company is in dispute with Frankly over certain aspects of the acquisition, which is described more fully in the Directors Report and financial statements. The Company anticipates to satisfactorily resolve the matter.

15 Commitments

(a) Capital commitments

Thr group had no capital commitments at 30 June 2023 (2022: nil).

16 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.
• On 4 September 2023, 7,142,857 ordinary shares were issued at $0.014 each.
• On 4 September 2023, 3,142,857 ordinary shares were issued to an external consultant at $0.014 each.

Apart from the following issuance of ordinary shares and unlisted options, no further matters or circumstances has arisen since 30 June 2023 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.

17 Related party transactions

(a) Key management personnel compensation

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the group is set out below:

	30 June 2023 $	30 June 2022 $
Short-term employee benefits (includes cash salary and termination benefit)	**591,570**	971,360
Post-employment benefits	**60,709**	117,633
Long-term benefits	**3,145**	24,992
Termination benefits	**-**	163,722
Share-based payments (includes shares and options)	**-**	348,660
	655,424	1,626,367

Detailed remuneration disclosures are provided in the remuneration report on pages 17 to 22.

(b) Transactions with key management personnel

The following transactions occurred with key management personnel:

	30 June 2023 $	30 June 2022 $
Sales and purchases of goods and services		
Trade payable to Director - M Khire	**-**	110,391
Other transactions		
Wages accrual to Director - P Hamilton	**-**	16,894
Wages accrual to Director - D Vinson	**17,213**	14,434
Wages accrual to Director - M Khire	**100,406**	62,364
Wages accrual to Director - D Goldman	**5,216**	-

(c) Advances to/from related parties

	2023 $	2022 $
Advances from Director - D Vinson	**20,001**	-
End of period	**20,001**	-

18 Share-based payments

(a) Employee Option Plan

A share option plan has been established by the consolidated entity and approved by shareholders at a general meeting, whereby the consolidated entity may, at the discretion of the Nomination and Remuneration Committee, grant options over ordinary shares in the company to certain key management personnel of the consolidated entity. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Nomination and Remuneration Committee.

(b) Fair value of options granted

Set out below are summaries of all unlisted options:

	2023 Average exercise price per share option	**2023** Number of options	2022 Average exercise price per share option	2022 Number of options
As at 1 July	**$0.24**	**15,043,750**	-	-
Granted during the year *	**$0.18**	**46,165,614**	$0.24	17,500,000
Forfeited during the year	**$0.28**	**(1,875,000)**	$0.27	(2,456,250)
As at 30 June	**$0.19**	**59,334,364**	$0.24	15,043,750
Vested and exercisable at 30 June	**$0.19**	**59,334,364**	$0.24	15,043,750

* In FY2023, the total unlisted options issued of 46,165,614 includes 11,401,504 free-attaching options that have no fair value. Refer to Note 7(c) for details.

	2023	2022
Weighted average remaining contractual life of options outstanding at end of period	2.74	2.65

The assessed fair value of options at grant date was determined using the Black-Scholes pricing model that takes into account the exercise price, term of the option, security price at grant date and expected price volatility of the underlying security, the expected dividend yield, the risk-free interest rate for the term of the security and certain probability assumptions.

The model inputs for options granted during the period ended 30 June 2023 included:

Grant date	**Expiry date**	**Exercise price ($)**	**No. of options**	**Share price at grant date ($)**	**Expected volatility**	**Dividend yield**	**Risk-free interest rate**	**Fair value at grant date per option ($)**
27/02/2023	20/03/2026	0.0351	13,899,341	0.021	100%	0.00%	0.28%	0.0111
27/02/2023	20/03/2026	0.0351	4,864,769	0.020	100%	0.00%	0.34%	0.0104
26/05/2023	31/05/2026	0.0300	9,000,000	0.020	100%	0.00%	0.34%	0.0104
26/05/2023	31/05/2026	0.0100	7,000,000	0.020	100%	0.00%	0.34%	0.0062
			34,764,110					

18 Share-based payments (continued)

(c) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period were as follows:

	2023 $	2022 $
Unlisted options issued	**86,341**	307,964

19 Remuneration of auditors

During the period the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

(a) RSM Australia Partners Australia

(i) Audit and other assurance services

	2023 $	2022 $
Audit and review of financial statements	**139,936**	112,115
Total remuneration for audit and other assurance services	**139,936**	112,115

(ii) Taxation services

Tax compliance services	**13,550**	17,100
Total remuneration for taxation services	**13,550**	17,100

(iii) Other services

Corporate finance services	**-**	67,250
Total remuneration for other services	**-**	67,250

Total auditors' remuneration	**153,486**	196,465

20 Loss per share

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

	30 June 2023 $	30 June 2022 $
Basic and diluted loss per share		
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

On the basis of the group's losses, the outstanding options as at 30 June 2023 are considered to be anti-dilutive and therefore were excluded from the diluted weighted average number of ordinary shares calculation.

21 Parent entity financial information

(a) Summary financial information

The individual financial statements for the parent entity shows the following aggregate amounts:

	2023 **$**	2022 $
Balance sheet		
Current assets	**7,658,247**	1,212,718
Non-current assets	**4,063,241**	1,256,313
Total assets	**11,721,488**	2,469,031
Current liabilities	**1,996,292**	930,697
Total liabilities	**1,996,292**	930,697
Shareholders' equity		
Share capital	**19,199,681**	15,438,052
Reserves		
Other reserves	**757,163**	422,707
Retained earnings	**(10,231,648)**	(7,508,216)
Net Equity	**9,725,196**	8,352,543
Loss for the period	**2,723,432**	2,859,198
Total comprehensive loss	**2,723,432**	2,859,198

(b) Guarantees entered into by the parent entity

The parent entity has not entered into any guarantees in relation to debts of its subsidiaries in the period ended 30 June 2023 (2022: nil).

(c) Contingent liabilities of the parent entity

The parent entity had no contingent liabilities as at 30 June 2023 (2022: nil).

(d) Contractual commitments for the acquisition of property, plant or equipment

The parent entity has not entered into any contractual commitments for the acquisition of property, plant or equipment in the period ended 30 June 2023 (2022: nil).

(e) Determining the parent entity financial information

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries are accounted for at cost in the financial statements of My Rewards International Limited.

22 Summary of significant accounting policies

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. My Rewards International Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The financial statements of the My Rewards International Limited Group also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

The financial statements has been prepared on a historical cost basis.

(iii) 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 Group incurred a loss after income tax of $5,216,012, a net liability position of $1,025,989, a deficit in working capital (current liabilities exceed current assets) of $3,460,576 and had net cash outflows from operating activities of $1,711,142 respectively for the year ended 30 June 2023.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The Group has an unused finance facility of $2,896,000 at its disposal (refer to note 5 for further details);
- Subsequent to year-end, a shareholder has committed to subscribe shares valued at $1,900,000 until 31 December 2024, pending approval by shareholders. To date, $300,000 has already been received as of the report signing date; and
- The directors are confident the Group has the ability to raise further capital from existing shareholders and new investors if required.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

(iv) New and amended standards adopted by the group

There are no other new accounting standards or interpretations that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

(v) New standards and interpretations not yet adopted

There are no new standards and interpretations that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

(vi) Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 9.

22 Summary of significant accounting policies (continued)

(b) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 22(p)).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements is presented in the Australian dollar ($), which is My Rewards International Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of profit or loss and other comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss and other comprehensive income on a net basis within finance income.

(e) Revenue recognition

(i) Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group, identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services performed.

(ii) Revenue from loyalty programs

Revenue from the sale of gift cards is recognised at the point in time when the customer obtains control of the gift cards, which is generally at the time of delivery.

22 Summary of significant accounting policies (continued)

(e) Revenue recognition (continued)

(iii) Membership Revenue

Revenue from membership fees is recognised across the membership period.

(iv) Commissions

Revenue from commissions is recognised when the sale transaction and delivery of goods from the third party is complete.

(v) Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(vi) Other revenue

Other revenue is recognised when it is received or when the right to receipt payment is established.

(f) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

(g) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the group and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

22 Summary of significant accounting policies (continued)

(g) Income tax (continued)

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(h) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(i) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

(j) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

22 Summary of significant accounting policies (continued)

(k) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measure expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

(l) Contract assets

Contract assets are recognised when the consolidated entity has transferred goods or services to the customer but where the consolidated entity is yet to establish an unconditional right to consideration. Contract assets are measured at amortised cost, similar to financial assets and are subject for impairment purposes.

(m) Inventories

Inventory is stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, import duties and other taxes. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

(n) Plant and equipment

The Group's accounting policy for land and buildings is explained in note 6(a). All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:
• Plant and equipment (3-20 years)

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

22 Summary of significant accounting policies (continued)

(o) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which is comprises the initial amount of lease liability adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(p) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

22 Summary of significant accounting policies (continued)

(p) Business combinations (continued)

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognised in profit or loss.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

(q) Intangible assets

Intangible assets are initially measured at cost. Following initial recognition, intangible assets are carried at historical cost, less any accumulated amortisation and impairment losses. The useful lives of intangible assets that are available for use are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication of impairment. Amortisation methods and periods for an intangible asset with a finite useful life is reviewed at least at each financial period end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation method and/or period, as appropriate, which is a change in accounting estimate and applied prospectively. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss and other comprehensive income.

(i) Goodwill

Goodwill is measured as described in note 22(q)(i) Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

(ii) Patents and trademarks

Significant costs associated with patents and trademarks are deferred and amortised on a reducing balance method basis over the period of their benefit, being their finite life of 2.5 years.

(iii) Software

Significant costs associated with software development are deferred and amortised on a reducing balance method basis at 40%.

22 Summary of significant accounting policies (continued)

(q) Intangible assets (continued)

(iv) Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a reducing balance method basis over the period of their expected benefit, being their finite life of 2.5 years.

(r) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 to 90 days of recognition.

(s) Contract liabilities

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer. The contract liabilities are measured at amortised cost.

(t) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

(u) Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

22 Summary of significant accounting policies (continued)

(v) Classification and measurement of financial liabilities

Financial liabilities are initially measured at fair value, and where applicable adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(w) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

(x) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

22 Summary of significant accounting policies (continued)

(x) Employee benefits (continued)

(iv) Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost is determined by applying the Black Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:
● during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
● from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

22 Summary of significant accounting policies (continued)

(y) Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

(z) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(aa) Loss per share

(i) Basic loss per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period.

(ii) Diluted loss per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(ab) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(ac) Rounding of amounts

The group is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest dollar.

22 Summary of significant accounting policies (continued)

(ad) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority

(ae) Parent entity financial information

The financial information for the parent entity, My Rewards International Limited, disclosed in note 21 has been prepared on the same basis as the consolidated financial statements.

(af) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

In the directors' opinion:

(a) the financial statements and notes set out on pages 27 to 71 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

  (ii) giving a true and fair view of the entity's financial position as at 30 June 2023 and of its performance for the financial period ended on that date, and

(b) there are reasonable grounds to believe that the group will be able to pay its debts as and when they become due and payable.

Note 22(a) confirms that the financial statements also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The director have been given the declaration required by section 295A of the Corporations Act 2001.

Signed in accordance with resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

Mr David Vinson
Chairman and Executive Director

Melbourne
29 September 2023

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of My Rewards International Limited & Controlled Entities for the year ended 30 June 2023, 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 audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA PARTNERS

R B MIANO
Partner

Dated: 29 September 2023
Melbourne, Victoria

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

Disclaimer of Opinion

We were engaged to audit the financial report of My Rewards International Limited (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

Basis for Disclaimer of Opinion

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

We draw attention to Note 22(a)(iii) to the financial statements which indicates that the Group incurred a loss after income tax of $5,216,012, a net liability position of $1,025,989, a deficit in working capital (current liabilities exceed current assets) of $3,460,576 and had net cash outflows from operating activities of $1,711,142 respectively for the year ended 30 June 2023. These events or conditions, along with other matters as set forth in Note 22(a)(iii), indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

Responsibilities of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to conduct an audit of the financial report in accordance with Australian Auditing Standards and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.

We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Report on the Remuneration Report

Disclaimer of Opinion on the Remuneration Report
We were engaged to audit the Remuneration Report included in the directors' report for the year ended 30 June 2023.

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

Responsibilities
The directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with *section 300A* of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Remuneration Report.

RSM

RSM AUSTRALIA PARTNERS

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R B MIANO
Partner

Dated: 29 September 2023
Melbourne, Victoria

The shareholder information set out below was applicable as at 25 September 2023.

A. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

	Class of equity security	
Holding	**No. of holders (shares)**	**Shares**
1 - 1000	6	2,076
1,001 - 5,000	10	31,860
5,001 - 10,000	78	738,234
10,001 - 100,000	281	11,293,975
100,001 and over	191	443,274,661
	566	455,340,806

There were 294 holders of less than a marketable parcel of ordinary shares.

B. Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest holders of quoted equity securities are listed below:

Name	**Ordinary shares**	
	Number held	**Percentage of issued shares**
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	45,463,421	9.98
LK GROUP INVESTMENTS PTY LTD	44,210,526	9.71
NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	34,151,378	7.50
ANDREW SHI	28,506,619	6.26
CITICORP NOMINEES PTY LIMITED	27,802,253	6.11
MAITREYEE KHIRE & MANAS PATANKAR	20,544,134	4.51
SAFE TRANSPORT AUSTRALIA INC	18,287,406	4.02
PEARL MANAGEMENT PTY LTD <PEARL VENTURE CAP P LP A/C>	15,461,179	3.40
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	12,172,203	2.67
AUSTRALIAN INNOVATION & INVESTMENT GROUP PTY LTD	11,552,839	2.54
TAUBE PTY LTD	11,052,632	2.43
KLYP GROUP PTY LTD	9,844,451	2.16
TIGER BROKERS (AU) PTY LTD	8,528,211	1.87
SHIRLEY KOADLOW	8,501,325	1.87
WORLDMARK PTY LTD	8,000,000	1.76
SAM LAU	7,797,845	1.71
DONALD MALCOLM MORRIS & VERITY ANNE MORRIS	5,850,000	1.29
MR ANDREW KENNETH BRUCE MORTIMER	5,289,066	1.16
MRS ZENA DABAJA	4,889,443	1.07
ADRIAN LAU	4,335,200	0.95
GERALD LAU	4,335,200	0.95
	336,575,331	73.92

C. Substantial holders

Substantial holders in the group are set out below:

	Number held	Percentage
HUB	44,874,442	9.86%
LK Group Investments Pty Ltd	44,210,526	9.93%
Netwealth Group Limited	34,359,729	7.55%
Maitreyee Khire and Manas Patankar	20,751,243	4.70%

Substantial holdings are based on the last notice for each holder lodged on the Australian Stock Exchange (ASX).